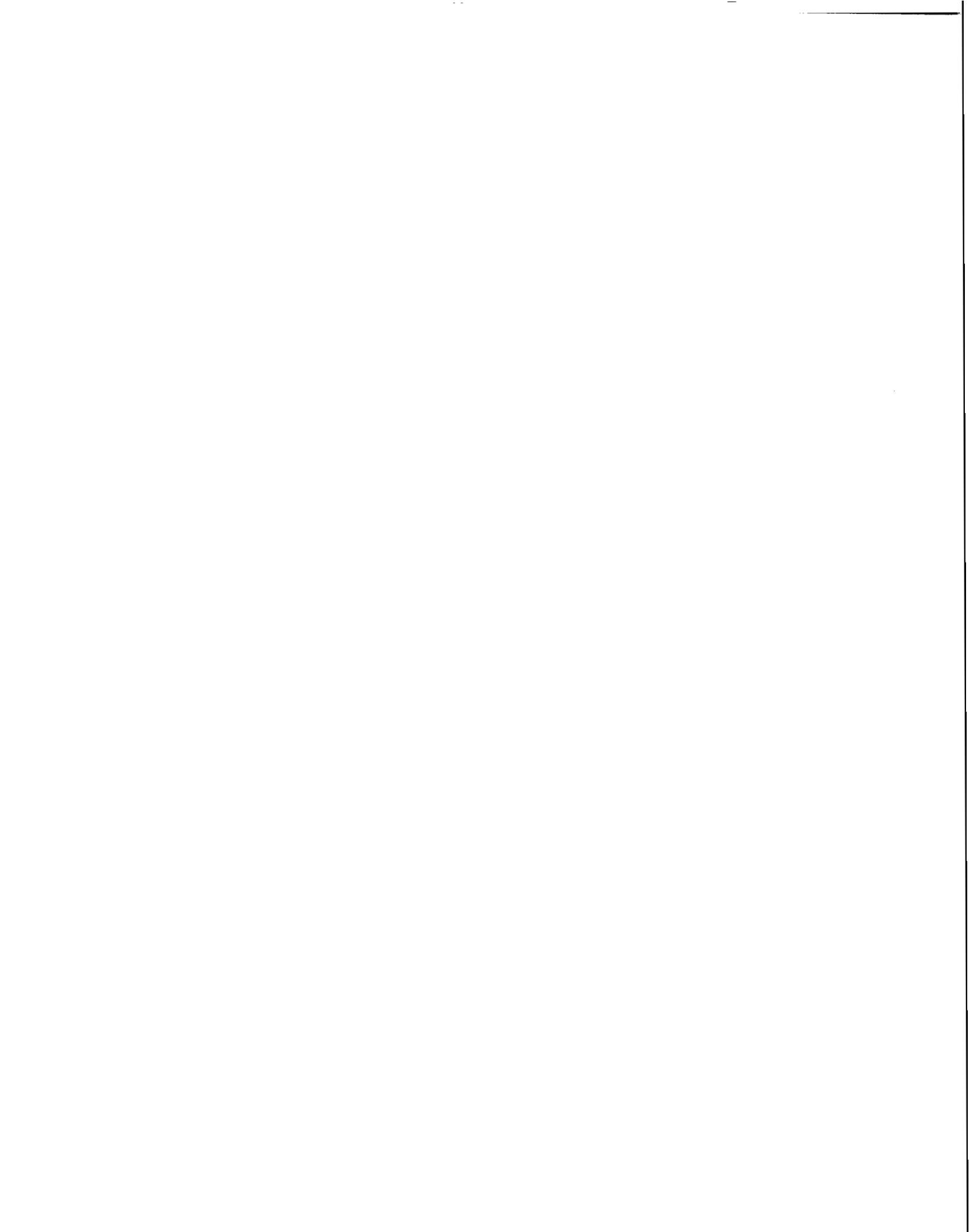


Itinerary
 Honorable Al Cornella
 Commissioner
 Defense Base Closure and Realignment Commission
 7 April 1995

| <u>TIME</u> | <u>EVENT</u> | <u>RESPONSIBLE</u> | <u>LOCATION</u> |
|------------------------|--|-------------------------------------|-----------------|
| 0800 - 0900 | Command Brief | BG Beauchamp | Conf Rm A & B |
| 0900 - 0920 | Process Improvement | COL Sheldon | Conf Rm A & B |
| 0920 - 0930 | BREAK | | |
| 0930 - 1015 | Community Groups | Congressman Borski Mayor Rendell | Conf Rm A & B |
| 1015 - 1130 | Tour of Facility & Demonstrations | BG Beauchamp | |
| (1015 - 1030) | Bus. Devel. Ctr. | Joan Tobin | Bldg 36 |
| (1030 - 1100) | Windshield Tour | BG Beauchamp Harvey Hirsch (ASO) | |
| (1100 - 1115) | CBU - U | Chris Cosfol | Bldg 4 |
| TIME PERMITTING | | | |
| (1115 - 1130) | CBU - Y Electronic Bulletin Board System | LTC Burke | Bldg 3 |
| 1130 - 1145 | NAESU Community Group | | Bldg 2 |
| 1130 - 1215 | NATSE Community Group | | Bldg 2 |
| 1215 - 1230 | Media Availability | | Bldg 36 |
| 1230 | Depart for Warminster | | |



FMA



FEDERAL MANAGERS ASSOCIATION

ANALYSIS OF DLA

BRAC-95 ICP

PROPOSAL

6 APR 95

**DETAILED PACKAGE FOR MS. MARILYN WASLESKI
(BRAC COMMISSION - DLA STAFF REPRESENTATIVE)**

DEFENSE INDUSTRIAL SUPPLY CENTER (DISC)

RECOMMENDATION:

Disestablish DISC. Distribute the management of Federal Supply Classes (FSCs) within the remaining DLA Inventory Control Points (ICPs). Create one ICP for the management of troop and general support items at the Defense Personnel Support Center (DPSC) in Philadelphia, PA. Create two ICPs from the management of weapon system related FSCs at the Defense Construction Supply Center (DCSC) in Columbus, OH, and the Defense General Supply Center (DGSC) in Richmond, VA.

COSTS/SAVINGS:

| | |
|----------------------------|------------------|
| One-Time Costs: | \$16.9M |
| Steady State: | \$18.4M (FY 01) |
| 20 Year Net Present Value: | \$236.5M |
| Return on Investment Year | 1999 (Immediate) |
| Start Year | 1996 |
| End Year | 1999 |

RATIONALE FOR RECOMMENDATION:

DLA is fundamentally changing the way it organizes to manage items in the military supply system. As a result, one ICP managing troop and general support items and two ICPs managing weapon system items will be created. DISC had the lowest military value of the three hardware ICPs. It also is the smallest DLA ICP. Closing DISC and delaying the relocation of DPSC to the ASO compound (directed in BRAC 93) allows the Agency to achieve a substantial cost avoidance by back-filling the space already occupied by DISC and avoiding renovation of warehouse space.

WHY OTHER ICPS WERE NOT SELECTED:

DPSC is almost entirely a troop support ICP. No other ICP currently manages troop support items. The percentage of general support items at other ICPs is relatively small. Singling-up troop and general support items under DPSC management is the most logical course of action.

DCSC and DGSC are host activities of compounds which house a number of DLA and non-DLA activities, conforming to the DLA decision rules concerning maximizing the use of shared overhead and making optimum use of retained DLA-operated facilities. Both Richmond and Columbus have high installation military value, and take advantage of the synergy of a collocated Depot. Both have considerable expansion capability. The facilities at DGSC are the best maintained of any in DLA, while DCSC has a new building in progress and another planned.

RISK ASSESSMENT:

The risk attendant on the recommendation is moderate. Weapon system items are managed in a fundamentally different way than troop and general support items. Both DCSC and DGSC already manage weapon system items and are accustomed (as a result of consumable item transfers and normal reassignment of FSCs) to assuming new related workload. DPSC has always managed items more commercial in nature, and should be able to assume the management of additional general support items without difficulty. Furthermore, implementation will take place over a four year period, which will allow personnel to be retrained and minimize personnel disruption within the Supply Management community.

PERSONNEL IMPACTS:

Personnel requirements at the end of FY 99 were determined based on the number of personnel supporting the various supply classes. However, the number of billets moved, and to where they were moved was predicated on minimizing the disruption to Supply Management personnel. Therefore, although the amount of general support workload transferred from DISC will be small, the majority of the additional billets which the troop and general support ICP will require were transferred from DISC to DPSC.

Personnel Positions Transferred:

DISC to DPSC 510 civilians and 13 military
DISC to DGSC 323 civilians and 12 military

Personnel Positions Eliminated:

DISC 46 civilians and 4 military
(Net impact on Philadelphia = -369 civilians and 16 military)
DCSC 358 civilians and no military

PERSONNEL REDUCTION METHODOLOGY (COBRA):

The Executive Group determined that the synergy which would be achieved by grouping items requiring the same type of management would result in saving 5% of direct labor, and 25% of indirect labor. In accordance with the intent of the National Performance Review, the Executive Group further determined that 50 percent of the general and administrative overhead associated with FSCs would be saved by consolidation. (General and administrative overhead associated with base operations would be eliminated only if an installation were closed.) Those percentages, applied to the equivalents supporting moving workload, determined labor requirements at any given site for each scenario considered.

MILITARY VALUE:

Military Value ranking in category: DISC was the lowest ranking of the three hardware centers. (See charts at enclosure 1.)

Installation Military Value: N/A

Military Value Point Distribution Methodology:

Points were assigned to the hardware centers based on the certified data. In most cases, the "best" answer received the total points available, and the others received a proportion of the points based on the relationship of their answer to the "best" answer. Age of buildings (under Mission Suitability) was determined based on an average age of all buildings, normalized by the number of square feet in each. Building condition (also under Mission Suitability) was determined by comparing the Long Range Maintenance Planning data developed by the Norfolk Public Works Center to the expected cyclic maintenance requirements of a new building, again, normalized by square footage.

EXCESS CAPACITY:

ICP Excess Capacity Analysis

| | DCSC | DFSC | DGSC | DISC | DPSC |
|---------------------------|---------|------|-------|-------|-------|
| Exist Admin Space | 1,631 K | 49 K | 584 K | 282 K | 523 K |
| Add People in Exist Space | 3,835 | 0 | 1,247 | 108 | 0 |
| Buildable Acres | 77 | 0 | 37 | 9 | 0 |

WORKLOAD DATA:

| | Weapon System I | Weapon System II | Troop & General |
|-------------------|-----------------|------------------|-----------------|
| Workload: | | | |
| NSNs | 1.65M | 1.45M | 0.45M |
| Act. Stocked NSNs | 608K | 503K | 183K |
| Prs w/o DOs | 243K | 218K | 297K |
| Gross Sales | \$1.44B | \$1.2B | \$4.18B |

FACILITY DATA:

Facility Age: 48 Years
Facility Condition:
Ranking 3 of 3 for Hardware ICPs.

MILCON:

As a result of this recommendation, there will be a Military Construction cost avoidance of \$28. million.

Defense supply workers argue against base closing

by Paul Maryniak

Daily News Staff Writer

A top Pentagon official's letter about the Defense Industrial Supply Center's future in Northeast Philadelphia has done little to calm the anxiety of 1,800 workers who fear the loss of their jobs.

And those employees plan today to tell a visiting member of the base closing commission that closing the supply center would be costly to taxpayers and potentially harmful to the nation's military preparedness.

"The entire issue of readiness is not being addressed in this discussion," said Edward "Ted" Kelly, a Northeast resident who works as a liaison between the supply center and all of the branches of the armed forces.

"As a taxpayer, I expect our armed forces to be ready to go anywhere in the world when they're ordered to," he said. "If they close DISC, they'll have to start the learning curve all over again."

When proposed base closings were announced in February, Pentagon officials said they expect to do some tinkering that would result in net loss of only about 380 jobs to Philadelphia.

But a few weeks later, it became clear that the potential cost was much steeper because the Defense Department wants to "disestablish" the supply center. While that move would not result in fewer total defense job slots in the city, it could mean all 1,800 the supply center workers would be replaced by other workers.

The Rendell administration opposes that move and plans to give that message to Al Cornella, a base closing commission member and North Dakota businessman who is touring the supply center and other military installations here.

Neither the mayor's aides nor the supply center employees believe that Vice Admiral Edward M. Straw's recent letter to U.S. Rep. Robert Borski, D-Pa., allays the workers' fears.

Straw, whose agency oversees base-closing activity, said the "loyal and skilled men and women" — at the supply center — "will not be forgotten or set aside in our planning." But he did not say that his agency had reconsidered its plans to "disestablish" the supply center.

The Pentagon's plans have rekindled the stress the workers felt for months two years ago, when it tried to close the supply center.

"I've got a baby coming next month and now my wife has to worry whether I'll have a job," said Kelly, who has spent two of his 10 years as a Defense Department employee at the supply center.

The supply center is the nation's nuts and bolts supplier for all the armed forces. It deals with vendors of screws, metal rivets, cable, rope and other kinds of basic hardware needed for ships, vehicles and planes.

In recent years, employees and city officials say, the supply center workers have revamped their operation to ensure quicker and more efficient delivery of those parts to the military.

Closing down the operation and transferring it elsewhere would disrupt that smooth flow for years, they add.

"This is not something that can be done overnight and we've got it pretty good to perfection," said Pat Buckwalter, a 22-year veteran supply center worker.

The thing no one can figure out is why they want to do it," said Kelly. "The services don't care where they get the parts from as long as they get them when they need them."

Added Buckwalter: "This isn't a downsizing move; it's a stupid move." ■

The 1993 Base Closure and Realignment Commission directed the relocation of DPSC to the Aviation Support Office (ASO) complex in Northese Philadelphia, and the closure of DESC and relocation of its mission to DCSC in Columbus, OH. Due to Force Structure drawdowns, the amount of space which will have to be renovated at the ASO complex and at the DCSC complex to accommodate those BRAC 93 recommendations will be reduced. The disestablishment of DISC and the realignment of DCSC and DGSC will result in a cost avoidance of \$25.5 million at ASO and \$3.1 million at DCSC.

ECONOMIC IMPACT:

| | |
|-----------------------|--------------------------|
| -385 Direct | |
| -813 Indirect | Cumulative: -31,744 Jobs |
| -1198 (Less than .1%) | -1.2% |

ENVIRONMENTAL IMPACT

We reviewd all environmental conditions present at this installation. DISC is located in an area that is in nonattainment for ozone, nitrogen dioxide, and carbon monoxide. DISC must implement an employee trip program to comply with state implementations plan actions. The EG concluded that environmental considerations do not prohibit this recommendation.

COMMUNITY IMPACT

DLA conducted a comprehensive analysis of the ability of each DLA community to support additional mission and personnel. We collected community-specific data in infrastructure, cost of living, and quality of life areas. All data was provided by DLA activities located in the affected communities. All data was certified as being accurate by the DLA field activity commander. All recommended receiving communities were assessed assuming all new hires into the area would come from outside the area and that these new hires would all have dependents who would relocate in the area as well.

The Richmond, VA, area stands to receive 359 additional personnel as result of DLA's BRAC 95 recommendations (335 from DISC, 24 from Memphis). Analysis of the community data for the Richmond area indicates that it can absorb this increase to its population base.

MAP - (See enclosure 2.)

2 Encl

DSC ITEM TRANSFER HISTORY

| | CIT - PHASE 1 (1991-1995) | | | | CIT PHASE 2 (1996-1997) | | |
|------------|---------------------------|----------------|---------------|----------------|-------------------------|----------------|-------|
| | CIT | TRANSFERRED | REMAINING | | TOTAL | CIT | TOTAL |
| <u>DSC</u> | (1982) | | | | | | |
| DISC | 41,536 | 130,247 | 24,501 | 154,748 | T | | |
| DCSC | 50,360 | 146,844 | 15,221 | 162,065 | B | | |
| DESC | 56,012 | 182,672 | 16,884 | 199,556 | D | | |
| DGSC | <u>62,487</u> | <u>219,274</u> | <u>20,734</u> | <u>240,008</u> | | | |
| TOTAL | 210,395 | 679,037 | 77,340 | 756,377 | | <u>280,000</u> | |

CUMULATIVE TOTAL = 1,246,772 (OVER 15 YEARS)

PROPOSED BRAC TRANSFERS = 2,407,330 (INCL DESC)

Facsimile Header Page

Defense Industrial Supply Center
 Product Services
 (Engineering & Standardization)
 700 Robbins Avenue
 Philadelphia PA 19111-5096



SUBJECT: ITEM TRANSFER COSTS

TO: MARILYN WASLESKI **Office:** BAC COMM.

FAX Num: (703) 696-0550 **Voice Num:** _____

Message

Marilyn -
 Attached is directive just received this morning from DLA which further requests cost data on item transfers. Based on the detailed categories cited in the request, it would appear that DLA acknowledges that there are such costs. I am sending copy to Barry also.

