



DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY
 1000 NAVY PENTAGON
 WASHINGTON, DC 20350-1000

13 January 05

MEMORANDUM FOR CHAIR, SUPPLY AND STORAGE JOINT CROSS SERVICE GROUP

Subj: PROVISION OF CERTIFIED DEPARTMENT OF THE NAVY DATA TO THE BRAC
 2005 SUPPLY AND STORAGE JOINT CROSS SERVICE GROUP

- Encl: (1) Certified Scenario Supplemental Data Call S&S-0043
 (CO MCLB Albany GA)
 (2) Certified Scenario Supplemental Data Call S&S-0043
 (NAVICP Philadelphia PA)
 (3) Certified Scenario Supplemental Data Call S&S-0044
 (CO MCLB Albany GA)
 (4) Certified Scenario Supplemental Data Call S&S-0044
 (NAVICP Philadelphia PA)
 (5) Certified Scenario Supplemental Data Call S&S-0045
 (CO MCLB Albany GA)
 (6) Certified Scenario Supplemental Data Call S&S-0045
 (NAVICP Philadelphia PA)

In compliance with both the Office of the Secretary of Defense (OSD) Internal Control Plan (ICP) for the Base Realignment and Closure Process, Appendix B to Under Secretary of Defense (Acquisition, Technology and Logistics) Memorandum "Transformation Through Base Realignment and Closure (BRAC 2005) Policy Memorandum One - Policy, Responsibilities, and Procedures," dated 16 April 2003, and the Department of the Navy Procedures for Certification of BRAC 2005 Information, enclosure (1) to Secretary of the Navy Memorandum "Internal Control Plan for Management of the Department of the Navy 2005 Base Closure and Realignment (BRAC) Process Policy Advisory Two," dated 27 June 2003, this memorandum is a certification of Department of the Navy (DON) data provided to the Supply and Storage (S&S) Joint Cross Service Group (JCSG) for its use in analyzing common business support functions. The data consists of certified responses to Scenario Supplemental Data Calls S&S-0043, S&S-0044, and S&S-0045 as listed in enclosures (1) through (6), and are provided to the S&S JCSG via posting to the portal.

During the course of our initial quality assurance review of the data, we discovered no areas where we believe the data is incorrect, incomplete, or in need of further clarification. However, we anticipate that other areas of concern may be identified as we continue our quality assurance process. The S&S JCSG may also find during the course of its analysis of the data, additional areas requiring clarification or supplementation, and request additional data be collected. Updated certified data will be collected by the IAT and provided to the S&S JCSG as it becomes available.

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Subject to the foregoing, I certify that the information is
accurate and complete to the best of my knowledge and belief.



Anne Rathmell Davis
Special Assistant to the Secretary of the Navy
for Base Realignment and Closure

