

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

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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: This recommendation is linked with the U.S. Army Human Resources Command and suggests a savings of nearly two billion dollars. However, the Air Force portion of this recommendation results in a six million dollar cost. It encompasses three separate moves which will be dealt with separately that raise concern about a lack of savings, 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 realignment recommendation involving the physical relocation of the Air Reserve Personnel Center to Randolph AFB, TX costs rather than saves millions of dollars. 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 than 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 in 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.

	143 (HS&A - 33)	Hoffman Lease, VA	EREC Indy, IN	ARRPERCEN St. Louis, MO	Ft. Knox, KY	Air Reserve Personnel, CO	Robins AFB, GA	Randolph AFB, TX	Total
2006	-	-	-	-	364	99	41	945	1,449
2007	-	-	-	-	3,070	1,199	527	38	4,834
2008	(8,632)	(4,554)	(28,046)	(83,346)	5,346	(596)	649	-	(35,833)
2009	(64,904)	(8,380)	(83,346)	(83,346)	5,346	(610)	643	184	(151,067)
2010	(64,904)	(8,380)	(83,346)	(83,346)	5,346	(621)	639	11,184	(140,082)
2011	(64,904)	(8,380)	(83,346)	(83,346)	5,346	5,978	746	2,237	(142,323)
Beyond	(64,904)	(8,380)	(83,346)	(83,346)	5,346	(4,532)	82	2,967	(152,767)
0.028									
1	-	-	-	-	359.01	97.64	40.44	932.04	1,429
2	-	-	-	-	2,945.43	1,150.35	505.62	36.46	4,638
3	(8,056.17)	(4,250.21)	(26,175.09)	(75,667.41)	4,989.38	(556.24)	605.71	-	(33,443)
4	(58,924.45)	(7,607.96)	(73,606.43)	(73,606.43)	4,853.48	(553.80)	583.76	167.05	(137,149)
5	(57,319.51)	(7,400.74)	(71,601.58)	(71,601.58)	4,721.28	(548.43)	564.33	9,877.07	(123,712)
6	(55,758.28)	(7,199.16)	(69,651.35)	(69,651.35)	4,592.69	(548.43)	564.33	9,877.07	(123,712)
7	(54,239.57)	(7,003.07)	(67,754.23)	(67,754.23)	4,467.59	(548.43)	564.33	9,877.07	(123,712)
8	(52,762.23)	(6,812.33)	(65,908.78)	(65,908.78)	4,345.91	(548.43)	564.33	9,877.07	(123,712)
9	(51,325.12)	(6,626.78)	(64,113.60)	(64,113.60)	4,227.54	(548.43)	564.33	9,877.07	(123,712)
10	(49,927.16)	(6,446.28)	(62,367.32)	(62,367.32)	4,112.39	(548.43)	564.33	9,877.07	(123,712)
11	(48,567.28)	(6,270.70)	(60,668.60)	(60,668.60)	4,000.38	(548.43)	564.33	9,877.07	(123,712)
12	(47,244.43)	(6,099.91)	(59,016.14)	(59,016.14)	3,891.42	(548.43)	564.33	9,877.07	(123,712)
13	(45,957.62)	(5,933.76)	(57,408.70)	(57,408.70)	3,785.43	(548.43)	564.33	9,877.07	(123,712)
14	(44,705.86)	(5,772.14)	(55,845.04)	(55,845.04)	3,682.32	(548.43)	564.33	9,877.07	(123,712)
15	(43,488.19)	(5,614.92)	(54,323.97)	(54,323.97)	3,582.03	(548.43)	564.33	9,877.07	(123,712)
16	(42,303.68)	(5,461.99)	(52,844.33)	(52,844.33)	3,484.46	(548.43)	564.33	9,877.07	(123,712)
17	(41,151.44)	(5,313.22)	(51,404.99)	(51,404.99)	3,389.55	(548.43)	564.33	9,877.07	(123,712)
18	(40,030.59)	(5,168.50)	(50,004.85)	(50,004.85)	3,297.23	(548.43)	564.33	9,877.07	(123,712)
19	(38,940.26)	(5,027.72)	(48,642.85)	(48,642.85)	3,207.42	(548.43)	564.33	9,877.07	(123,712)
20	(37,879.63)	(4,890.78)	(47,312.06)	(47,312.06)	3,120.06	(548.43)	564.33	9,877.07	(123,712)
20yr NPV	(818,581)	(108,900)	(1,067,005)	75,055	(39,860)	3,747	42,124	(1,913,421)	
			Sum of Part 1	(1,919,432)		Sum of Part 2	6,011		

20yr NPV