AL

FROM: AL CAPIELLA **OFFICE:** DISC-EEP

FAX: (215) 697-0311 **VOICE:** (215) 697-4291

DATE: 4/28/95 **# PAGES** 3

(including header)



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY
REFER TO

MMSP-CIMO

28 APR 1995

SUBJECT: Cost of Logistics Reassignments and Return Code Actions

TO: SEE DISTRIBUTION

1. The recent announcement of the Secretary of Defense's 1995 Base Realignment and Closure (BRAC) recommendations has again highlighted the need for detailed documenting of costs associated with the logistic reassignment of items. This information will help DLA determine costs associated with reassignment of Federal Supply Classes. It will also serve as valuable documentation of the actual costs to effect Phase 1 of the Consumable Item Transfer.
2. Request you identify your cost to logistically reassign an item, and the cost to return code an item. This request applies to losing and gaining item managers on both ends of each process. You should consider your entire business process for these activities. Some of the cost elements your reply should address, as applicable, are:
 - a. Preparation/storage of item manager folders.
 - b. Preparation/storage of technical data.
 - c. Receipt processing/review of item manager/technical data/procurement folders.
 - d. Travel to LIM or GIM to conduct site visit, participate in training, provide training.
 - e. Review of candidate items prior to transfer.
 - f. New computer applications, e.g., programming for receipt of or pushing of, Appendix G and H (DoD 4140.26-M) data.
 - g. QA review.

MMSP-CIMO PAGE 2
SUBJECT: Cost of Logistics Reassignments and Return Code Actions

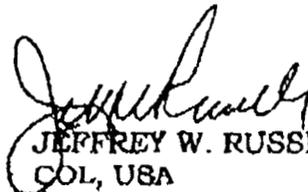
h. Procurement/acquisition related costs, e.g., PR review, addition of new ordering office, special clauses, etc.

i. Shipping/transportation costs.

j. Special duplication/reproduction costs.

3. Your reply NLT 15 May 95 is appreciated.

4. The POC for this action is L. J. Hanna, DSN 667-7330.



JEFFREY W. RUSSELL
COL, USA

Program Manager
Consumable Item Management Office

DISTRIBUTION:

USALOGSA, AMXLS-C (R. Langdon)
MMSP-CIMO-F (W. Howard/S. Lopez)
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HQ MC, I&L, LPP-2 (Maj Pangle)
DCSC-BAC (C. Baker)
DESC-EI (P. Meredith)
DGSC-RPP (S. Langford)
DISC-ROB (R. Booth)

cc:

DPSC-CS (C. Corigliano)
HQ AFMC/LGIM (LTC Domineck)
USAMC, AMXLS-H (K. Emmons)
AMCLG-SM (S. Darden)

Facsimile Header Page

Defense Industrial Supply Center
 Product Services
 (Engineering & Standardization)
 700 Robbins Avenue
 Philadelphia PA 19111-5096



SUBJECT: BRAC DATA

TO: MARILYN WRSLESKI **Office:** BRAC COMM

FAX Num: (703) 696-0550 **Voice Num:** _____

Message

Marilyn -

Here are references per our discussion.

AL

FROM: AL CAPPIELLA **OFFICE:** DISC-EEP

FAX: (215) 697-0311 **VOICE:** (215) 697-4271

DATE: 4/27/95 **# PAGES** 7

(including header)



WASHINGTON, D.C. 20301

July 3, 1990

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
COMPTROLLER
GENERAL COUNSEL
INSPECTOR GENERAL
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: DMRD 926 Inventory Control Point Consolidation Study Report

The attached report was prepared by a joint OSD/Component study team, charged with reviewing the potential for consolidating Inventory Control Point (ICP) activities. I am approving the report recommendations, to include the following major actions:

- Transfer item management responsibility for approximately one million consumable items from the Military Services to the Defense Logistics Agency;
- Direct the Army to develop a plan to realign and consolidate its ICPS to reduce overhead costs, while maintaining responsive and effective logistics support to its operating forces;
- Continue Service management of reparable items, subject to a future reassessment of consolidation and increased interservice integration, as the necessary ADP systems, policies, and support infrastructure are developed; and
- Consolidate cataloging functions.

The Assistant Secretary of Defense for Production and Logistics will oversee implementation and provide me with progress reports. Your continued effort and support are deeply appreciated. These improvements will reduce costs significantly while preserving our readiness and sustainability.

Attachment

12142

Table 2. Impact of the Transfer of 981K Items to DLA
Unadjusted Service Costs
(Constant FY 89 Dollars--Millions)

| | FY91 | FY92 | FY93 | FY94 | FY95 | FY96 |
|-------------------------|--------|--------|--------|--------|-------|------|
| Service Recurring Costs | 3.8 | 28.6 | 57.2 | 83.0 | 88.0 | 88.0 |
| DLA Recurring Costs | 3.8 | 17.2 | 31.5 | 42.0 | 42.6 | 42.6 |
| Recurring Savings | (0.2) | 11.4 | 25.7 | 41.0 | 45.4 | 45.4 |
| Nonrecurring Costs | 38.1 | 41.4 | 32.2 | 12.7 | 0.0 | 0.0 |
| Net Cumulative Savings | (38.3) | (68.3) | (74.8) | (46.4) | (1.0) | 44.4 |

Table 3. Impact of The Transfer of 981K Items to DLA
Adjusted Service Costs
(Constant FY 89 Dollars--Millions)

| | FY91 | FY92 | FY93 | FY94 | FY95 | FY96 |
|-------------------------|--------|--------|--------|--------|------|------|
| Service Recurring Costs | 3.9 | 31.1 | 62.2 | 90.3 | 95.6 | 95.6 |
| DLA Recurring Costs | 4.1 | 18.8 | 34.2 | 45.7 | 46.3 | 46.3 |
| Recurring Savings | (0.2) | 2.3 | 28.0 | 44.6 | 49.3 | 49.3 |
| Nonrecurring Costs | 40.1 | 43.8 | 34.1 | 13.4 | 0.0 | 0.0 |
| Net Cumulative Savings | (40.4) | (71.2) | (77.9) | (46.7) | 2.6 | 51.9 |

4. Summary. Tables 2 and 3 summarize the costs and savings for the proposed transfer of 981 thousand consumable items to DLA. As noted above, the costs provide for the conventional transfer of data to DLA, rather than electronic transfer. The savings were determined from FY 1989 baseline resource data submitted by the Services. Accordingly, the savings do not consider the impact of any approved personnel reductions previously executed by the Services during FY 1990 or programmed for the FY 1991-1995 timeframe. Complete information on this was not provided by all of the Services, and therefore the adjustments were not included in the analysis. It is critical to note that the bottom line savings must be decremented by the amount of savings resulting from each Service's adjust-

ments in its outyear program. Otherwise, the savings will result in duplicate cuts to Service programs.

C. Conclusions.

- The transfer of Category 1 items to DLA in Phase 1 permits the Services to retain Category 2 items that they identify as requiring special management attention. This will allow enough time to validate the rationale for continued Service management of Category 2 items, develop new filter criteria, where appropriate, and apply the criteria to the Category 2 items in Phase 2.
- The transfer of 981 thousand Category 1 items would produce an estimated recurring annual savings in the range of \$45 million to \$49 million (FY 1989 dollars) beginning in FY 1995.
- The estimated nonrecurring costs range from \$124 million to \$134 million, or higher, if the electronic transfer of engineering data and drawings is established. This addition to the nonrecurring costs would, however, be offset to some degree by a reduction in DLA's nonrecurring costs later in the transfer period.
- The breakeven point occurs in FY 1995.
- All savings are derived from FY 1989 baseline data and do not consider the impact of approved or proposed Service reductions in their outyear programs. The final determination of savings under DMRD 926 must consider these outyear adjustments, and any potential overlaps with other DMRDs, to avoid "double-dipping" on the total savings.
- The mass migration of stock fund assets and their sales base from the Services to DLA and the continuing liability held by the Services for assets under procurement, that will be delivered to DLA, will place each Service's stock fund in danger of insolvency.

D. Recommendations.

- Approve the Phase 1 transfer of 981 thousand consumable items to DLA and the supporting implementation plan contained in Appendix G.
- Approve the Phase 2 proposal to validate the Service rationale for retaining Category 2 items, develop revised criteria, where appropriate, and apply the criteria to Category 2 items.
- Require DLA to identify alternative approaches that would reduce total DoD item transfer costs and DLA's management costs for the Phase 1 items and report the results to the ASD (P&L) by October 1, 1990.

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

SEP 3 1991



SS
MANPOWER
RESERVE AFFAIRS
AND LOGISTICS

MEMORANDUM FOR THE ASSISTANT SECRETARY OF THE ARMY (IL&FM)
ASSISTANT SECRETARY OF THE NAVY (S&L)
ASSISTANT SECRETARY OF THE AIR FORCE (RD&L)
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, JOINT STAFF, JCS

SUBJECT: Realignment of Item Management Assignments

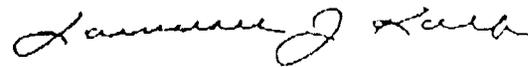
During the August 24 meeting of the Steering Committee for the Consumable Item Transfer, we discussed briefly the issue of determining the costs and savings associated with the transfer. Based upon the discussion, I feel additional guidance is necessary to clarify how this aspect of the transfer will be accomplished and what role the Joint Implementation Group (JIG) will play in its completion.

The JIG charter does not include a requirement to identify and collect costs associated with performing the transfer. This task was not included in the JIG charter because the economic analysis prepared in support of the original proposal to transfer 1.3 million consumables quantified the projected costs and savings and indicated a breakeven point of less than three years. However, since the decision by the Deputy Secretary affects only 200,000 items in lieu of 1.3 million items, a recomputation of the specific nonrecurring costs included in the economic analysis will be useful in evaluating the feasibility of additional transfers.

In order to maintain compatibility with the economic analysis upon which the decision was made, the same costs should be collected during the transfer. The economic analysis includes 14 categories of nonrecurring costs, e.g., costs to transfer item management data, costs to enter item data into the receiving activity's automated system, personnel transfer costs, costs to upgrade automatic data processing equipment, office space, etc. It should be recognized that these include more cost elements than are considered normally in logistical transfers. Some of these cost elements may no longer be necessary in view of our approach to minimize the need for functional transfers, e.g., permanent change of station costs. Accordingly, I expect the JIG to review each of these cost elements and to identify those appropriate for collection during the transfer. A further expansion of these specific cost elements is not necessary. The 14 cost elements are set forth in the enclosure.

The JIG was also requested to identify the net reduction of personnel spaces and determine the dollar savings to be achieved by the reduction in personnel. However, an agreement has been reached with the ASD(Comptroller) that the Services and DLA will be subjected to a net ceiling point adjustment during the subsequent budget process. This approach minimizes the personnel impact of the transfer and enables each Service to accomplish most, if not all, of the personnel reductions through means other than functional transfer, e.g., attrition or application of these resources to new workload elsewhere. The net changes by Service will be based on the overall workload requirements for FY 1982 and FY 1983.

Enclosure
As stated



Lawrence J. Korb
Assistant Secretary of Defense
(Manpower, Reserve Affairs & Logistics)

Costs Included in the Economic Analysis for the
Consumable Item Transfer

I. Logistics Reassignment Costs

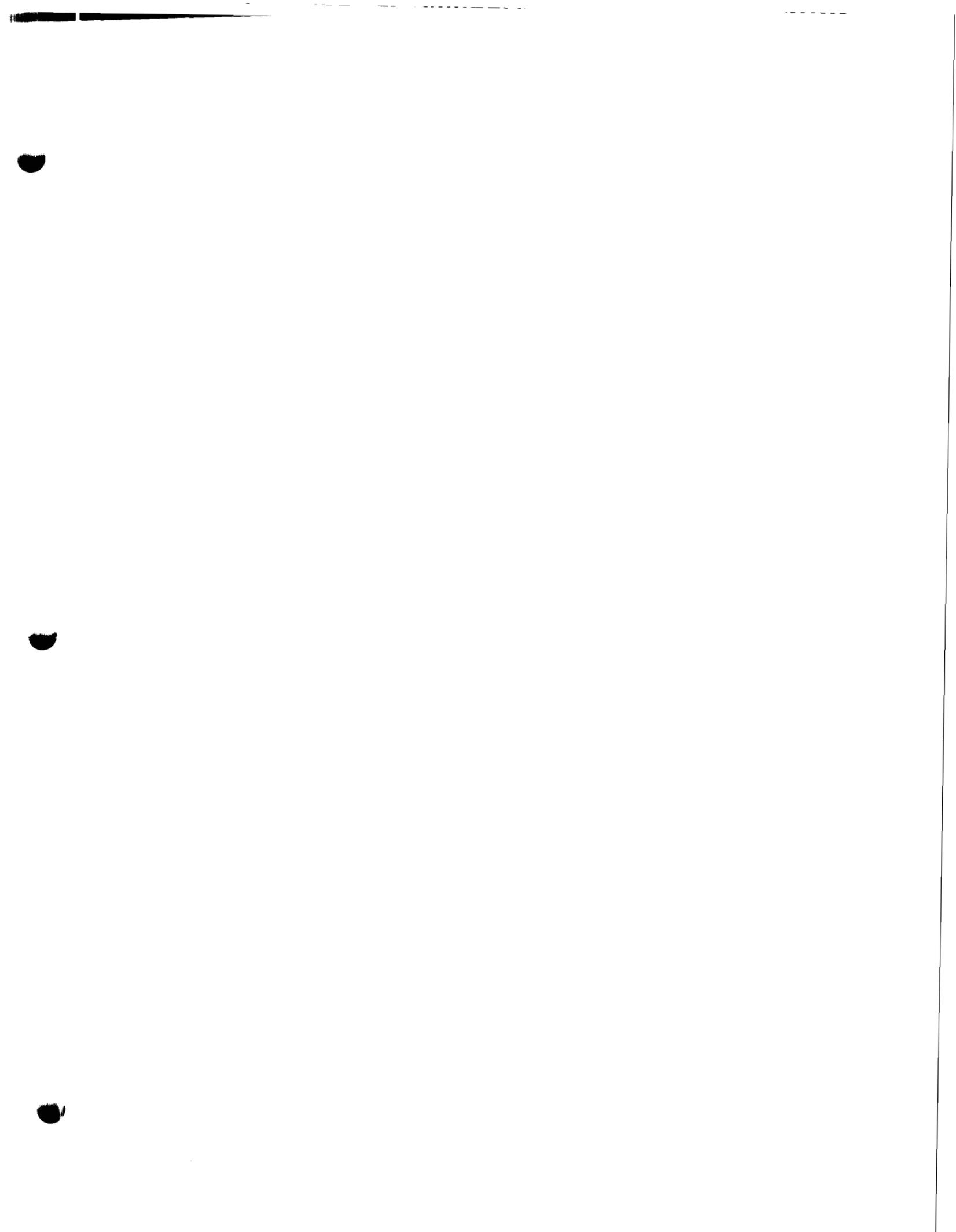
- Inactive Item Review
- Item transfer
- Item receiving
- Procurement/Technical Data File Establishment
- Item Identification Upgrade

II. Personnel Costs

- Termination
- Priority Placement
- Functional transfer
- Productivity loss
- Advance hire

III. Facilities Costs

- Administrative office space
- Communications (VOICE)
- Office equipment
- ADP equipment





Analysis of DLA BRAC-95 ICP Proposal

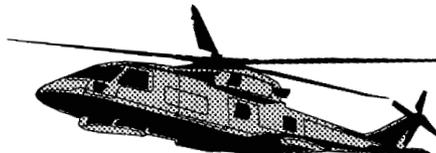
.....
Federal Managers Association



PURPOSE

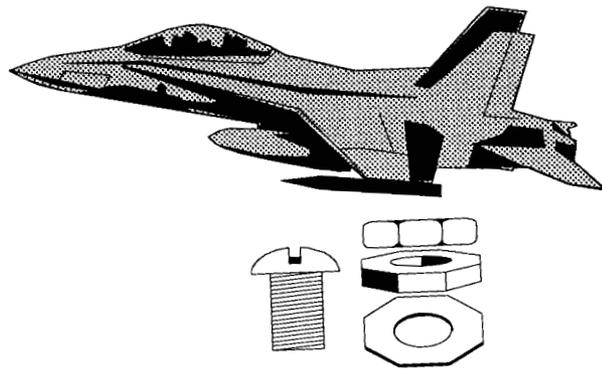
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- **Demonstrate Why DoD BRAC-95 Recommendation Is a BAD Business Decision**
- **Recommend BRAC Commission Sustain BRAC-93 Decision**



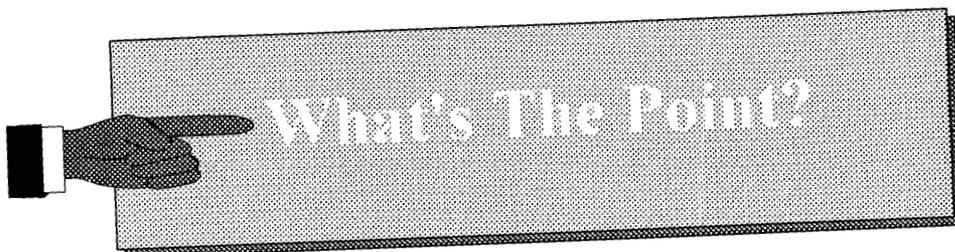
BRAC-93 Was A Good Business Decision

- **Real Cost Savings**
- **No Readiness Impact**



BRAC-95 Major Issues

- **Readiness Impact**
- **No Real Savings**
- **BRAC Criteria Violated**



Readiness

- **Massive Movement of Items**
 - 2,400,000 Items
- **Disestablishing Major Weapons Business Organization**
 - DISC is Big Business
 - 40 Years in Weapons System Business
 - Continuously Improving
 - 40% of DLA Weapons Business
 - 50% of Service Maintenance Business

BRAC Rule #1 Deviation

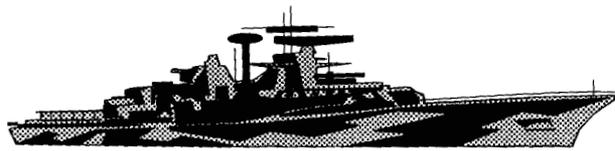
No Real Savings

- **Major Factors Not Considered**
 - DPSC Base Operating Costs - \$110 Million
 - Item Transfer Costs - \$80 Million
- **COBRA Rerun Shows LOSS!**
- **GAO Reviewing**

BRAC Rules 4 & 5 Deviation

Facilities

- Underestimates Available Capacity
- Ignores Multi-Service Opportunities



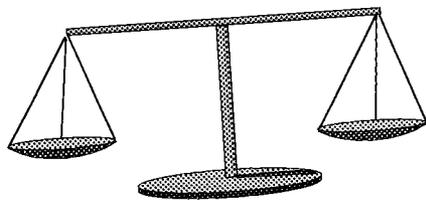
Impacts Military Value

BRAC Rule #2 Deviation

Bottom Line

- Savings Are Not Real
- Bad Business Decision
- The Customer Was Never Considered!