cc:
O-6/GS-15 Lead, S&S JCSG
Navy & Marine Corps S&S JCSG Principals

DoN Number	DoD Number	Answer Text S	Question Text	CO_MCLB_ALBANY_GA
			IAT DUE DATE: 11 JANUARY 2005, 1200 E.S.T. THIS SUPPLEMENTAL SCENARIO DATA CALL CORRESPONDS TO A SCENARIO DATA CALL THAT HAD THE FOLLOWING ACTIONS AND ASSUMPTIONS. THE SCENARIO ACTIONS ENUMERATED HERE ARE CRITICAL TO ANSWERING ALL OF THE FOLLOWING QUESTIONS. ONCE YOU HAVE READ AND UNDERSTAND THE SCENARIO DESCRIPTION, SELECT "YES" AND PROCEED. THROUGHOUT THIS DATA CALL THERE ARE REFERENCES WITHIN THE QUESTIONS TO "DATA CALL 2: CRITERION FIVE, 17 JUNE." THIS DATA CALL WAS COMPLETED FOR GEOGRAPHIC SPECIFIC LOCATIONS, GENERALLY RESPONDED TO BY INSTALLATION COMMANDERS OR EQUIVALENT, FOR ALL ACTIVITIES AT THAT LOCATION. INDIVIDUAL ACTIVITIES THAT DID NOT COMPLETE RESPONSES FOR DATA CALL 2: CRITERION FIVE MUST COORDINATE WITH THE BRAC OFFICE AT THEIR RESPECTIVE INSTALLATION COMMANDER TO ENSURE CONSISTENCY WITH THESE ANSWERS WHERE APPLICABLE. Scenario Number: S&S-0043 Scenario Title: Privatize Wholesale Supply, Storage and Distribution of Tires For the purpose of this Scenario Data Call, the following	
	216049	1	BRAC Actions are being considered for analysis: Action 1:	YES
	216050	1	As of 30 Sep 04, what was the inventory dollar value of your tire inventory?	<Link>
	216051	1	What administrative space will be freed up if supply, storage, and distribution of this commodity (tires) is privatized?	<Link>
	216052	1	What suggestions do you have for the most efficient and effective implementation of this scenario?	MCLB Albany does not have wholesale management responsibilities or inventory of this commodity. However, GSA maintains a variety of Indefinite Delivery Indefinite Quantity contractual relationships with vendors. These contracts are based upon the customer specifications, quantities forecasted, acceptable order ship times and any other special requirements. Recommend a review of this method be considered when seeking privatization.
	216053	1	The Navy already has a PBL contract for aircraft tires. Can this be expanded to include all DoD tires and be shifted to DLA for management? If so, how? If not, why? What are the cost and personnel implications for this?	<not targeted>
	216054	1	What are the contract termination costs for the existing PBL contract assuming the contract is terminated and a new contract is awarded by DLA?	<not targeted>

Enclosure (1)

DOD 216050

Activity	Row Headings	Row Num.	Order Text Seq.	AMOUNT	RATIONALE
CO_MCLB_ALBANY_GA	AVIATION	1	1	0	NOT MANAGED
CO_MCLB_ALBANY_GA	GROUND	2	1	0	NOT MANAGED
CO_MCLB_ALBANY_GA	MARITIME	3	1	0	NOT MANAGED

Enclosure (1)

Doc 216051

Activity	Row Num.	wer	Text	Seq. N	BUILDING NUMBER	ADMINISTRATIVE USE	FREED SPACE	RATIONALE
CO_MCLB_ALBANY_GA	1		1		0	DISTRIBUTION	0	NOT MANAGED
CO_MCLB_ALBANY_GA	2		1		0	STORAGE	0	NOT MANAGED
CO_MCLB_ALBANY_GA	3		1		0	SUPPLY	0	NOT MANAGED

Enclosure (1)

DoN Number	DoD Number	Answer Text S	Question Text	NAVICP_PHILADELPHIA_PA
			IAT DUE DATE: 11 JANUARY 2005, 1200 E.S.T. THIS SUPPLEMENTAL SCENARIO DATA CALL CORRESPONDS TO A SCENARIO DATA CALL THAT HAD THE FOLLOWING ACTIONS AND ASSUMPTIONS. THE SCENARIO ACTIONS ENUMERATED HERE ARE CRITICAL TO ANSWERING ALL OF THE FOLLOWING QUESTIONS. ONCE YOU HAVE READ AND UNDERSTAND THE SCENARIO DESCRIPTION, SELECT "YES" AND PROCEED. THROUGHOUT THIS DATA CALL THERE ARE REFERENCES WITHIN THE QUESTIONS TO "DATA CALL 2: CRITERION FIVE, 17 JUNE." THIS DATA CALL WAS COMPLETED FOR GEOGRAPHIC SPECIFIC LOCATIONS, GENERALLY RESPONDED TO BY INSTALLATION COMMANDERS OR EQUIVALENT, FOR ALL ACTIVITIES AT THAT LOCATION. INDIVIDUAL ACTIVITIES THAT DID NOT COMPLETE RESPONSES FOR DATA CALL 2: CRITERION FIVE MUST COORDINATE WITH THE BRAC OFFICE AT THEIR RESPECTIVE INSTALLATION COMMANDER TO ENSURE CONSISTENCY WITH THESE ANSWERS WHERE APPLICABLE. Scenario Number: S&S-0043 Scenario Title: Privatize Wholesale Supply, Storage and Distribution of Tires For the purpose of this Scenario Data Call, the following BRAC Actions are being considered	
	216049	1	for analysis: Action 1: Disestablish NAVICP Mechanicsburg	YES
	216050	1	As of 30 Sep 04, what was the inventory dollar value of your tire inventory?	<Link>
	216051	1	What administrative space will be freed up if supply, storage, and distribution of this commodity (tires) is privatized?	<Link>
	216052	1	What suggestions do you have for the most efficient and effective implementation of this scenario?	Comments provided in attachment SDC 0043 Supplemental.
	216053	1	The Navy already has a PBL contract for aircraft tires. Can this be expanded to include all DoD tires and be shifted to DLA for management? If so, how? If not, why? What are the cost and personnel implications for this?	<Link>
	216054	1	What are the contract termination costs for the existing PBL contract assuming the contract is terminated and a new contract is awarded by DLA?	<Link>

