



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

MAR 14 2005

MEMORANDUM FOR CHAIRMEN, JOINT CROSS-SERVICE GROUPS (JCSGs)

SUBJECT: Identification of Additional Efficiencies Through Consolidation of Like Functions

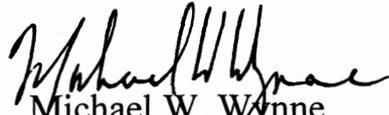
At the March 4th ISG briefing, the principals discussed the conditions under which each JCSG might identify additional savings when consolidating like functions for its candidate recommendations. The analysis completed by the Industrial JCSG, which I chair, indicated that such consolidations allowed for significant additional savings above the amounts currently in the IJCSG COBRA analyses. In a specific scenario studied we identified a 30 percent reduction in total indirect and overhead costs for the relocating functions beyond previously identified savings. Similar additional legitimate BRAC savings are likely to exist among your candidate recommendations.

To ensure that we reflect proper levels of potential savings, each JCSG should undertake similar assessments to discern possibilities for increased efficiencies accrued from consolidating its like functions. As conditions and opportunities for savings may vary, each JCSG should review their candidate recommendations independently to determine the potential for savings and cost reductions beyond those currently reflected in the COBRA analyses of their candidate recommendations. Any newly identified savings should be included in the COBRA model for that candidate recommendation.

Each JCSG should also perform this analysis for any scenarios that it rejected because of lengthy paybacks to ensure that we are not overlooking attractive additional candidate recommendations.



I appreciate your efforts to carry out these analyses and identify additional savings through the BRAC process. If you have questions, please contact Pete Potochney, Director, BRAC, at 614-5356.



Michael W. Wynne
Acting USD (Acquisition, Technology &
Logistics)
Chairman, Infrastructure Steering Group

cc: ISG members

Attachments:
As stated