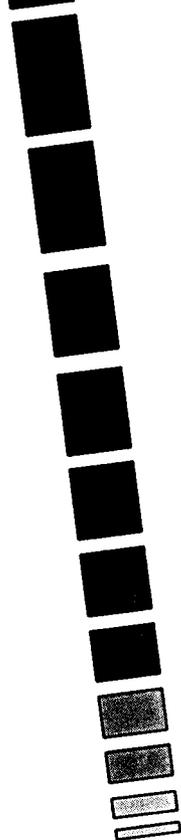




**STAY WITH
BRAC-93 DECISION**



FMIA



FEDERAL MANAGERS ASSOCIATION

ANALYSIS OF DLA

BRAC-95 ICP

PROPOSAL

OUTLINE

- BACKGROUND: FY-93 BRAC
- 1995 DLA ICP BRAC PROPOSAL
- PROPORTED BENEFITS
- ANALYSIS
- BRAC CRITERIA DEVIATIONS
- CONCEPT OF OPERATION ANALYSIS
- READINESS IMPACT
- ANALYSIS SUMMARY
- RECOMMENDATION
- RECOMMENDATION BENEFITS

BACKGROUND

1993 BRAC ICP DECISIONS

- CO-LOCATE DEFENSE PERSONNEL SUPPORT CENTER (DPSC) AND DEFENSE INDUSTRIAL SUPPLY CENTER (DISC) ON ASO COMPOUND
 - CLOSE DPSC FACILITY IN FY-97
- RENOVATE BUILDINGS FOR DPSC OCCUPANCY IN 1997
- CLOSE DEFENSE ELECTRONIC SUPPLY CENTER (DESC) AND CONSOLIDATE WITH DEFENSE CONSTRUCTION SUPPLY CENTER (DCSC) IN COLUMBUS

BOTTOMLINE: DLA BASE CLOSURE SAVINGS ACHIEVED
RECOGNIZED INTER-SERVICE SYNERGIES
MASS MIGRATION OF ITEMS DEEMED TOO
RISKY

1995 DLA ICP PROPOSAL

- DISESTABLISH DISC
- CREATE TWO WEAPON SYSTEM ICPs (COLUMBUS AND RICHMOND)
- CREATE A TROOP SUPPORT/GENERAL SUPPLY ICP IN PHILADELPHIA
- DELAY RELOCATION OF DPSC TO ASO COMPOUND UNTIL 1999.

PROPORTED BENEFITS

■ FINANCIAL SAVINGS DUE TO:

- ELIMINATED RESOURCES: 404 CIVILIANS
- ELIMINATED MILITARY CONSTRUCTION: \$28.6M
 - » DEFER DPSC MOVE
 - » BACKFILL DISC VACATED WORK SPACES

■ IMPROVED OPERATIONS

- WEAPON SYSTEM MANAGEMENT ORIENTATION
- MANAGEMENT OF “LIKE” ITEMS

ANALYSIS

■ FACTORS NOT CONSIDERED BY DLA

- DPSC BASE OPERATING COST (\$110M)
- ITEM TRANSFER COSTS (\$60M)

■ PEOPLE SAVINGS ESTIMATES FLAWED

- SAVINGS BASED ON "MANAGEMENT TECHNIQUE", YET COMPUTED ON NUMBER OF LINES MOVING - NO RELATIONSHIP
- FORCE STRUCTURE CHANGES WITHOUT BRAC-95 = 7834 (POM)

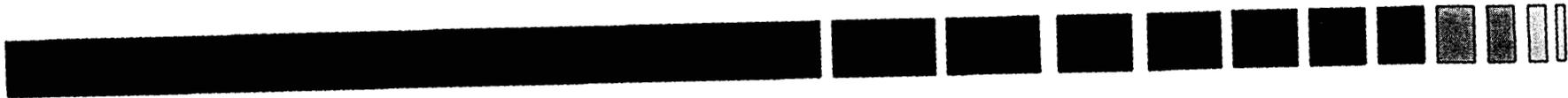
TOTAL END STRENGTH AFTER BRAC-95 = 7784 (BRAC)

ALL THIS TURMOIL WORTH 50 PEOPLE!!

ANALYSIS - (Cont'd)

- COBRA RERUN WITH CORRECTED FIGURES
 - RESULTANT LOSS OF \$?
- GAO CONFIRMATION REQUIRED
 - IN PROCESS

DEVIATION FROM BRAC CRITERIA



| <u>CRITERIA ELEMENT</u> | <u>DEVIATION IDENTIFIED/IMPLIED</u> |
|--|--|
| <u>RULE 1</u> - IMPACT ON OPERATIONAL READINESS | <ul style="list-style-type: none"> • SUBSTANTIAL RISK PRESENT • 62% OF DLA ITEMS TRANSFER AMONG ICPs |
| <u>RULE 2</u> - FACILITIES AVAILABILITY | <ul style="list-style-type: none"> • IGNORED LOCAL MULTI-SERVICE DOWNSIZING IMPACT • MISSTATES AVAILABLE CAPACITY AT PHILADELPHIA SITE |
| <u>RULE 4</u> - COST/MANPOWER <u>RULE 5</u> - RETURN ON INVESTMENT } | <ul style="list-style-type: none"> • FLAWED METHODOLOGY <ul style="list-style-type: none"> - RESOURCE SAVINGS • MAJOR FACTORS OMITTED <ul style="list-style-type: none"> - ADDITIONAL COSTS TO OPERATE DPSC FACILITY FOR 2 YEARS - COST TO TRANSFER ITEMS MANAGED - RECRUITMENT/ RETRAINING, LEARNING CURVE /TURMOIL |

CONCEPTS OF OPERATIONS ANALYSIS

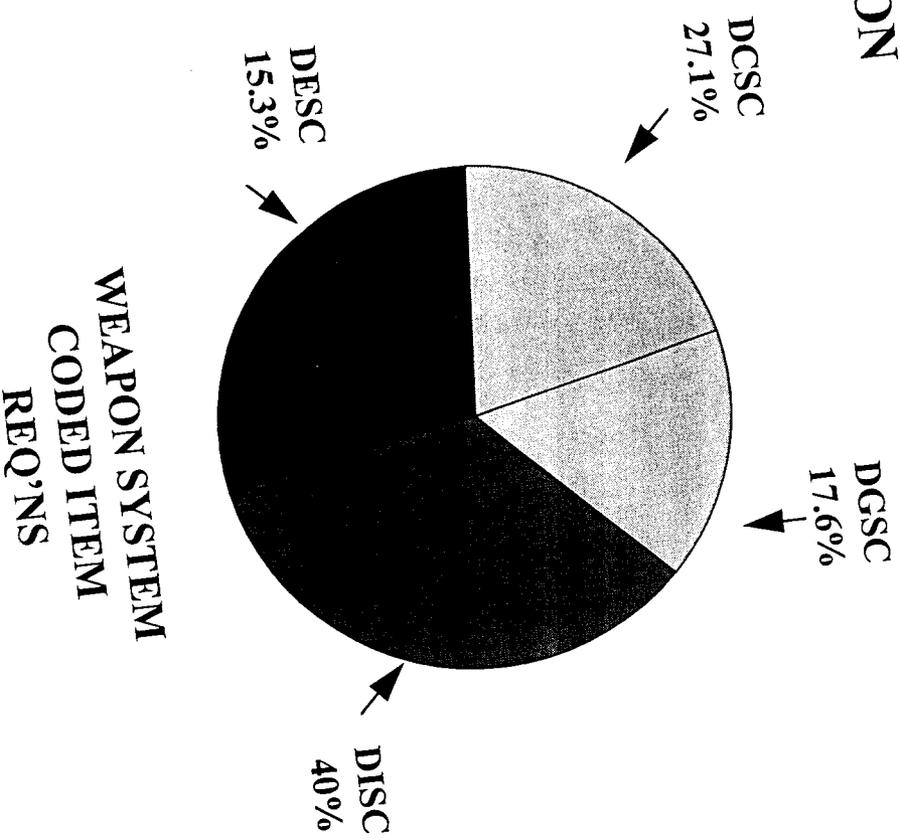
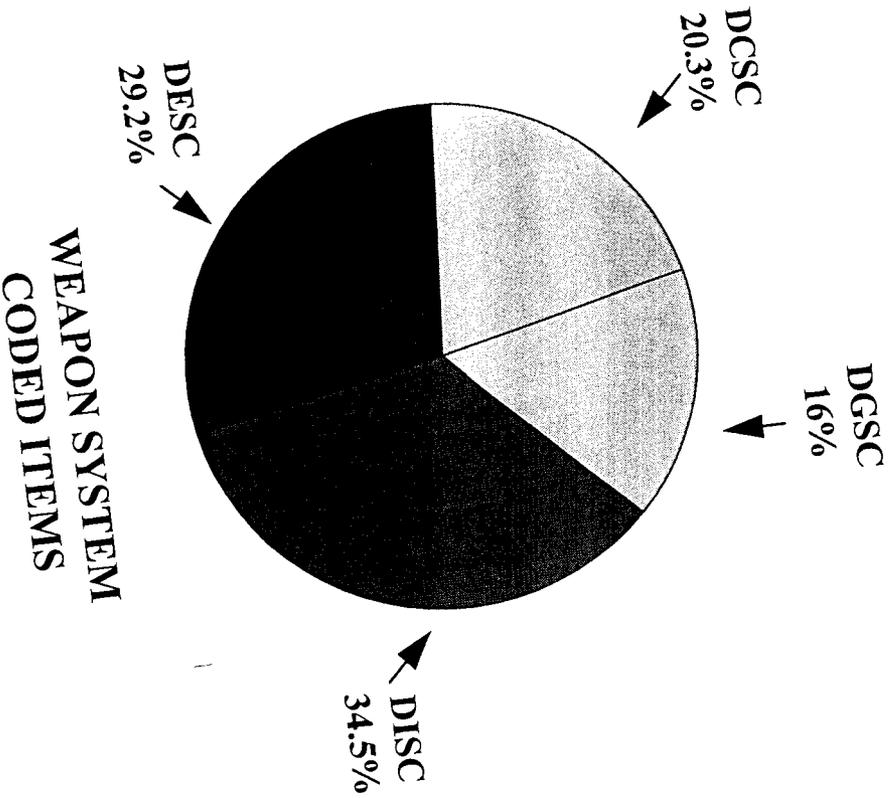
WEAPON SYSTEM MANAGEMENT ORIENTATION

WEAPON SYSTEM MANAGEMENT ORIENTATION

| OVERALL | | | | | WEAPON SYSTEM ITEMS | | | | |
|---------|-----------------------------|--------------------|-----------------------|-------|----------------------------------|----------------------------|------|--|--|
| | END STRENGTH (30 SEP 94) | # ITEMS MANAGED | # REQ'NS PROCESSED | SMA | # WPNS CODED ITEMS MANAGED | # WPNS SYSTEM REQ'NS | SMA | | |
| ICP | 1,836 | 1,116,172 | 4.8M | 89.48 | 706,176 | 3.4M | 88.9 | | |
| DISC | 1,769 | 1,138,853 | 1.9M | 89.13 | 598,105 | 1.3M | 90.8 | | |
| DESC | 2,016 | 730,186 | 3.1M | 82.00 | 416,529 | 2.3M | 82.4 | | |
| DCSC | 2,157 | 675,799 | 2.4M | 86.12 | 328,186 | 1.5M | 81.2 | | |
| DGSC | | | | | | | | | |

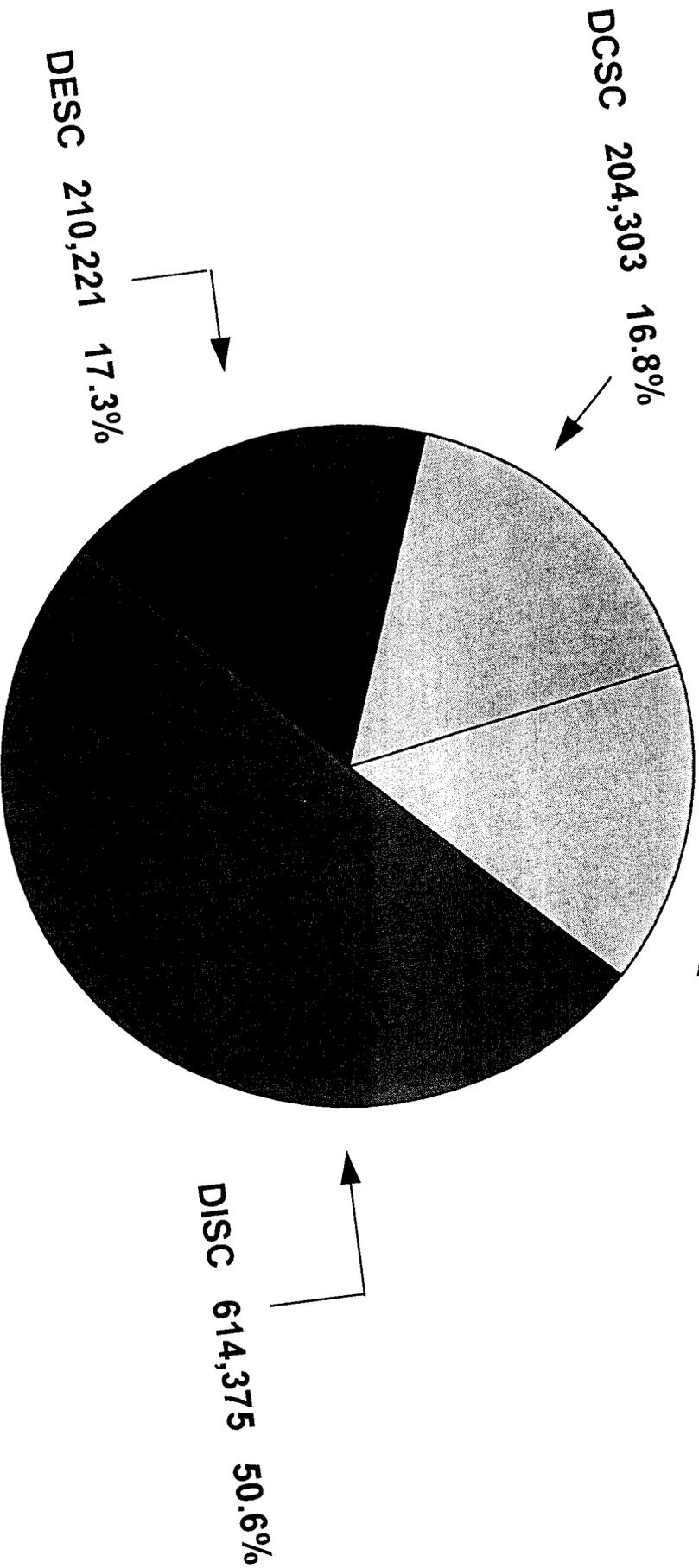
WEAPON SYSTEMS MANAGEMENT

DISTRIBUTION



DLA REQUISITIONS
TO MAINTENANCE ACTIVITIES
BY CENTER

FY-1994



CONCEPT OF OPERATIONS ANALYSIS



CONOPS VISION FOR ICP

- COMBAT SUPPORT AGENCY
- "DSCS SHOULD BE SITUATED IN AN AREA TO ATTRACT AND MAINTAIN REQUIRED LOGISTICS TALENT."
- COMMODITY BUSINESS UNITS
- CORPORATE DL/DOD CONTRACTS

DISC IS THERE ALREADY!!

- DISC HAS MOST WEAPONS ITEMS, HIGHEST SUPPORT.
FIRST READINESS ADVOCATES
FIRST WEAPONS MANAGEMENT PROTOTYPE
- DISC SUPPLIES 51% OF TOTAL INDUSTRIAL REQUISITIONS
- DISC COLOCATED WITH SERVICE ICP (ASO)
NAVAL ENGINEERING ACTIVITY (NAESU)
NAVY INTERNATIONAL LOGISTICS CONTROL OFFICE (NAVILCO)
LARGE POOL OF DIVERSE TALENT ON BASE.
- INVENTED HERE; EMULATED ELSEWHERE
- ORGANIZED ALONG PROCESS LINES
- FIRST MULTIFUNCTIONAL JOB SERIES
- FIRST FULLY INTEGRATED WORK STATION
- FIRST MULTISKILLED TRAINING PROGRAM
- CONCEPT INVENTED HERE
ASO/DISC CONTRACTS SYNERGY

CONCEPT OF OPERATIONS ANALYSIS



CONOPS VISION FOR ICP

- FUNCTIONAL PROCESS IMPROVEMENT METHODOLOGY
- BEST VALUE ACQUISITION
- EXPANDED USE OF ELECTRONIC COMMERCE
- MARKETING
- TAILORED/FLEXIBLE CUSTOMER SUPPORT

DISC IS THERE ALREADY!!