Enclosure (2)

DoD 216050

Activity	Row Headings	Row Num.	Answer Text	SAMOUNT	RATIONALE
NAVICP_PHILADELPHIA_PA	AVIATION	1	1	1900	Comments provided in attachment SDC 0043 Supplemental. This is the inventory dollar value (at standard price) for 17 Aviation Ground Support Equipments managed at NAVICP Mechanicsburg and Philadelphia.
NAVICP_PHILADELPHIA_PA	GROUND	2	1	465	
NAVICP_PHILADELPHIA_PA	MARITIME	3	1	0	No tire items for Maritime.

Enclosure (2)

DOD 216051

Activity	Row Num.	Answer Text	BUILDING NUMBER	ADMINISTRATIVE USE	FREED SPACE	RATIONALE
NAVICP_PHILADELPHIA_PA	1	1	1			No administrative space would be freed since this scenario impacts less than 0.1 a full FTE.

Enclosure (2)

#52 - What suggestions do you have for the most efficient and effective implementation of this scenario?

The Navy's PBL contract for aviation tires was awarded in February of 2001 as a 15 year, competitive, firm fixed price, best value acquisition. The Navy has the option to renew the contract in 2006 and 2011. The contractor serves as the single supply chain integrator for Navy aircraft tires and is responsible for requirements forecasting, inventory management, retrograde management, stowage and transportation.

Significant savings have been realized and contractor performance has been superb to date. Since contractor performance began, Navy and Marine Corps aircraft tire readiness is at its highest level ever including zero backorders. To date, the contractor has delivered over 120K tires with a cumulative on-time delivery of 98.03% against a contract metric of 95%. Government-owned wholesale inventory has been reduced from 50K tires to approximately 5K tires with the contractor bearing all inventory holding costs. In addition, retail allowances were drawn down by approximately 65% due to the increased wholesale availability. It is estimated this contract will afford the Navy a cost savings/avoidance of \$48.8M over the 15-year term.

A performance-based contract of this type should be considered for all service tires. For the Navy, it is mandatory that the performance, price and reduced inventory levels be maintained.

From a price and performance perspective, the Navy has a favorable contract through 2016. It could be anticipated with a reasonably high degree of certainty that the other services could combine requirements and put in place a similar performance-based contract that would yield similar advantages to that which the Navy currently benefits. It is unknown whether possible economies of scale from a higher-volume, combined contract could match the advantages the Navy will benefit from through 2016.

#53 - The Navy already has a PBL contract for aircraft tires. Can this be expanded to include all DoD tires and be shifted to DLA for management?

No, the current contract could only be expanded after a separate competition for the additional items, and only if Michelin was the successful offeror. Management of the existing contract could be shifted to DLA.

54 - What are the contract termination costs for the existing PBL contract assuming the contract is terminated and a new contract is awarded by DLA?

The contract is a requirements contract that requires all Navy requirements for these items to be ordered there under during the effective period of the contract. While there would be termination costs during the effective period of the contract, these costs are not explicitly stated and cannot be estimated.

There is a real potential for considerable increased Navy costs for aviation tire support were the requirement to be resolicited. Michelin has requested a price increase (denied) to compensate for substantial security charges for deliveries to Iraq. Also, recent increases in fuel costs are being absorbed by the contractor, as are premiums for tire removal in California due to environmental regulations. This, coupled with Michelin's superior performance, makes it highly probable that the contractor will use its competitive advantage to retain the business and incorporate a cost increase in future offers.