- DPACS, AIMS, AUTOMATED CUSTOMER RETURNS, AND SMALL AUTOMATED COMPETITIVE REBUYS PROTOTYPED HERE
- ABC PROTOTYPED HERE
- DELIVERY EVALUATION FACTOR INVENTED AND IMPLEMENTED AT DISC
- PROTOTYPED/BENCHMARKED HERE
- 100% FOR AUTOMATED SMALL PURCHASES
- FIRST DLA ICP TO ESTABLISH DESEX; CUSTOMER SUBMITS REQUISITIONS/RECEIVES STATUS VIA TELEPHONE SYSTEM
- FIRST ORGANIZATION HERE; EMULATED ELSEWHERE
- NATIONAL PERFORMANCE REVIEW LEAD CENTER

DISC IS WHAT DLA WANTS AN ICP TO BE !

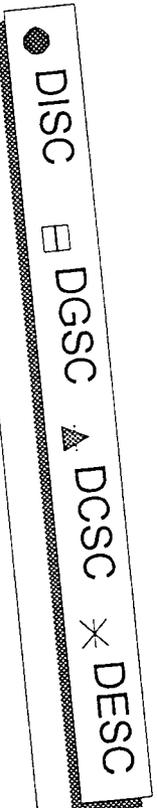
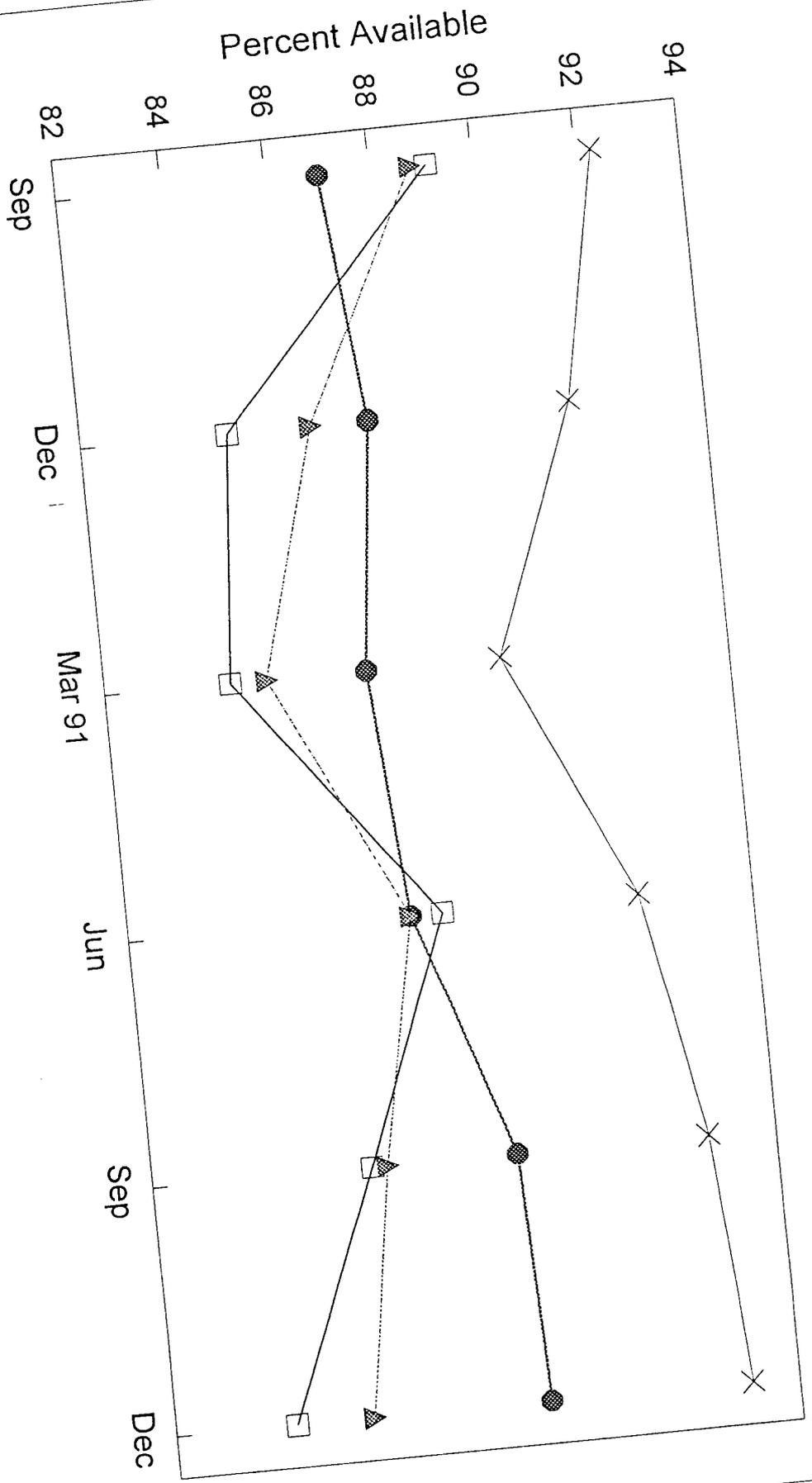
READINESS IMPACT

■ MISSION RISK POTENTIAL

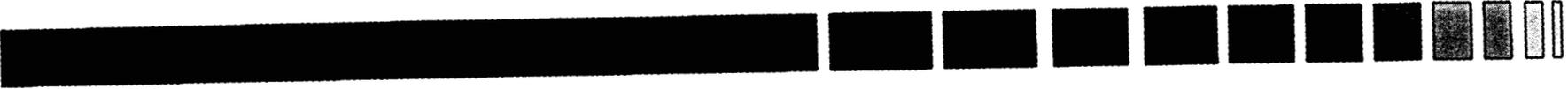
- 2.4M ITEMS IN TRANSITION (INCLUDING BRAC-93)
- 280K CIT ITEMS IMPACTED
- POTENTIAL DOUBLE MOVE ON CIT ITEMS
- DEEMED TOO RISKY BY DLA IN BRAC-93 ANALYSIS
- CRISIS RESPONSE IMPACT
 - » DESERT STORM

SUPPLY AVAILABILITY

DESERT STORM



READINESS IMPACT - (Cont'd)



■ CUSTOMER SUPPORT

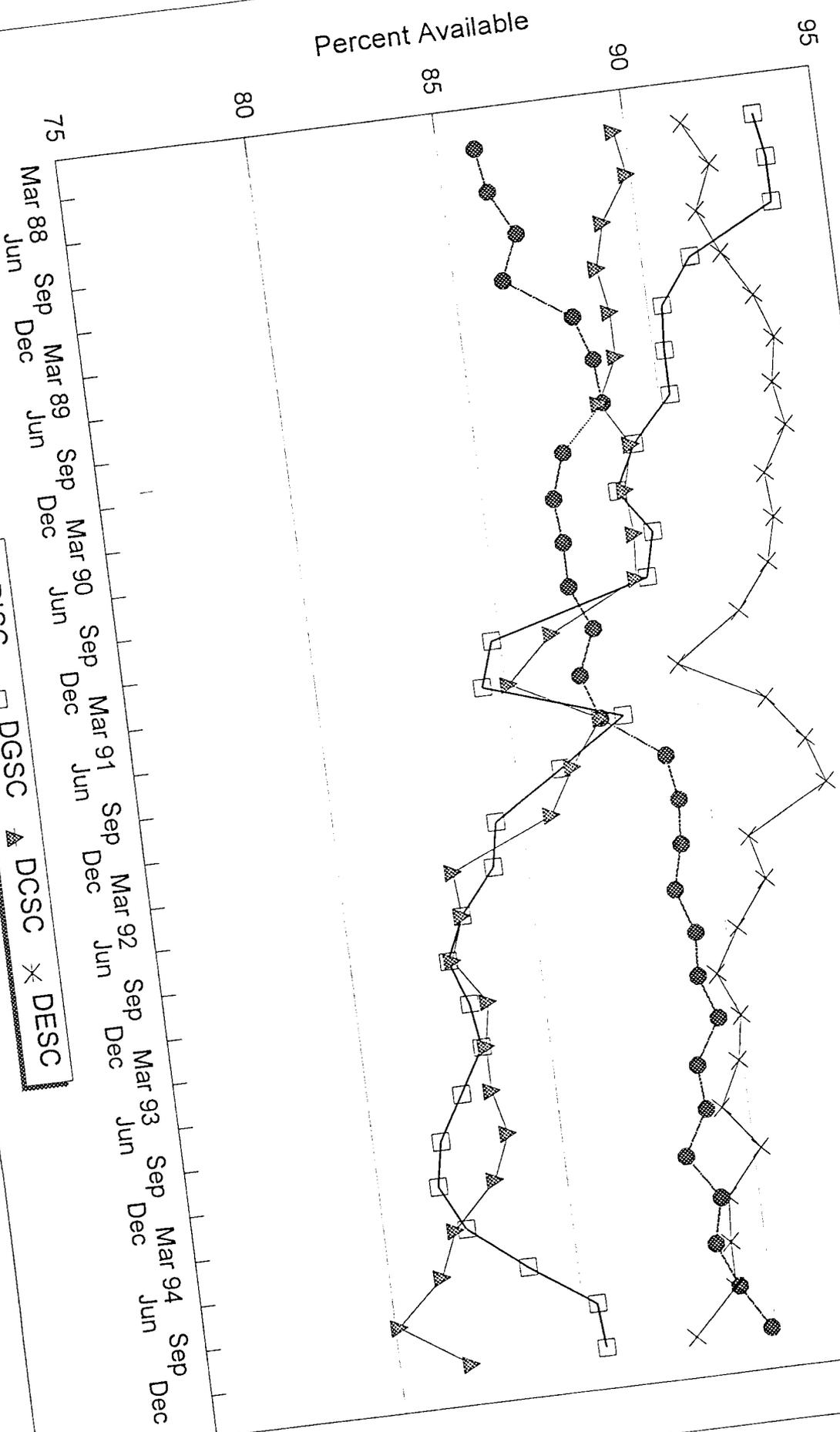
- INCREASED BACKORDERS EXPECTED WITH TRANSFER OF ITEMS**
- REDUCED SUPPLY AVAILABILITY**
- INCREASED LEADTIMES**

■ BUSINESS PROCESS

- LEARNING CURVE IMPACT**
- LOSS OF EXISTING SYNERGY**
- TROOP SUPPORT & GENERAL SUPPLY BUSINESS PROCESSES NOT COMPATIBLE**

SUPPLY AVAILABILITY

ICP HARDWARE CENTERS



Interservice Synergy

Operational Synergy

Synergy: The action of two or more organizations to achieve an effect of which each is individually incapable.

- Webster

Synergy is gained by concentrating management attention on a single mode of material management.

- DLA 95 BMC detailed analysis.

Interservice Synergy

■ ICP: DGSC - Depot: DDRV

■ DISC - ASO

– Common Inventory Base/Weapons

Orientation:

ASO 200K Aviation Related Items

DISC 458K Aviation Related Items

(38% of all DLA Aviation Items)

DG - 17%; DC - 11%; DE - 34%

– Common Aerospace Industry Face:

ASO \$750M Acquired

DISC Aviation \$256M

GE; MACAIR; Allied Signal; MRC;

United Tech; Approved Vendors

– Leverage - Joint Contracting:

. Jet Engine Blades/Vanes (to date)

173 NSNs = \$57.9M Oblig. (to date)

Renewal 7/95: 241 NSNs = \$136M

. Aviation Bearings

58 NSNs = \$7M (est value)



ANALYSIS SUMMARY

- MAJOR READINESS IMPACTS
- NO SAVINGS FROM DISC DISESTABLISHMENT
- DLA COSTS ACTUALLY INCREASE
- DLA COSTS ACTUALLY INCREASE
- FORCE STRUCTURE REQUIREMENTS MET
PRIMARILY THROUGH DOWNSIZING
- VIOLATES BRAC CRITERIA
- NO ADDITIONAL BASE CLOSURE ACHIEVED

RECOMMENDATION



- **ESTABLISH THREE ICP COMMAND LOCATIONS**
 - **TWO WEAPONS SYSTEM ICPs
(PHILADELPHIA & COLUMBUS)**
 - **TROOP SUPPORT ICP IN PHILADELPHIA (DPSC)**
 - » **COLOCATE WITH DISC AS SINGLE COMMAND**
 - » **MOVE PER BRAC-93 SCHEDULE (FY-97)**
 - **GENERAL SUPPLY ICP IN RICHMOND**

RECOMMENDATION BENEFITS

- 
- **CONSISTENT WITH BRAC-93 DECISION**
 - **REAL SAVINGS ACHIEVABLE**
 - **MINIMIZE READINESS IMPACT**
 - **REDUCES ITEM TRANSFERS FROM 1.4M TO .45M**
 - **CAPITALIZE ON EXISTING ICP STRENGTHS**
 - **MAINTAINS EXPERTISE**
 - **MAINTAINS REINVENTION INITIATIVES**
 - **CONTINUE DEVELOPED SYNERGIES**
 - **POTENTIAL DOD SAVINGS THROUGH INTER-SERVICE RESOURCE SHARING**
 - **REDUCE POSITIONS VIA COMMON SUPPORT**
 - **SUPPORT DLA CONCEPT OF OPERATIONS**
 - **FACILITATES BUSINESS PROCESS IMPROVEMENTS**

Defense Industrial Supply Center
Readiness and Military Value Issues-

DISC has a disproportionate impact on Readiness among the DLA Inventory Control points.

- Receives 40% of all DLA Service Requisitions
For Military Hardware Items
 - DGSC Richmond 19%
 - DCSC Columbus 25%
 - DESC Dayton 16%
- Although the greatest volume of requisitions come to DISC we satisfy the highest percentage of Military Customer Requirements.
 - DISC Phila 89.5% availability
 - DGSC Richmond 86.1% "
 - DCSC Columbus 82% "
 - DESC Dayton 89.1% "
- DISC manages the highest percentages of weapons system related items in DLA.
 - DISC Phila. 34.5% of all DLA Weapons Items
 - DGSC Richmond 16% of all DLA Weapons Items
 - DCSC Columbus 20.3% of all DLA Weapons Items
 - DESC Dayton 29.2% of all DLA Weapons Items

For these weapons items we receive 40% of all Service Requisitions.

- DGSC 17.6%
- DCSC 27.1%
- DESC 15.3%
- For these weapons related items, again, DISC provides the highest level of availability.
 - DISC 89.6%
 - DGSC 85.2%
 - DCSC 82%
 - DESC 89.3%
- Within this population of weapons coded items there are those that are more important than others. Front Line, most critical weapons systems are designated "Level A" by the services. DISC again has more items on these highly critical systems than any other Center.

- DISC 37% of all items on Level A systems
 - DGSC 16% of all items on Level A systems
 - DCSC 15% of all items on Level A systems
 - DESC 32% of all items on Level A systems
- Within each weapon system there are super critical parts which, if unavailable, render the system not mission capable. DISC has the highest number of the essentiality CODE (EC-1) items and provides the highest level of support.
 - DISC 33% of all EC-1 item 89.5% availability
 - DGSC 17% of all EC-1 item 87.9% availability
 - DCSC 19% of all EC-1 item 79.9% availability
 - DESC 31% of all EC-1 item 88.7% availability
 - Readiness at the front line is driven by having the modular assemblies available which plug quickly into that tank or plane to get it running again. Although these weapons components are managed by the military services they are repaired and kept serviceable by the major Industrial Maintenance/Facilities using DLA piece parts to repair those modules. DISC is the largest contributor to the mission of these Industrial Facilities. DISC processes a staggering 51% of all Industrial Customer Requisitions with the other centers far behind.
 - DISC 51%
 - DGSC 15%
 - DCSC 17%
 - DESC 17%

One of the most telling contributions of DISC to Readiness is the impact we have on what DLA HQ and the services call chronic systems degraded by DLA parts.

- DISC contributes to the degradation of 38 systems only one of which is a Level A system.
- DGSC contributes to the degradation of 75 systems
- DESC contributes to the degradation of 72 systems
- DCSC contributes to the degradation of 372 systems

Again even though we manage the bulk of all weapons parts, critical weapons parts and process the most, requisitions we have the most stellar performance precluding weapon system degradation.