It would also be crucial that another performance-based contract with equal or superior terms be in place before terminating the Navy contract. If not, wholesale inventory would return to a level similar to what it was prior to the performance-based contract and the Navy would resume paying for the

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associated inventory holding costs. In addition, availability would return to a level similar to what it was prior to the performance-based contract. This degraded wholesale availability would negatively impact readiness and result in the need for retail inventory levels to be reconstituted, also at considerable cost.

DoN Number	DoD Number	Answer Text S	Question Text	CO_MCLB_ALBANY_GA
	217049	1	IAT DUE DATE: 11 JANUARY 2005, 1200 E.S.T. THIS SUPPLEMENTAL SCENARIO DATA CALL CORRESPONDS TO A SCENARIO DATA CALL THAT HAD THE FOLLOWING ACTIONS AND ASSUMPTIONS. THE SCENARIO ACTIONS ENUMERATED HERE ARE CRITICAL TO ANSWERING ALL OF THE FOLLOWING QUESTIONS. ONCE YOU HAVE READ AND UNDERSTAND THE SCENARIO DESCRIPTION, SELECT "YES" AND PROCEED. THROUGHOUT THIS DATA CALL THERE ARE REFERENCES WITHIN THE QUESTIONS TO "DATA CALL 2: CRITERION FIVE, 17 JUNE." THIS DATA CALL WAS COMPLETED FOR GEOGRAPHIC SPECIFIC LOCATIONS, GENERALLY RESPONDED TO BY INSTALLATION COMMANDERS OR EQUIVALENT, FOR ALL ACTIVITIES AT THAT LOCATION. INDIVIDUAL ACTIVITIES THAT DID NOT COMPLETE RESPONSES FOR DATA CALL 2: CRITERION FIVE MUST COORDINATE WITH THE BRAC OFFICE AT THEIR RESPECTIVE INSTALLATION COMMANDER TO ENSURE CONSISTENCY WITH THESE ANSWERS WHERE APPLICABLE. Scenario Number: S&S-0044 Scenario Title: Privatize Wholesale Supply, Storage and Distribution of Packaged POL Products For the purpose of this Scenario Data Call, the following BRAC Actions are being considered for analysis: Action 1: Disestablish NAVICP	YES
	217050	1	As of 30 Sep 04, what was the acquisition value of your packaged petroleum products inventory?	<Link>
	217051	1	What administrative space will be freed up if supply, storage and distribution of this commodity (packaged petroleum products) is privatized?	<Link>
	217052	1	What suggestions do you have for the most efficient and effective implementation of this scenario?	MCLB Albany does not have wholesale management responsibilities or inventory of this commodity. However, GSA maintains a variety of Indefinite Delivery Indefinite Quantity contractual relationships with vendors. These contracts are based upon the customer specifications, quantities forecasted, acceptable order ship times and any other special requirements. Recommend a review of this method be considered when seeking privatization.

Enclosure (3)

DoD 217050

Activity	Row Num.	Answer Text	PACKAGED PETROLEUM	RATIONALE
CO_MCLB_ALBANY_GA	1	1	0	NOT MANAGED

Enclosure (3)

DcD 217 051

Activity	Row Num.	Answer Text	BUILDING NUMBER	ADMINISTRATIVE USE	FREED SPACE	RATIONALE
CO_MCLB_ALBANY_GA	1	1	0	DISTRIBUTION		0 NOT MANAGED
CO_MCLB_ALBANY_GA	2	1	0	STORAGE		0 NOT MANAGED
CO_MCLB_ALBANY_GA	3	1	0	SUPPLY		0 NOT MANAGED

Enclosure (3)