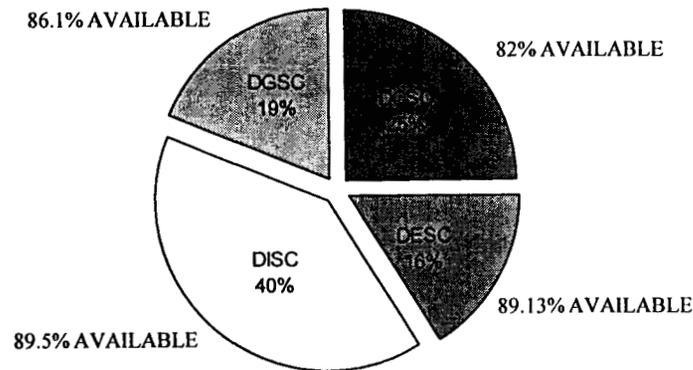
Overall we provide the highest Readiness support to the services as follows:

| | TOTAL AVAILABILITY FOR ALL SYSTEMS | ESSENTIAL ITEMS FOR LEVEL A SYSTEMS AVAILABILITY |
|-------------|---------------------------------------|--|
| US ARMY | DISC 91.55% | 91.95% |
| | DGSC 88.8% | 90% |
| | DCSC 82.2% | 76.8% |
| | DESC 89.9% | 88.3% |
| US NAVY | DISC 88.9% | 90.3% |
| | DGSC 85.9% | 89.4% |
| | DCSC 82.3% | 82.6% |
| | DESC 90% | 92.7% |
| USMC | DISC 92.6% | 90.7% |
| | DGSC 89.1% | 91% |
| | DCSC 84.8% | 83.9% |
| | DESC 90% | 88.5% |
| US AIRFORCE | DISC 85.4% | 85% |
| | DGSC 81.8% | 80.3% |
| | DCSC 79.4% | 76.1% |
| | DESC 86% | 85.3% |

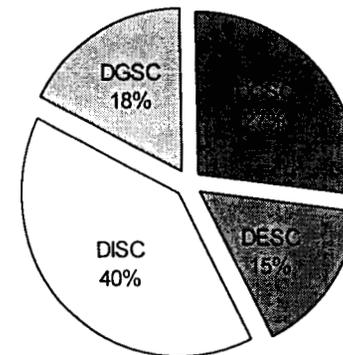
When talking about availability it appears that all centers are fairly high, maintaining support in the 80% range. However, in the Readiness Business even a small % difference is crucial. Consider That DLA Hardware Centers receive 12,200,000 requisitions a year. A 1% slip in availability would result in 122,000 backorders or not being able to give that customer the parts he needs to fight. So in this business even a spread of .1% is a big deal, not just from the Readiness perspective but cost to DoD. For instance, in the Navy Aviation Industrial Community one day of repair turn around time fixing repairable weapons modules equates to an \$11M per day requirement at ASO to acquire or repair spare components. At San Antonio Air Logistics Center a line stoppage on the C-5 costs \$100 per day. At MCLB Albany a day slippage on the amphibious assault vehicle costs \$104,000. As can be seen having the parts is not only a Readiness Driver but a huge cost impact.

READINESS IMPACT AND MILITARY VALUE

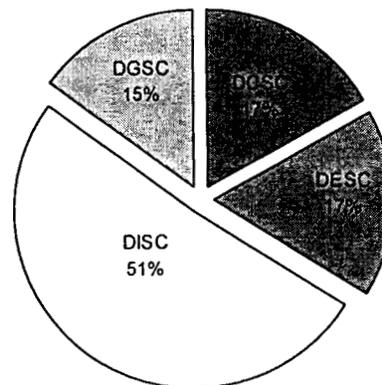
TOTAL REQUISITIONS



WEAPONS REQUISITIONS



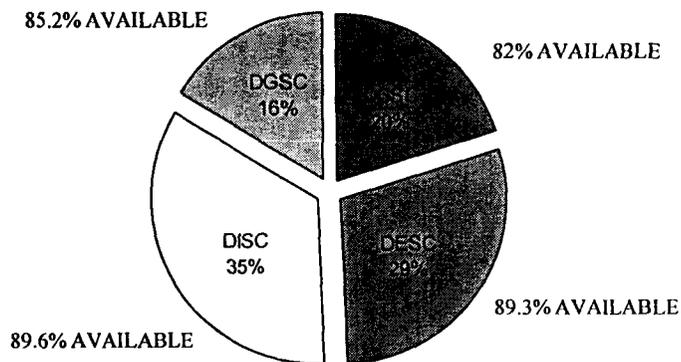
REQUISITIONS TO INDUSTRIAL CUSTOMERS



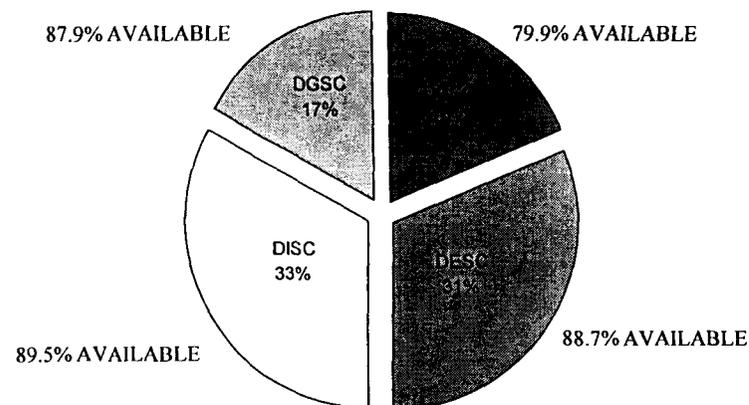
SOURCE: SAMMS DATA BASE

READINESS IMPACT AND MILITARY VALUE

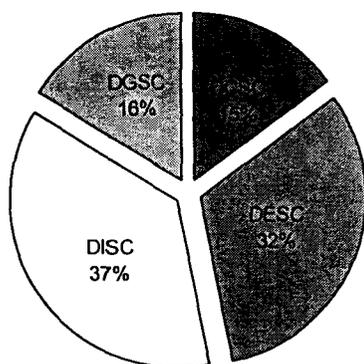
DLA WEAPONS CODED ITEMS



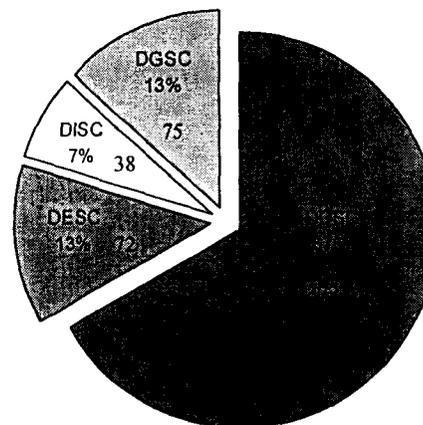
DLA MOST ESSENTIAL (EC1) WEAPONS



ITEMS USED ON LEVEL "A" WEAPONS



NUMBER OF CHRONIC BELOW SUPPORT GOAL SYSTEMS



SOURCE: WEAPONS SYSTEM DATABASE/SAMMS

SOURCE: DLA HQ FEB READINESS BRIEF

**MILITARY VALUE
HARDWARE REQUISITIONS BY CUSTOMER**

| | TOTAL FY94 REQNS | % ONTIME PROCESS | % OF TOTAL SERVICE REQUISITIONS SUBMITTED TO HARDWARE CENTERS | | | | AVAIL- ABILITY |
|------|------------------------|------------------------|--|-------|-------|-------|-------------------|
| | | | USA | USN | USAF | USMC | |
| DISC | 384.9M | 97.4 | 40.5% | 37.4% | 40.9% | 40% | 89.5 |
| DGSC | 201.8M | 94.2 | 14.7% | 17.8% | 22.2% | 12.3% | 86.1 |
| DCSC | 163.8M | 94.8 | 36.3% | 19.6% | 16.7% | 35.6% | 82.0 |
| DESC | 254.9M | 95.3 | 7.9% | 20.8% | 19.2% | 10.9% | 89.1 |
| | | | | | | | |

DLA WEAPONS SUPPORT

| TOTAL ITEMS MANAGED | WEAPONS CODED ITEMS | % OF TOTAL DLA WEAPONS ITEMS | ITEMS CODED EC-1 | % DLA TOTAL EC-1 | # ITEMS LEVEL A SYSTEM APPL | % DLA TOTAL LEVEL A ITEMS |
|--|---|------------------------------|------------------|------------------|-----------------------------|---------------------------|
| DISC 1,116,172 <i>Spent - 700,000 31%</i> | 706,176 (63%) | 34.5% | 284,087 | 33% | 297,172 | 37% |
| DGSC 675,799 <i>Spent 200,000 - 51%</i> | 328,186 (48.6%) <i>49%</i> | 16% | 146,343 | 17% | 133,359 | 16% |
| DCSC 730,186 <i>General - 313,657</i> | 416,529 (57%) | 20% | 160,205 | 19% | 120,299 | 15% |
| DESC 1,138,853 <i>Total of 1,869,039 (46%)</i> <i>General - 540,748</i> | 598,105 (52.5%) <i>1,014,624 (54%) The WIS DESC</i> | 29.5% | 271,542 | 31% | 257,931 | 32% |
| <i>Total General 854,405</i> | | | | | | |

MILITARY VALUE WEAPONS SYSTEM SUPPORT

| SERVICE COMPONENT | DGSC (RICHMOND) | | | DCSC (COLUMBUS) | | | DESC (DAYTON) | | | DISC (PHILA.) | | |
|-------------------|------------------------|----------|------------------|------------------------|----------|------------------|------------------------|----------|------------------|------------------------|----------|------------------|
| | CHRONIC SYS BELOW GOAL | SERV SMA | EC-1 SMA LEVEL A | CHRONIC SYS BELOW GOAL | SERV SMA | EC-1 SMA LEVEL A | CHRONIC SYS BELOW GOAL | SERV SMA | EC-1 SMA LEVEL A | CHRONIC SYS BELOW GOAL | SERV SMA | EC-1 SMA LEVEL A |
| USA | 22 | 88.8 | 90. | 119 | 82.21 | 76.8 | 20 | 89.9 | 88.3 | 6 | 91.55 | 91.95 |
| USN | 19 | 85.9 | 89.4 | 151 | 82.27 | 82.6 | 14 | 90.08 | 92.7 | 17 | 88.9 | 90.3 |
| USMC | 12 | 89.1 | 91.9 | 31 | 84.8 | 83.9 | 9 | 90.9 | 88.5 | 0 | 92.6 | 90.7 |
| USAF | 22 | 81.8 | 80.3 | 71 | 79.4 | 76.1 | 29 | 86 | 85.3 | 15 | 85.4 | 85 |
| TOTALLING | 75 | | | 372 | | | 72 | | | 38 | | |

SOURCE; DLA FEB DATA

HARDWARE CENTERS
 PROPORTION OF DLA WEAPONS EFFORT
 MAR94 thru FEB95

| SYSTEM |))))) %DND | DISC %NSNS | (((SMA |))))) %DND | DGSC %NSNS | (((SMA |))))) %DND | DESC %NSNS | (((SMA |))))) %DND | DCSC %NSNS | (((SMA |
|--------------------------|---------------|---------------|------------|---------------|---------------|------------|---------------|---------------|------------|---------------|---------------|------------|
| CHINOOK HELICOPTER | 61.9% | 49.2% | 94.0% | 17.8% | 15.4% | 92.5% | 9.4% | 20.8% | 93.5% | 10.9% | 14.5% | 89.5% |
| TOW MISSILE | 58.9% | 40.2% | 97.7% | 29.0% | 13.4% | 97.1% | 8.9% | 43.8% | 93.6% | 3.2% | 2.7% | 90.9% |
| M-109 HOWITZER | 50.0% | 56.1% | 94.8% | 22.8% | 9.6% | 91.5% | 6.2% | 7.8% | 93.5% | 21.0% | 26.6% | 85.0% |
| M-198 HOWITZER | 60.2% | 72.5% | 97.2% | 24.0% | 6.4% | 96.4% | 1.1% | 4.6% | 97.2% | 14.7% | 16.4% | 89.5% |
| ABRAMS TANK | 61.5% | 52.0% | 94.4% | 17.9% | 8.8% | 94.9% | 7.2% | 23.2% | 93.5% | 13.3% | 16.0% | 83.3% |
| BRADLEY FIGHTING VEHICLE | 57.4% | 54.4% | 94.1% | 17.6% | 9.8% | 93.9% | 6.6% | 14.5% | 92.3% | 18.5% | 21.4% | 85.5% |
| POSEIDON & TRIDENT | 37.9% | 21.6% | 96.4% | 22.2% | 9.3% | 94.0% | 35.5% | 64.9% | 94.3% | 4.4% | 4.3% | 86.3% |
| F-14A ACFT (TOMCAT) | 44.0% | 34.3% | 94.4% | 13.6% | 12.6% | 89.9% | 30.5% | 42.7% | 92.7% | 11.9% | 10.3% | 84.3% |
| S-3A ACFT (VIKING) | 44.0% | 33.4% | 94.6% | 12.5% | 10.9% | 91.6% | 31.7% | 45.3% | 92.7% | 11.7% | 10.4% | 85.9% |
| E-2C ACFT (HAWKEYE) | 42.5% | 30.6% | 94.3% | 12.2% | 12.3% | 92.2% | 33.1% | 47.4% | 93.0% | 12.3% | 9.7% | 85.6% |
| C-5 ACFT (GALAXY) | 51.4% | 44.3% | 89.0% | 19.3% | 22.3% | 84.7% | 17.7% | 23.4% | 89.0% | 11.7% | 10.0% | 83.7% |
| C-141 ACFT (STARLIFTER) | 45.0% | 41.6% | 89.9% | 24.6% | 20.2% | 82.5% | 18.9% | 29.0% | 88.9% | 11.4% | 9.1% | 84.1% |
| F-15 ACFT (EAGLE) | 49.5% | 33.6% | 89.9% | 21.0% | 13.3% | 87.9% | 16.5% | 45.3% | 86.4% | 13.0% | 7.8% | 79.7% |
| E-3A ACFT (AWACS) | 46.0% | 39.1% | 91.6% | 22.7% | 21.7% | 88.4% | 20.0% | 30.8% | 90.3% | 11.3% | 8.4% | 84.5% |
| AMPHIB ASSAULT VEHICLE | 52.2% | 53.5% | 89.8% | 17.7% | 10.0% | 88.3% | 8.2% | 11.5% | 92.1% | 22.0% | 25.1% | 78.2% |
| M1A1 COMBAT TANK | 59.5% | 51.8% | 94.5% | 15.9% | 6.7% | 95.6% | 10.8% | 22.0% | 93.9% | 13.9% | 19.6% | 85.5% |
| LAV, ANTI TANK | 46.2% | 50.6% | 96.0% | 17.4% | 9.9% | 92.2% | 9.8% | 11.2% | 93.9% | 26.6% | 28.3% | 90.0% |

SOURCE: F-112
 NSN: FEB95 COUNT
 DND&SMA: 12 MO AVG (MAR94/FEB95)

AVAILABILITY AND MILITARY VALUE

- ON A BASE OF 12.2 MILLION REQUISITIONS PER YEAR A 1%
DIFFERENCE IN AVAILABILITY = 122,000 BACKORDERS

- BACKORDERS IMPACT READINESS AND MONEY

e.g. NAVY AVIATION DEPOTS: 1 DAY OF REPAIR TURN AROUND TIME
COSTS ASO \$11M IN SPARES REQUIREMENTS

ONE DAY OF LINE STOPPAGE ON THE C5 REPAIR LINE AT SAN ANTONIO
ALC COSTS \$100K

ONE DAY OF LINE STOPPAGE ON AMPHIBIOUS ASSAULT VEHICLE AT MCLB
ALBANY COSTS \$104K.

Moving Military items en masse has an Inherent Readiness Risk

There is a documented phenomenon that when management of inventory migrates there is a degradation in service. There appears to be several causes for the observation. One aspect is human behavior. As one activity loses an item the focus on it somewhat diminishes. Another causative factor is that in the record transfer, be it electronic or manual, something always seems to get lost or garbled in transmission. The Learning curve on the receiving end is another aspect of this degradation. Technical and Industry Base knowledge are critical in managing complex material. Although, it is thought that DISC manages "Commodities" (i.e. nuts, bolts, screws), many of the items are weapons critical and complex items with sophisticated manufacturing processes, alloy composition, and tolerance specifications. If they had "feelings" they would be insulted being called "commodities". This lack of knowledge with the item, the manufacturer and the customer cannot be underestimated.

Whatever the reason, the phenomenon surely exists as can be seen by the attached data exhibit. Availability for items coming to DLA from the Services is significantly lower than the average availability of the services "losing" the item. It takes a significant period of time to "get well" from this initial slide in support. The item transfer undertaken by the services was limited in scope. In the Military Service to DLA item transfer from 1980-1995, only about 1.2M items were migrated.

Contrast that with the 2.4M items to be sent into motion by the DLA plan and the potential for degradation is considerable. Even Consumable Item Transfer Phase II from the Services will move only about 280K items. Inherently moving as many items as the DLA BRAC 95 proposes will cause disruption and have readiness impact. It was identified as a major concern in BRAC 93 and should be considered the same again.

Given the above observation, one may question the wisdom of moving 62% of all DLA items among Centers! Especially moving 1.1M items from DISC with a 89.6% availability to DGSC with an 85.2% availability for weapons items. Not only is there the inherent degradation due to the migration but the recipient center performs at a lower availability rate.