DoN Number	DoD Number	Answer Text S	Question Text	NAVICP_PHILADELPHIA_PA
	217049	1	IAT DUE DATE: 11 JANUARY 2005, 1200 E.S.T. THIS SUPPLEMENTAL SCENARIO DATA CALL CORRESPONDS TO A SCENARIO DATA CALL THAT HAD THE FOLLOWING ACTIONS AND ASSUMPTIONS. THE SCENARIO ACTIONS ENUMERATED HERE ARE CRITICAL TO ANSWERING ALL OF THE FOLLOWING QUESTIONS. ONCE YOU HAVE READ AND UNDERSTAND THE SCENARIO DESCRIPTION, SELECT "YES" AND PROCEED. THROUGHOUT THIS DATA CALL THERE ARE REFERENCES WITHIN THE QUESTIONS TO "DATA CALL 2: CRITERION FIVE, 17 JUNE." THIS DATA CALL WAS COMPLETED FOR GEOGRAPHIC SPECIFIC LOCATIONS, GENERALLY RESPONDED TO BY INSTALLATION COMMANDERS OR EQUIVALENT, FOR ALL ACTIVITIES AT THAT LOCATION. INDIVIDUAL ACTIVITIES THAT DID NOT COMPLETE RESPONSES FOR DATA CALL 2: CRITERION FIVE MUST COORDINATE WITH THE BRAC OFFICE AT THEIR RESPECTIVE INSTALLATION COMMANDER TO ENSURE CONSISTENCY WITH THESE ANSWERS WHERE APPLICABLE. Scenario Number: S&S-0044 Scenario Title: Privatize Wholesale Supply, Storage and Distribution of Packaged POL Products For the purpose of this Scenario Data Call, the following BRAC Actions are being considered for analysis: Action 1: Disestablish NAVICP	YES
	217050	1	As of 30 Sep 04, what was the acquisition value of your packaged petroleum products inventory?	<Link>
	217051	1	What administrative space will be freed up if supply, storage and distribution of this commodity (packaged petroleum products) is privatized?	<Link>
	217052	1	What suggestions do you have for the most efficient and effective implementation of this scenario?	Recommend a performance-based contract combining all service requirements be used for these commodities.

Enclosure (4)

20D 217050

Activity	Row Num.	Answer Text	PACKAGED PETROLEUM	RATIONALE
NAVICP_PHILADELPHIA_PA	1	1	120.2	The Navy must retain management of 50 NIINs with an inventory dollar value of \$185K due to sensitivity/control requirements.

Enclosure (4)

DOD 217051

Activity	Row Num.	Answer Text	BUILDING NUMBER	ADMINISTRATIVE USE	FREED SPACE	RATIONALE
NAVICP_PHILADELPHIA_PA	1	1	1			No administrative space would be freed since this scenario impacts only one 0 FTE.

DoN Number	DoD Number	Answer Text S	Question Text	CO_MCLB_ALBANY_GA
	218049	1	IAT DUE DATE: 11 JANUARY 2005, 1200 E.S.T. THIS SUPPLEMENTAL SCENARIO DATA CALL CORRESPONDS TO A SCENARIO DATA CALL THAT HAD THE FOLLOWING ACTIONS AND ASSUMPTIONS. THE SCENARIO ACTIONS ENUMERATED HERE ARE CRITICAL TO ANSWERING ALL OF THE FOLLOWING QUESTIONS. ONCE YOU HAVE READ AND UNDERSTAND THE SCENARIO DESCRIPTION, SELECT "YES" AND PROCEED. THROUGHOUT THIS DATA CALL THERE ARE REFERENCES WITHIN THE QUESTIONS TO "DATA CALL 2: CRITERION FIVE, 17 JUNE." THIS DATA CALL WAS COMPLETED FOR GEOGRAPHIC SPECIFIC LOCATIONS, GENERALLY RESPONDED TO BY INSTALLATION COMMANDERS OR EQUIVALENT, FOR ALL ACTIVITIES AT THAT LOCATION. INDIVIDUAL ACTIVITIES THAT DID NOT COMPLETE RESPONSES FOR DATA CALL 2: CRITERION FIVE MUST COORDINATE WITH THE BRAC OFFICE AT THEIR RESPECTIVE INSTALLATION COMMANDER TO ENSURE CONSISTENCY WITH THESE ANSWERS WHERE APPLICABLE. Scenario Number: S&S-0045 Scenario Title: Privatize Wholesale Supply, Storage and Distribution of Compressed Gases For the purpose of this Scenario Data Call, the following BRAC Actions are being considered for analysis: Action 1: Disestablish NAVICF	YES
	218050	1	As of 30 Sep 04, what was the acquisition value of your compressed gases inventory?	<Link>
	218051	1	What administrative space will be freed up if supply, storage and distribution of this commodity is privatized?	<Link>
	218052	1	What suggestions do you have for the most efficient and effective implementation of this scenario?	MCLB Albany does not have wholesale management responsibilities or inventory of this commodity. However, GSA maintains a variety of Indefinite Delivery Indefinite Quantity contractual relationships with vendors. These contracts are based upon the customer specifications, quantities forecasted, acceptable order ship times and any other special requirements. Recommend a review of this method be considered when seeking privatization.

Enclosure (5)

DOD 218050

Activity	Row Num.	Answer Text	SCOMPRESSED GASES IN	RATIONALE
CO_MCLB_ALBANY_GA	1	1	0	NOT MANAGED

Enclosure (5)

DOD 218051

Activity	Row Num.	Answer Text	BUILDING NUMBER	ADMINISTRATIVE USE	FREED SPACE	RATIONALE
CO_MCLB_ALBANY_GA	1		10	DISTRIBUTION		0 NOT MANAGED
CO_MCLB_ALBANY_GA	2		10	STORAGE		0 NOT MANAGED
CO_MCLB_ALBANY_GA	3		10	SUPPLY		0 NOT MANAGED

Enclosure (5)

DoN Number	DoD Number	Answer Text S	Question Text	NAVICP_PHILADELPHIA_PA
			IAT DUE DATE: 11 JANUARY 2005, 1200 E.S.T. THIS SUPPLEMENTAL SCENARIO DATA CALL CORRESPONDS TO A SCENARIO DATA CALL THAT HAD THE FOLLOWING ACTIONS AND ASSUMPTIONS. THE SCENARIO ACTIONS ENUMERATED HERE ARE CRITICAL TO ANSWERING ALL OF THE FOLLOWING QUESTIONS. ONCE YOU HAVE READ AND UNDERSTAND THE SCENARIO DESCRIPTION, SELECT "YES" AND PROCEED. THROUGHOUT THIS DATA CALL THERE ARE REFERENCES WITHIN THE QUESTIONS TO "DATA CALL 2: CRITERION FIVE, 17 JUNE." THIS DATA CALL WAS COMPLETED FOR GEOGRAPHIC SPECIFIC LOCATIONS, GENERALLY RESPONDED TO BY INSTALLATION COMMANDERS OR EQUIVALENT, FOR ALL ACTIVITIES AT THAT LOCATION. INDIVIDUAL ACTIVITIES THAT DID NOT COMPLETE RESPONSES FOR DATA CALL 2: CRITERION FIVE MUST COORDINATE WITH THE BRAC OFFICE AT THEIR RESPECTIVE INSTALLATION COMMANDER TO ENSURE CONSISTENCY WITH THESE ANSWERS WHERE APPLICABLE. Scenario Number: S&S-0045 Scenario Title: Privatize Wholesale Supply, Storage and Distribution of Compressed Gases For the purpose of this Scenario Data Call, the following BRAC Actions are	
	218049	1	being considered for analysis: Action 1: Disestablish NAVICP	YES
	218050	1	As of 30 Sep 04, what was the acquisition value of your compressed gases inventory?	<Link>
	218051	1	What administrative space will be freed up if supply, storage and distribution of this commodity is privatized?	<Link>
	218052	1	What suggestions do you have for the most efficient and effective implementation of this scenario?	Recommend a performance-based contract combining all service requirements be used for these commodities.

Enclosure (6)

Activity	Row Num.	Answer Text	SCOMPRESSED GASES IN RATIONALE
NAVICP_PHILADELPHIA_PA	1	1	The Navy must retain management of 4 NIINs with an inventory dollar value of \$278K due to sensitivity/control requirements. 18

Activity	Row Num.	Answer Text	BUILDING NUMBER	ADMINISTRATIVE USE	FREED SPACE	RATIONALE
NAVICP_PHILADELPHIA_PA	1	1				No administrative space would be freed since this scenario impacts less than 0 a full FTE.

Enclosure (6)