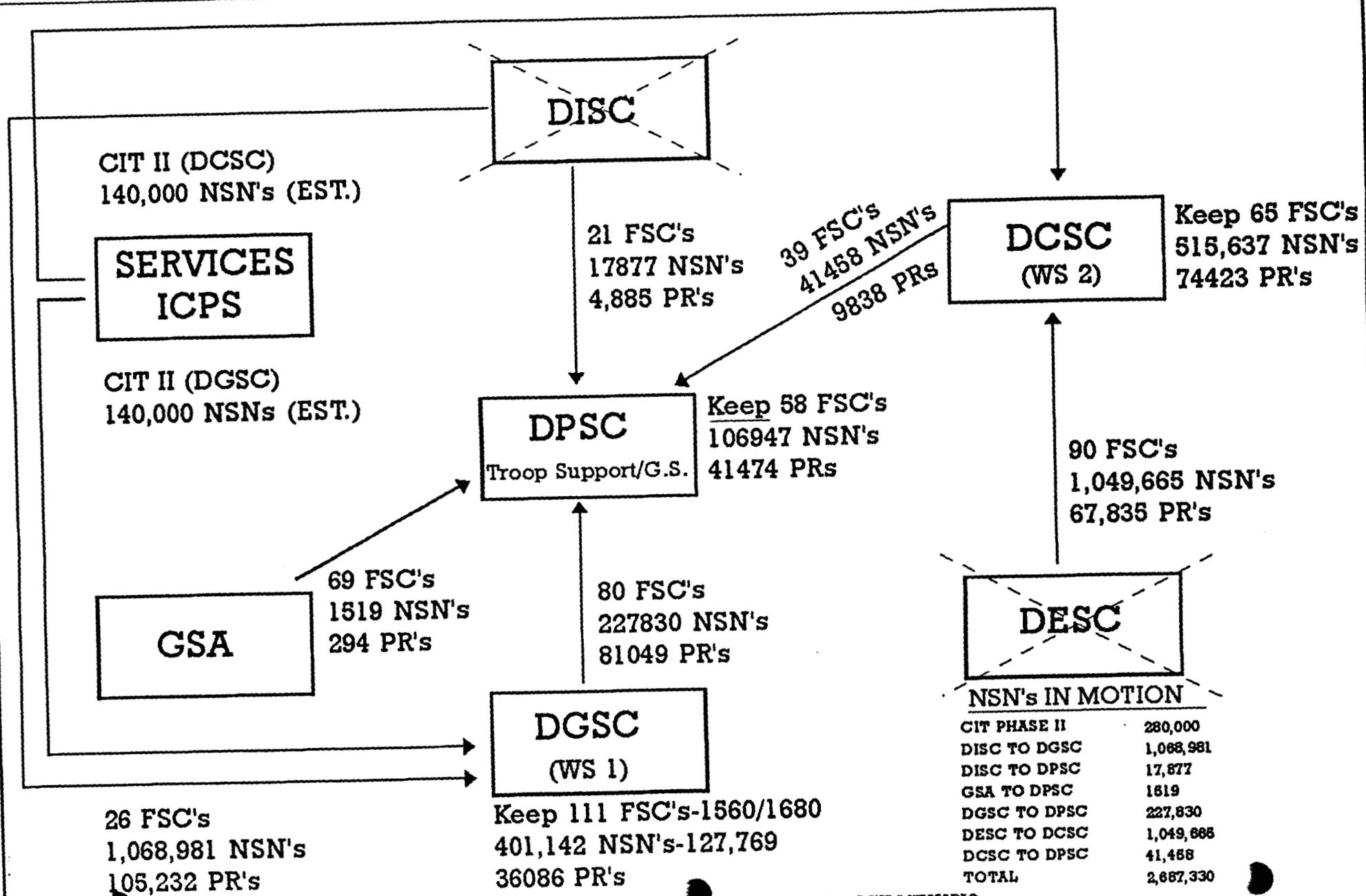
The bottom line is that there is a documented risk to readiness in moving items. The risk is acceptable for limited moves where support is anticipated to increase over time and savings can be shown. For example, BRAC 93 approved moving over 1M items from DESC to DCSC but a base was closed and considerable savings accrued. Disestablishing DISC and putting the inventory in transition saves nothing.

Since DISC provides the highest level of support now, not identifying it as one of the weapons ICPs and minimizing item migration is a suspect business decision. The DLA Concept of Operations envisions a move to weapons management ICPs. DLA, however, uses Federal Supply Class as a determinant for weapons designation, not an NSN or weapons application of that NSN. 40% of the items DISC is sending to DGSC, for instance, are non-weapons coded, i.e. the "Weapons Support" ICPs will still manage about half of their items as non weapons.

Also, of interest is the fact that DISC will move 17,877 items to the Troop Support ICP (non weapons) of which 41% are weapons coded which is counter to what DLA claims is its Concept of Operations goal for troop support type items. Reading the attached minutes to DLA's first "planning" meeting shows very little planning or analysis was done prior to making this recommendation. In fact, they talk about amending the original item migration plan used in Cobra to claim savings. Again, not only a flaw in the analysis, but a deviation from BRAC intent. The Weapons support ICPs are a concept of operation that DLA feels is beneficial, yet there is no data or basis other than staff judgement. This realignment to achieve this vision is in essence an internal DLA housekeeping function which in terms of BRAC criteria saves nothing and in fact will cause negative impact on customer support and incur substantial costs. BRAC 93 approved moving a million items from DESC to DCSC because of savings but, to date no items have been moved, i.e., there is no experience to base any judgement on. It would have been prudent to see the results, costs and impact of this move first. In fact, if you again review the attached minutes, they are now just looking at the results of an earlier migration of classes, from DISC to DGSC i.e., ex post facto analysis. It appears using the BRAC "opportunity" to realign DLA is a thinly veiled tactic to use the integrity of the BRAC process, and more importantly, the funding provided by BRAC, to realign DLA to a staff vision which has yet to be proven beneficial. Using BRAC and BRAC funding which is designed to get true base closure and realignment savings to execute a reorganization plan which results in no cost savings for the taxpayer is a misuse of the BRAC process.

DLA BRAC CONFIGURATION

3/95



CIT II (DCSC)
140,000 NSN's (EST.)

**SERVICES
ICPS**

CIT II (DGSC)
140,000 NSNs (EST.)

GSA

26 FSC's
1,068,981 NSN's
105,232 PR's

DISC

21 FSC's
17877 NSN's
4,885 PR's

39 FSC's
41458 NSN's
9838 PR's

**DCSC
(WS 2)**

Keep 65 FSC's
515,637 NSN's
74423 PR's

DPSC
Troop Support/G.S.

Keep 58 FSC's
106947 NSN's
41474 PR's

90 FSC's
1,049,665 NSN's
67,835 PR's

DESC

NSN's IN MOTION

80 FSC's
227830 NSN's
81049 PR's

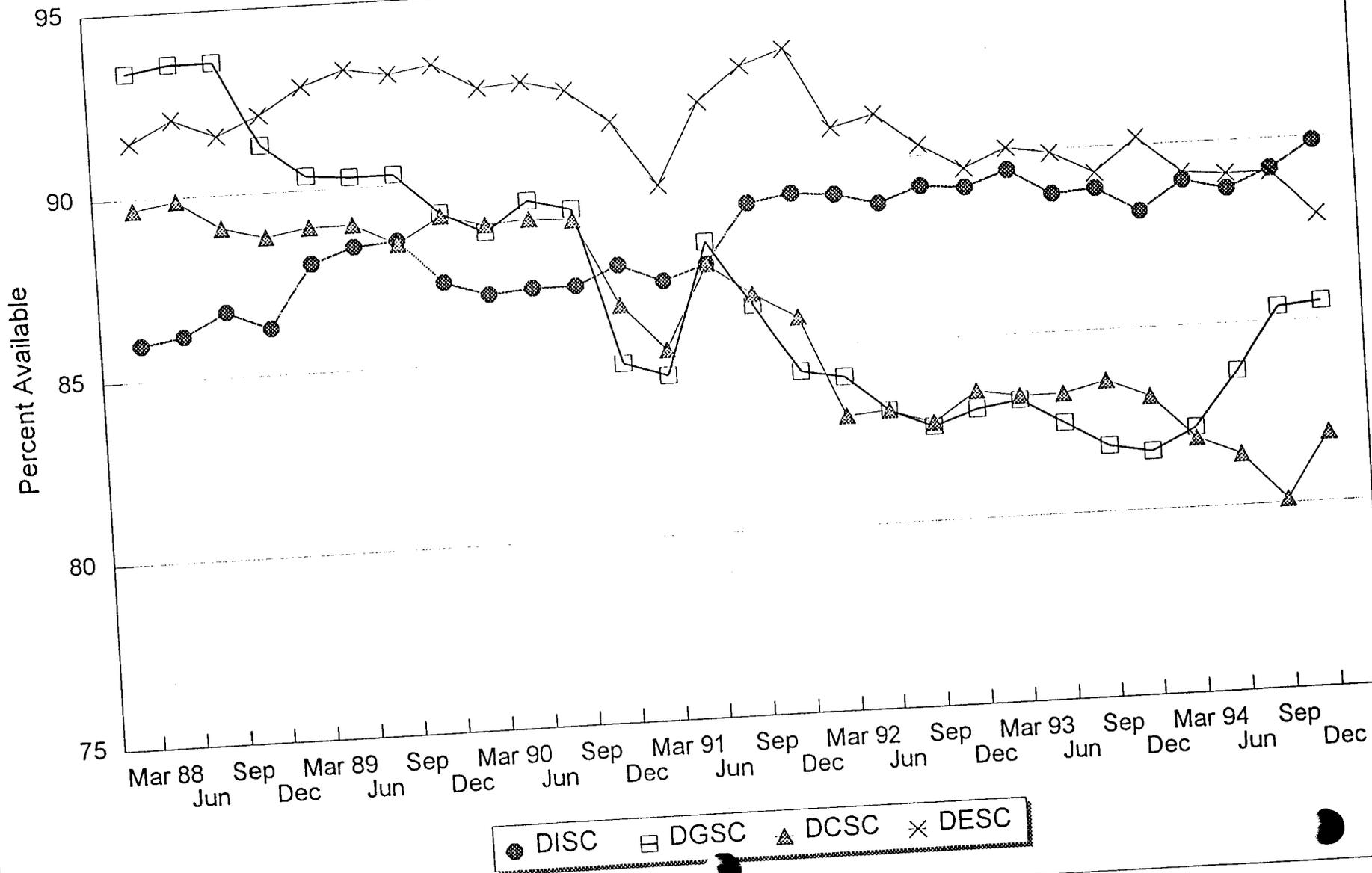
**DGSC
(WS 1)**

Keep 111 FSC's-1560/1680
401,142 NSN's-127,769
36086 PR's

DLA QUOTE: CONSIDERABLE MILITARY JUDGEMENT WAS NECESSARY TO EVALUATE THE TRADEOFFS IN EACH SCENARIO

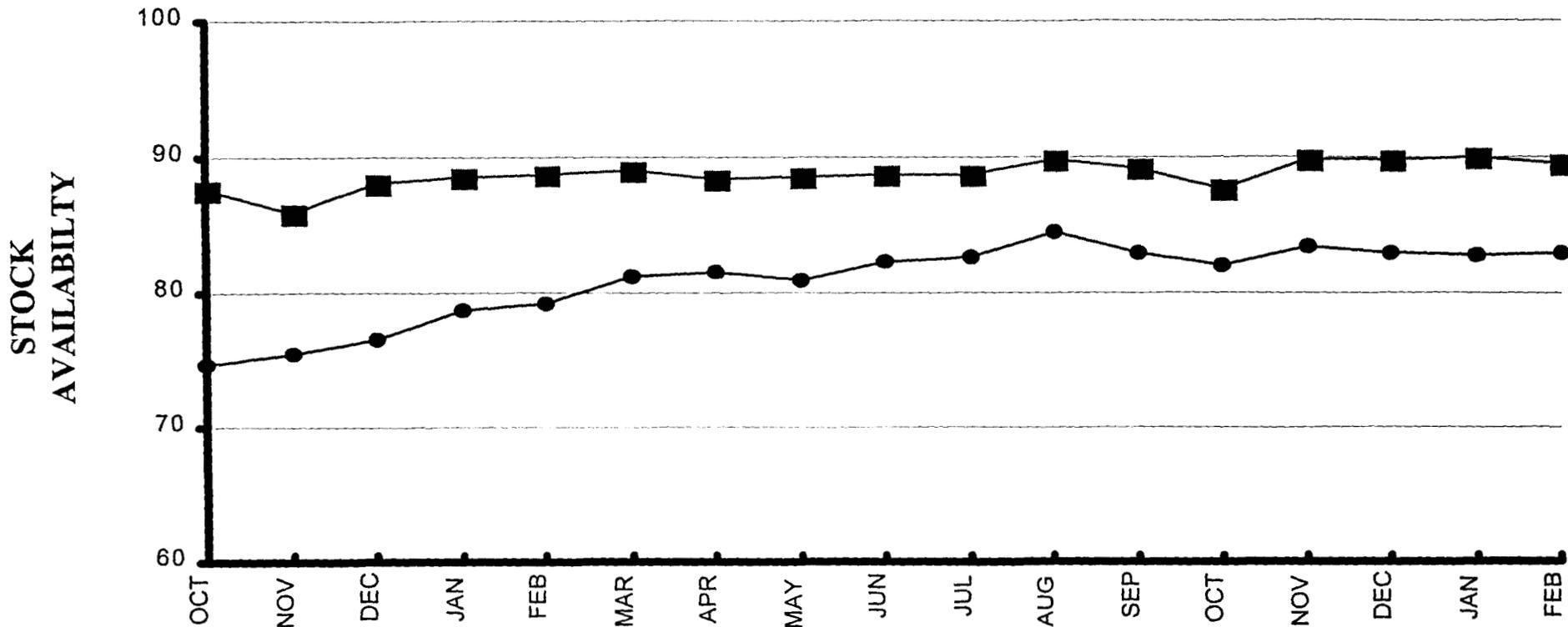
SUPPLY AVAILABILITY

ICP HARDWARE CENTERS



DISC
 DGSC
 DCSC
 DESC

ITEM TRANSFER PHENOMENA

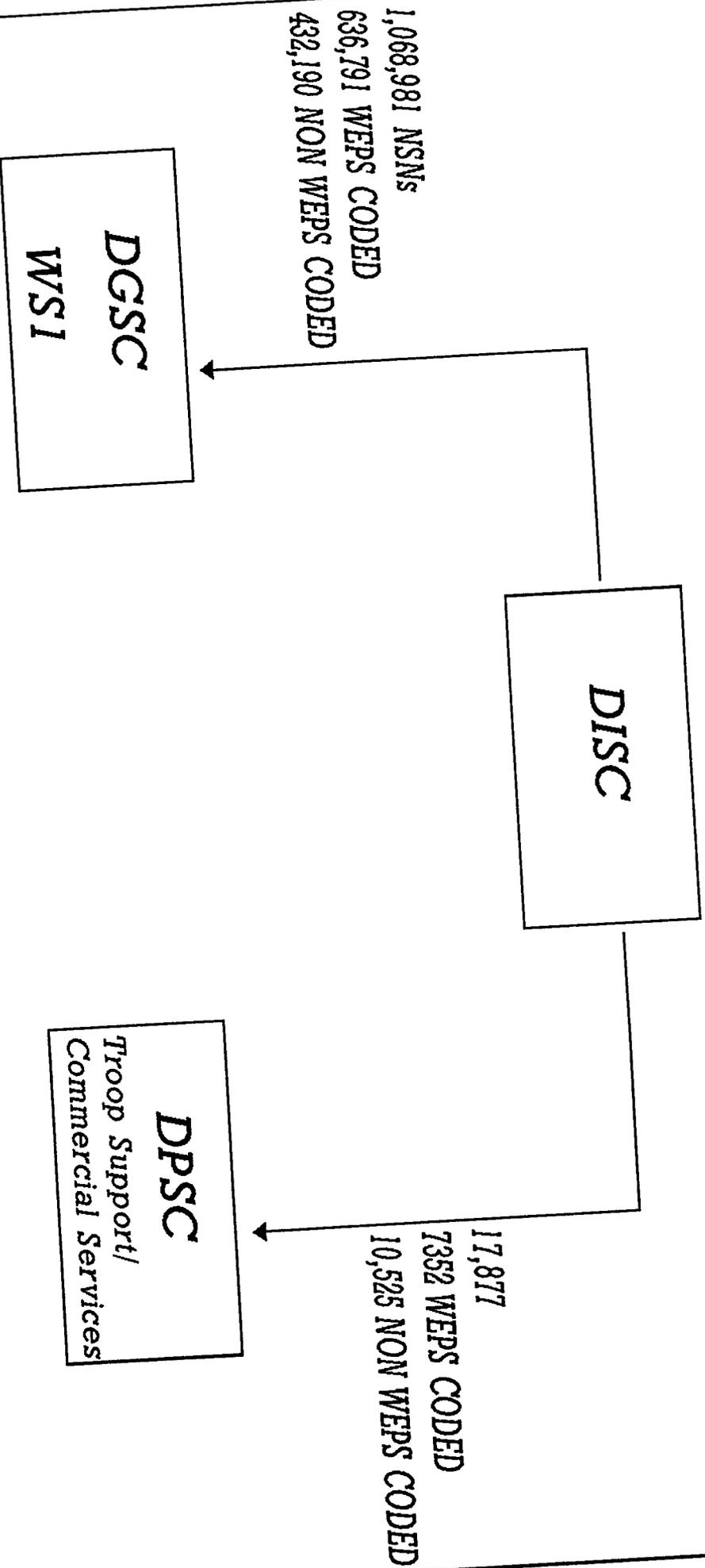


| | OCT 93 | NOV 93 | DEC 93 | JAN 94 | FEB 94 | MAR 94 | APR 94 | MAY 94 | JUN 94 | JUL 94 | AUG 94 | SEP 94 | OCT 94 | NOV 94 | DEC 94 | JAN 95 | FEB 95 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| TRANSFERRED ITEM | 74.7 | 75.5 | 76.5 | 78.7 | 79.2 | 81.2 | 81.6 | 80.9 | 82.3 | 82.7 | 84.6 | 82.9 | 82 | 83.5 | 83 | 82.8 | 83 |
| DISC ITEM | 87.7 | 85.9 | 88.2 | 88.6 | 88.8 | 89 | 88.5 | 88.6 | 88.7 | 88.8 | 89.8 | 89.2 | 87.7 | 89.9 | 89.9 | 90 | 89.6 |

● TRANSFERRED ITEM AVAILABILITY
 ■ DISC ITEM AVAILABILITY

SERVICE CONSUMABLE ITEM AVAILABILITY
 NAVY SPCC 84.4 %
 NAVY ASO 78.7 %
 ARMY CECOM 90.9 %

CONCEPT OF OPERATIONS WEAPON SYSTEM ICPS?



Memorandum for the Record

17 March 1995

- Encl: (1) List of Attendees
(2) Federal Supply Class Breakdown by ICP and Category
(3) Agenda /Discussion Points
(4) Action Items
(5) Open Questions

1. On 10 March 1995 the personnel listed in enclosure (1) met to initiate the planning process for implementing the BRAC 95 recommendation to: disestablish the Defense Industrial Supply Center (DISC); and realign item management responsibilities among the Defense General, Construction, and Personnel Supply Centers to correspond to the Inventory Control Point (ICP) concept of operations. More specifically, Troop and General Support item management will be concentrated at the Defense Personnel Supply Center (DPSC) and Weapon System Support item management will be split between the Defense General Supply Center (DGSC) and the Defense Construction Supply Center (DCSC). Enclosure (2) provides a synopsis of current and projected item management responsibility by Center and Federal Supply Class (FSC).

2. RADM Chamberlin opened the meeting by briefly discussing DLA's recommendation. He stressed it was predicated on military value and infrastructure reduction considerations, not on recent performance. In consonance with this he publicly recognized the skill, motivation and success of the DISC work force. He also acknowledged that authority to disestablish DISC was dependent on approval of the recommendation through the BRAC process, but allowed how the extraordinary complexity of what we are about to undertake plus the need to adequately reflect our requirements in the upcoming budgets argued strongly for immediately commencing preparatory planning.

3. RADM Chamberlin laid out three objectives for the group: first, define the major issues and questions that must be addressed; secondly, identify the areas where strategic assumptions still need to be made; and lastly, lay the initial groundwork for structuring the detailed planning process. The group's efforts focused on the first of these objectives (enclosure (3) pertains), with the conversation largely centered on: ① understanding what FSCs move where; ② delineating significant personnel issues; and ③ how BRAC 95 should be reflected in the budget and POM 97. Enclosure (4) lays out specific action items emanating from, and the following subparagraphs capsule significant points and agreements made during, these discussions.

a. **FSC Realignment:** The assumption that it was preferable to assign management responsibility for all the items in an FSC to one activity was unanimously reaffirmed by the participants. However, it was also agreed that the BRAC recommendation did not limit DLA's authority to adjust the projected FSC management responsibilities (listed in enclosure (2)) as it progressed through the detailed planning and implementation processes. It was further acknowledged that two forms of adjustment could occur: either an FSC could be reassigned in its entirety; or items could be moved from one FSC to another, or new, FSC. The movement of items to other FSCs was thought to have particular potential when dealing with classes which

would
IMPACT
COBRA
NUMBERS

have a relatively high percentage of both weapon system and troop /general items and different management requirements associated with each segment (e.g. wood screws vs turbine engine fasteners). Lastly, it was confirmed that the intention is to transfer any reimbursable work associated with specific FSCs, with those FSCs.

b. **Personnel Issues:** As expected there was significant discussion of the personnel ramifications associated with the recommendation to disestablish DISC. It was reiterated by the BRAC office and personnel specialists that classifying the DISC action as a realignment or disestablishment conveyed no specific personnel rights; rather personnel rights are solely dependent on whether actions are classified as work load or functional transfers. Due to both the confusion and intense interest in this area it was decided that headquarters DLA would issue written clarification as soon as possible.

The need to better define what the actual personnel situation might be for each activities' work force was also acknowledged. It was agreed that this should be done as soon as possible, but that it was dependent on certain implementation and budget decisions that had not been made yet. Other notable deliberations included: options available to provide preferential treatment to the adversely impacted work forces; avenues available for maximizing attrition; the general problem of retaining specific and unique expertise at least through the transition period; the requirement to ascertain as soon as practical what the actual personnel situations are in each geographical region; and a recognition that the more we could treat this as merger vice takeover actions the better off we would be.

c. **Budget and POM 97:** Considerable concern was expressed by the ICP Deputy Directors about their ability to absorb the directed productivity improvement marks while simultaneously: accelerating the implementation of DLA's new business practices; gaining several hundred thousand new items through CIT Phase II; internally transferring ownership of over 65% of the items we currently manage (includes DESC movement to DCSC); and maintaining performance. Further, apprehension was voiced over the assumption used in the BRAC Cobra model runs that all POM reduction would be taken against "losing activities".

The principal countervailing considerations were: the universally endorsed requirement to become more efficient; the acceptance that we did not want to create an unbalanced work force during the evolution (over stressed one place, idle another); and the realization that the appropriate mechanism to fund any "bubble" caused by BRAC 95 was the BRAC 95 budget (due in May '95). There was some discussion of DLA's decision not to request labor funding in the BRAC 93 budget, and it was admitted there is some unknown chance that the command might adopt that as its position for BRAC 95. It was stressed, however, that whether or not such a request went forward would be primarily dependent of how solid a case the ICPs could build for the requirement. It was also opined that the enormity of the task now before us in conjunction with the fact that BRAC 95 costs would not be reflected in the prices we charge our customers might make the environment more receptive to such a request.

Given the above it was decided that: all ICPs would respond to POM 97 in accordance with the previously distributed guidance; projected BRAC 95 savings would be applied "on top" of the activities' POM 97 baseline; and BRAC 95 costs, including labor, would be separately justified and submitted for inclusion in the BRAC 95 budget.

4. DCSC put forward a proposal to expedite the transfer of both lumber products and plumbing supplies to Philadelphia. Their desire is to complete the transfer prior to December '95 in order to avoid conflicting with CIT Phase II, office relocations, and large scale DESC transfers after January '96. It was unanimously agreed that using at least lumber as a near term small scale "model" was permissible (DLA is authorized to transfer FSCs), appropriate (it fits the ICP concept of operations so therefore isn't dependent on the BRAC decision), and advantageous (provides a controlled environment in which to gain experience). DPSC recommended that we approach the model from a more expanded perspective and include items managed by DGSC and DISC that would be associated with the same commercial distribution channels (e.g. wood screws, nails, wood pallets etc.). Doing so was embraced by all participants.

5. All participants believe we should give serious consideration to changing the names of the ICPs at the earliest opportunity in order to: create a more cooperative, less combative, atmosphere to the reorganizations; and more appropriately reflect what the ICPs are actually doing. In the case of DCSC, and depending on the chosen name perhaps DGSC, this could be done immediately. However, I would recommend that we not do anything in Philadelphia that might infer a presumption of a final decision.

6. The next meeting of the Deputies is scheduled to commence 0900 22 March 1995. It will be held in the DCSC command conference room. In preparation for the meeting participants were requested to make any additions to enclosure (3) they felt were appropriate. Principal topics to be discussed are: ① timing / phasing of the items transfers; ② establishing a structure to perform the detailed planning; ③ critical prerequisites to conducting the transfers. Additional items will be covered as time permits.


R. T. Moore
Capt, SC, USN

cc:
DISC
DPSC
DGSC
DCSC
MMSD
MMSB
MMSL
MMSP-CIMO
CAAJ
CAHS

Agenda / Discussion Points:

1. Overview of BRAC

- What are the basic rules?
- What assumptions were incorporated in the basic recommendation?
- What flexibility are we allowed in execution?

2. What FSCs move where?

- How do we want to handle Troop and General classes with a high percentage of weapon system items?
 - Does the notion of Home Class project apply?
- What other allowances do we need, or can we, make for additions / deletions
- What options should we consider for transferring items?
 - How do we establish the increments?
 - Should we give special consideration to items on long term contracts or other groups of items?

3. What software changes may be required to support the transfer?

- Do we use the logistic reassignment process, or create our own programs to transfer items on a file to file basis?
- Do we need enhancements to support our weapon system support role or any other functional role?
- Do we need management software?
 - Project management
 - EIS

4. What are the timing issues?

- What are the competing events? What is the relationship to:
 - CIT Phase II
 - business initiatives
 - previous BRAC actions
 - other evolutions
- How do we sequence the transfers to be least disruptive?
- What and/or who is the critical path?

5. How do we reflect BRAC 95 in the budget?
 - What is the time line for the BRAC budget submission?
 - What financial assumptions were incorporated in the recommendation?
 - What was the funding experience for BRAC 93?
 - How do we treat productivity and business process improvement savings in the budget and POM 97?

6. What are the personnel issues?
 - Is there any differentiation in the conveyance of rights between a disestablishment or realignment action?

7. What are the organizational issues?
 - Is there benefit to making the customer interface portions of DCSC and DGSC "look" and "feel" the same?

8. How do we conduct the actual implementation planning?
 - Who has the lead?
 - Do we establish a single or multiple teams to develop the plan?
 - How is the process overseen?

ACTION ITEMS

A. Personnel

1. DLA Human Resources Office in conjunction with the DLA BRAC office will provide written clarification on the impact the classification of a BRAC action has on the rights of affected employees, and what are the determinates for the conveyance of personnel rights.
 - a. A specific question was asked as to whether the classification of an action as a work load transfer or functional transfer is negotiatble under any of our existing labor agreements. The immediate answer was no, but DLA Human Resources agreed to confirm that and to provide a short explanation of the process used to make a work load versus functional transfer determination.
2. DLA Human Resources Office will provide a shopping list of the options available to provide preferential treatment / consideration of employees adversely affected by the BRAC action. A request was made to ensure it included any actions that would assist in the retention of areas where the pool of expertise is limited.
3. DLA Human Resources Office will provide a shopping list of options available to maximize attrition.
4. DLA Human Resources Office agreed to provide guidance concerning how to handle BRAC related Union interfaces under the new partnership arrangement.
5. DLA Human Resources Office will provide a matrix of the most likely labor relations issues (e.g. Bargaining unit etc.) and the steps involved in their handling.

B. Material Transfer

1. DGSC and DISC agreed to provide lessons learned from the last DISC → DGSC transfer. There is particular interest in what failed in execution and the factors which added time and cost.
2. DISC, DGSC, DPSC and DCSC agreed to review the FSCs they manage for additional items that should be included in the lumber the "transfer model". The inintent is to group together all the items that are provided within the same commercial distribution channel. Examples of such items are wood screws, nails, pallets, and perhaps some prefab buildings.
3. DISC, DGSC, DPSC and DCSC agreed to do the preparatory work for including plumbing supplies in the "transfer model". However, no agreement on whether or not to actually include it was reached.

enclosure (4)

C. Support Areas

1. DISC, DGSC, DCSC, and DPSC agreed to lay out what "support area" improvements they consider to be critical conditions and/or prerequisites of successfully effecting the planned item realignments while simultaneously continuing to execute the corporate vision. Software enhancements requirements are of specific interest.

OPEN QUESTIONS

1. To what degree should we defer current cataloging work in order to form a team to specifically address reclassifying items into "home classes"?
2. Should we give more consideration to the creation of a "North Philadelphia Detachment"? DPSC has indicated that it strongly disfavors such an approach. However, I would recommend leaving it on the table until we have more fully assessed the personnel situation and skill requirements.

enclosure (5)

Readiness, Military Value and DLA Concepts of
Operations Is Supported by the Synergy of the ASO/DISC Compound

BRAC 95 guidance states "DoD components should, throughout the BRAC process, look for cross Service or intra Service opportunities to share assets and look for opportunities to rely on a single military department for support".

Navy BRAC 95 detailed analysis recognizes in its determination that consolidating ASO and SPCC would "disrupt the synergy which currently exists between ASO and DLA within the Philadelphia Compound". Navy took the BRAC guidance to consider inter service opportunities and viewed ASO as an entire hybrid base of operations including the DLA synergies. DLA looked only at DISC as an isolated entity disregarding the existing and potential benefits to DLA and the taxpayer of having a diverse talent base of weapons support expertise on the compound. It took a similar stovepiped tact when looking at Defense Depot Richmond and ICP Richmond. It first determined Defense Depot Richmond would be maintained then by default it did not make sense that ICP Richmond should be impacted. It did not look at the Richmond homogeneous "base" vs. the hybrid, inter service Philadelphia "base" as comparable entities. It is ironic, however, that in the DLA Concept of Operations, i.e. the strategic vision for DLA ICPs, they state "DSCs should be situated in an area to attract and maintain required logistics talent". That pool of logistics talent as well as the automation, education and transportation infrastructure to sustain it exists already on this compound.

Relative to military value and Readiness, aviation weapons systems are the forward projection of force in all war fighting scenarios. ASO manages about 200,000 aviation items supported by a significant aerospace engineering and weapons/logistics support infrastructure. DISC manages 458,000 items with an aviation application, i.e. DISC manages 38% of all DLA items used on aircraft weapon systems. Conversely DGSC has 17% of aviation items primarily in the structural component classes (FSC 1560, 1680). The base is also supported by Naval Aviation Engineering Services Unit, Naval Air Technical Services Unit, Navy International Logistics Command and Defense Printing Service. The wealth of logistics and engineering talent cannot be matched by any other Intra Service ICP Community. With the BRAC 93 decision implemented and DPSC merged with DISC, the opportunities for synergy, savings and cross fertilization make this compound a potent logistics entity.

DISC and ASO have like and similar business processes and a common industry base. We jointly deal with original manufacturers and approved aerospace vendors in common providing an opportunity to leverage the combined aerospace buying power of DISC and ASO. Jointly the two commands acquire about \$1B of aviation related material, a considerable deal of leverage with the diminishing aerospace industrial base.

We have partnered with ASO on using this leverage with prototypical and innovative interservice contracts for jet engine blades and vanes and aviation bearings. The value of these two prototype contracting ventures is estimated to be over \$140M. Even more opportunities exist to partner in system acquisition and spares requirements acquired in tandem.

Downsizing will continue to force cooperation among all the service organizations. We have already effectively begun the process, why disrupt this now? Compare the synergy of a concentrated pool of logistics talent, common business process and automation acquisition leverage with what DLA sees as the driving synergy between the Richmond ICP and the Richmond distribution depot.

The Philadelphia complex provides a unique environment to prototype and execute strong interservice integration. Proximity and commonality in this case is advantageous. This relationship should be nurtured and capitalized upon not destroyed.

The driving force behind the DLA BRAC 95 recommendation is to implement its concept of operations. DLA has taken heat from the Services for not being weapon systems oriented. Service Weapons Managers are comfortable with having a single point of entry for a weapon system. e.g, The FA/18 community has a branch at ASO who manages the inventory, technical and acquisition process for that weapon. DLA has no comparable organization. DLA's first attempt at organizing along weapon system lines at Columbus is less than successful as can be seen by the performance stats presented in the Readiness discussion. One of the primary reasons for failure was the fact that the INFRASTRUCTURE which supports the weapons management process was not changed along with the organizational structure. The business process, systems, policy and procedures are still based on "Commodity" management and are 1970's vintage. Moving items and organizational structure around without changing the automated systems which support the business process cannot be successful, merely more palatable to the Services. Even under the Concept of Operations, the two Weapons ICPs will still manage over 50% non-weapons items and from the customer perspective the FA/18 manager or operational unit still has to go to multiple ICPs and multiple organization within the ICP to get resolution or support. The organization that DLA envisions as a weapons ICP of the future in its Concept of Operations is here! DISC is the closest organization to that ideal. The attached chart details the DLA vision and specifies of how DISC is already there.

Again, the bottom line to this DLA BRAC 95 recommendation is that it was not well thought out, not well carried out and will not be well carved out in its present state. The recommendation does not save money, does not close a base, risks readiness impact and, in essence, is an attempt to use BRAC money (which is designed actually to close bases or achieve true downsizing) to reorganize DLA. This is not a prudent or appropriate use of BRAC funds. Our recommendation is to maintain the integrity and build on the strengths of the BRAC 93 decision. The synergy, leverage and interservice opportunities matched with the performance of DISC in support of Readiness should not be Jettisoned in a flurry to capture BRAC funding and implement a concept whose value has not yet been given a true sanity check.

Interservice Synergy

Operational Synergy

Synergy: The action of two or more organizations to achieve an effect of which each is individually incapable.

- Webster

Synergy is gained by concentrating management attention on a single mode of material management.

- DLA 95 BMC detailed analysis.

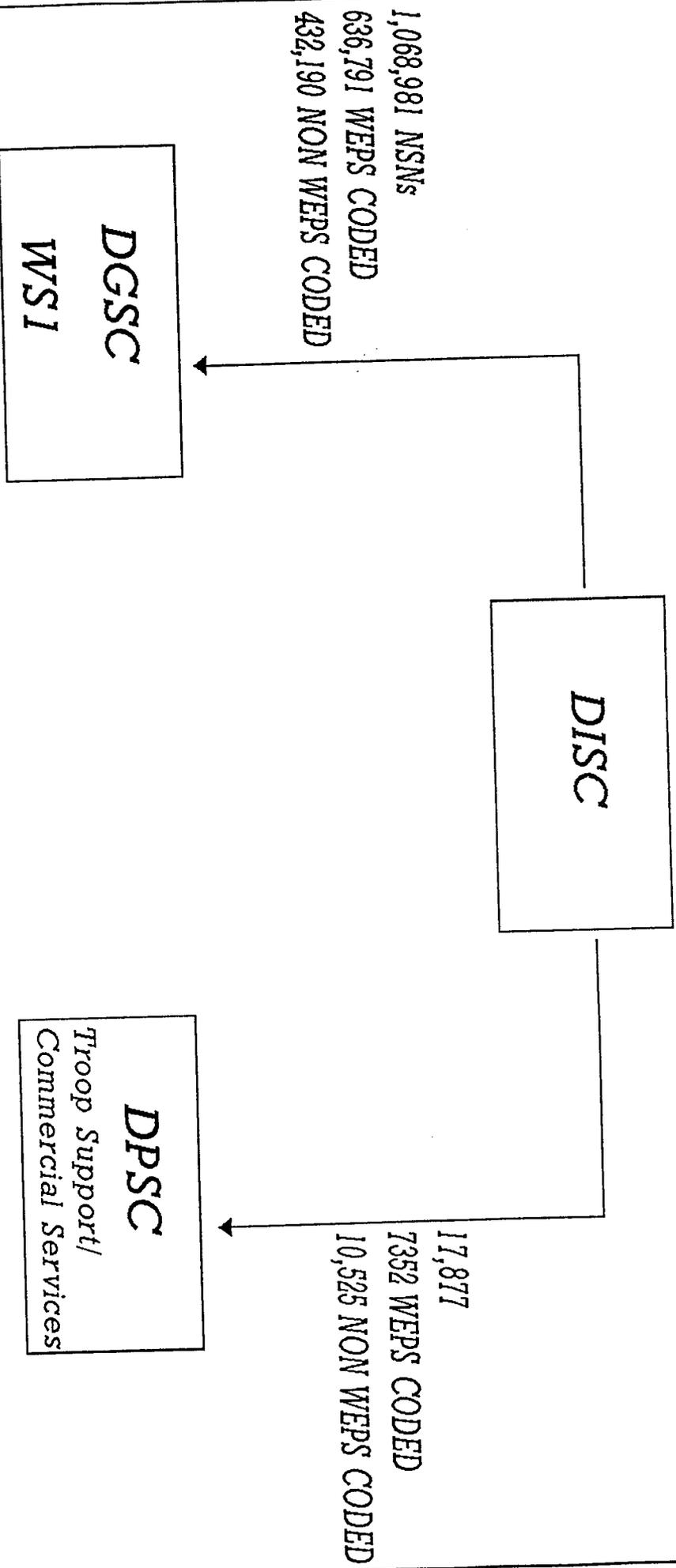
DLA WEAPONS MANAGEMENT AVIATION

| | TOT ITEMS MANAGED | ITEMS MANAGED WITH AVIATION APPLICATION | % OF CENTER ITEMS WITH AVIATION APP | CENTER'S % OF DLA TOTAL ITEMS WITH AVIATION APP |
|------|----------------------|--|--|--|
| DISC | 1,116,172 | 457,633 | 41.0% | 37.9% |
| DGSC | 675,799 | 206,254 | 30.5% | 17.1% |
| DCSC | 730,186 | 138,071 | 18.9% | 11.4% |
| DESC | 1,138,863 | 404,905 | 35.6% | 33.6% |

Interservice Synergy

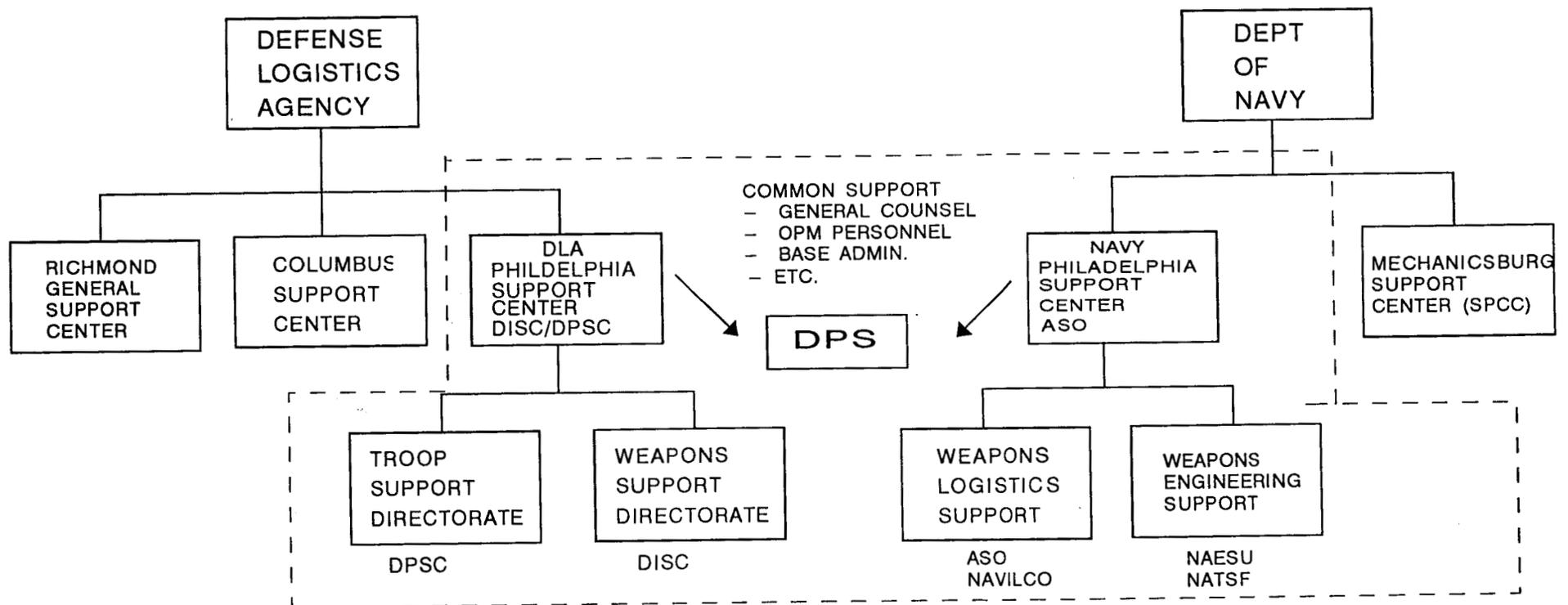
- DISC - ASO
 - Common Inventory Base/Weapons
 - Orientation:
 - ASO 200K Aviation Related Items
 - DISC 458K Aviation Related Items
 - (38% of all DLA Aviation Items)
 - DG - 17%; DC - 11%; DE - 34%
 - Common Aerospace Industry Face:
 - ASO \$750M Acquired
 - DISC Aviation \$256M
 - GE; MACAIR; Allied Signal; MRC;
 - United Tech; Approved Vendors
 - Leverage - Joint Contracting:
 - . Jet Engine Blades/Vanes
 - 173 NSNs = \$57.9M Oblig. (to date)
 - Renewal 7/95: 241 NSNs = \$136M
 - . Aviation Bearings
 - 58 NSNs = \$7M (est value)
- ICP: DGSC - Depot: DDRV

CONCEPT OF OPERATIONS WEAPON SYSTEM ICPS?



THE PHILLY SOLUTION

INTER SERVICE INTEGRATION POTENTIAL



- AEROSPACE TECHNICAL SUPPORT
- COMMODITY TECHNICAL SUPPORT
- MATERIEL LOGISTICS
- FOREIGN MILITARY LOGISTICS

- ACTUAL COST SAVINGS
- CONSISTENT WITH DLA CONOPS
- MINIMIZES READINESS RISK
- MAINTAINS INTENT AND INTEGRITY OF BRAC 93
- A GOOD BUSINESS DECISION

CONOPS VISION FOR ICP

- COMBAT SUPPORT AGENCY
- “DCSC SHOULD BE SITUATED IN AN AREA TO ATTRACT AND MAINTAIN REQUIRED LOGISTICS TALENT”
- COMMODITY BUSINESS UNITS
- CORPORATE DLA/DOD CONTRACTS
- FUNCTIONAL PROCESS IMPROVEMENT METHODOLOGY
- BEST VALUE ACQUISITION

DISC IS THERE ALREADY !!

- DISC HAS MOST WEAPONS ITEMS, HIGHEST SUPPORT.
FIRST READINESS ADVOCATES
FIRST WEAPONS MANAGEMENT PROTOTYPE
- DISC SUPPLIES 51% OF TOTAL INDUSTRIES REQUISITIONS
- DISC COLOCATED WITH SERVICE ICP (ASO)
NAVAL ENGINEERING ACTIVITY (NAESU)
NAVY INTERNATIONAL LOGISTICS CONTROL OFFICE (NAVILCO)
LARGE POOL OF DIVERSE TALENT ON BASE.
- INVENTED HERE; EMULATED ELSEWHERE
- ORGANIZED ALONG PROCESS LINES
- FIRST MULTIFUNCTIONAL JOB SERIES
- FIRST FULLY INTEGRATED WORK STATION
- FIRST MULTISKILLED TRAINING PROGRAM
- CONCEPT INVENTED HERE
ASO/DISC CONTRACTS SYNERGY
- ABC PROTOTYPED HERE
- DPACS, AIMS, AUTOMATED CUSTOMER RETURNS, AND
SMALL AUTOMATED COMPETITIVE REBUYS
PROTOTYPED HERE
- DELIVERY EVALUATION FACTOR INVENTED AND
IMPLMENTED AT DISC

CONOPS VISION FOR ICP

- EXPANDED USE OF ELECTRONIC COMMERCE

- MARKETING

- TAILORED/FLEXIBLE CUSTOMER SUPPORT

DISC IS ALREADY THERE

- PROTOTYPED/ BENCHMARKED HERE

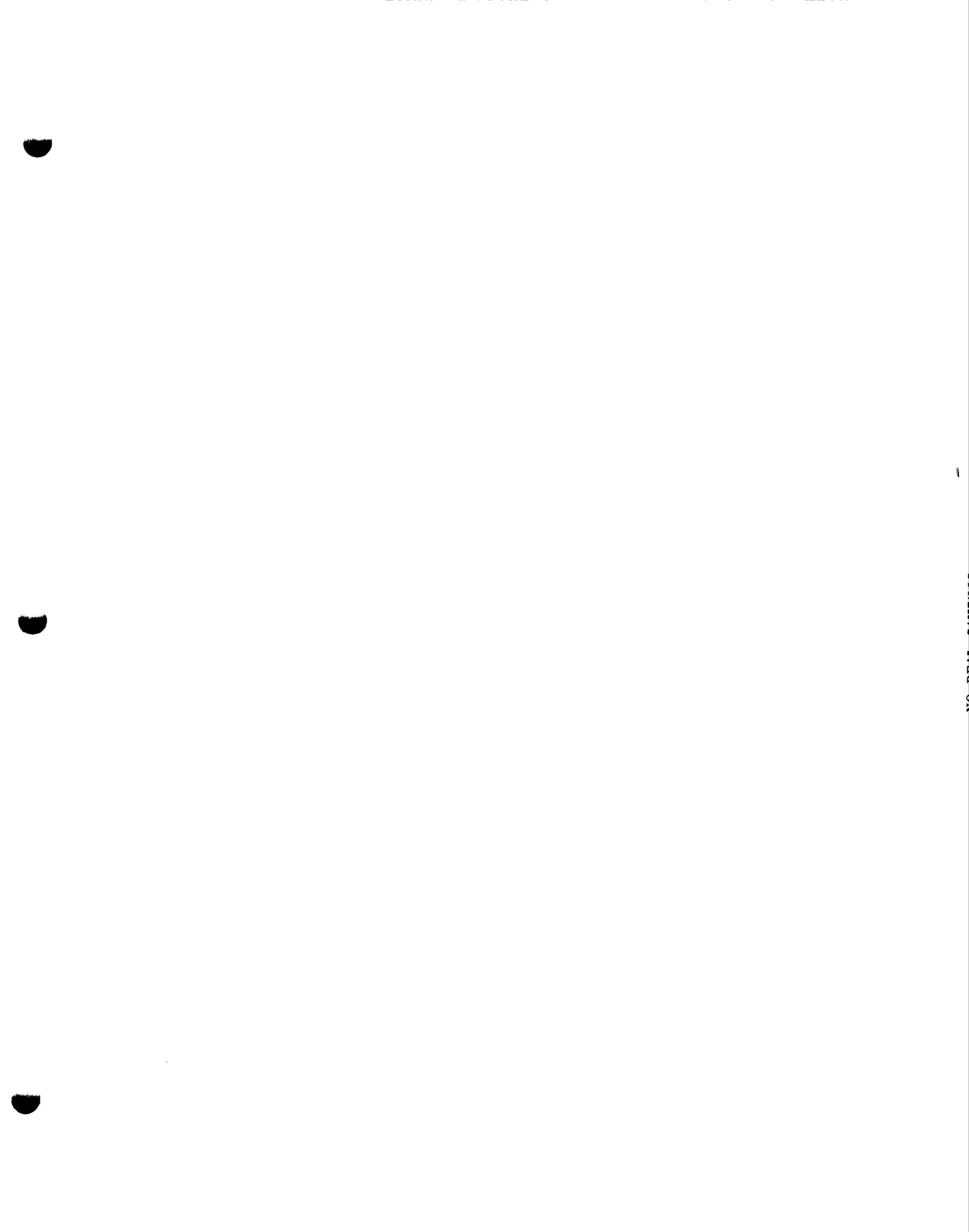
- 100% FOR AUTOMATED SMALL PURCHASES

- FIRST DLA ICP TO ESTABLISH DESEX: AUTOMATED CUSTOMER SERVICE MODULE

- FIRST ORGANIZATION HERE; EMULATED ELSEWHERE

- NATIONAL PERFORMANCE REVIEW LEAD CENTER

DISC IS WHAT DLA WANTS AN ICP TO BE!



NO REAL SAVINGS

COBRA MODEL FLAWS

- COSTS NOT INCLUDED
DPSC OPERATING COSTS 1997-99 \$110 MIL
COST OF TRANSFERRING ITEMS \$60 MIL
- FLAWED METHODOLOGY
SAVINGS <-----> ITEM TRANSFER VOLUME
POSITIONS ELIMINATED - 358 DCSC COLUMBUS
- MODEL RERUNS

| | | FY 99 | | | |
|------|-------------------------|--------|---------|------|-------|
| | | Direct | Indirec | G&A | Total |
| DCSC | Weapon Systems Items | 1229 | 765 | 280 | 2274 |
| | Troop & General Support | 186 | 116 | 56 | 358 |
| | Miscellaneous | | | 381 | 381 |
| | Base Operations | | 881 | 717 | 3013 |
| | Totals | 1415 | | | |
| DGSC | Weapons Systems Items | 422 | 81 | 102 | 605 |
| | Troop & General Support | 457 | 87 | 111 | 655 |
| | Miscellaneous | 157 | 59 | 45 | 260 |
| | (IPE) | [21] | [59] | [17] | [97] |
| | (Miscellaneous) | [136] | [0] | [28] | [163] |
| | Base Operations | | 227 | 308 | 308 |
| | Totals | 1035 | | 565 | 1828 |
| DISC | Weapon Systems Items | 993 | 116 | 222 | 1331 |
| | Troop & General Support | 118 | 20 | 28 | 166 |
| | Miscellaneous | | | | |
| | Base Operations | | 136 | 250 | 386 |
| | Totals | 1111 | | | 1497 |

| | 95% | 75% | 50% | TOTAL |
|--|--------|---------|------|-------|
| | Direct | Indirec | G&A | |
| | 1168 | 574 | 140 | 1882 |
| | 177 | 87 | 28 | 292 |
| | | | | |
| | 401 | 61 | 51 | 513 |
| | 434 | 62 | 56 | 552 |
| | 149 | 44 | 23 | 216 |
| | [129] | [0] | [14] | [143] |
| | | | | |
| | 943 | 87 | 111 | 1141 |
| | 112 | 15 | 14 | 141 |

FACT SHEET FOR BRAC STAFFER DISCUSSION

SUBJECT: DLA COBRA RUN FLAWS

BACKGROUND: The COBRA run used by DLA to provide the cost savings for the ICP disestablishment contains a number of flaws that eliminate any savings after all the actual costs are considered. We have reviewed the output reports from ICP22 run, obtained detailed backup from the DLA BRAC office and identified the cost omissions and flawed methodology.

DISCUSSION:

- COSTS NOT INCLUDED

DPSC Base Operating Costs - Under the 1993 BRAC decision, DPSC was to move to ASO by FY 97. Delaying this move by two years increases costs by \$110 Mil.

Under the DLA proposal the costs of transferring items was not included. Under this proposal 1.358 Mil items would be moving between DLA supply centers. The costs of this transfer are estimated to be \$60 Mil.

- FLAWED METHODOLOGY

Under the DLA methodology the higher number of items that are transferred between centers, the greater the personnel savings achieved. DLA took reductions in personnel in each category of items that moved and took no reductions for those that remained in place. The reductions were 5% direct labor, 25% indirect and 50% general and administrative. Using this flawed methodology increased the personnel savings.

358 of the 408 of the positions eliminated or 87.7% are taken at DCSC Columbus and 50 at DISC even though DISC is the activity being disestablished with over 1800 positions impacted by the proposal. The job eliminations at Columbus are the primary factor in the annual recurring savings claimed and are a result of the flawed methodology for taking personnel savings described above.

A preliminary run of the model taking into account the additional costs and including only the Phila. DISC job eliminations shows negative savings over twenty years resulting from the DLA proposal.

A preliminary run of the model taking into account the additional costs and using the job eliminations in the original DLA proposal shows that a positive NPV return on investment does not begin to occur until 2009 and reduces the total NPV savings by 70%.

A preliminary run of the model using only the DISC job eliminations and having DPSC and DISC located on the ASO compound in accordance with the BRAC 1993 decision with additional consolidation of support resources produced greater savings than the DLA proposal for BRAC 95.

SUMMARY

The failure to include the additional costs of delaying the move of DPSC to ASO and reduced base operating costs and additional costs of transferring 1.358 Mil items within DLA understates the added one time costs of the DLA proposal and reduces savings by 70% .

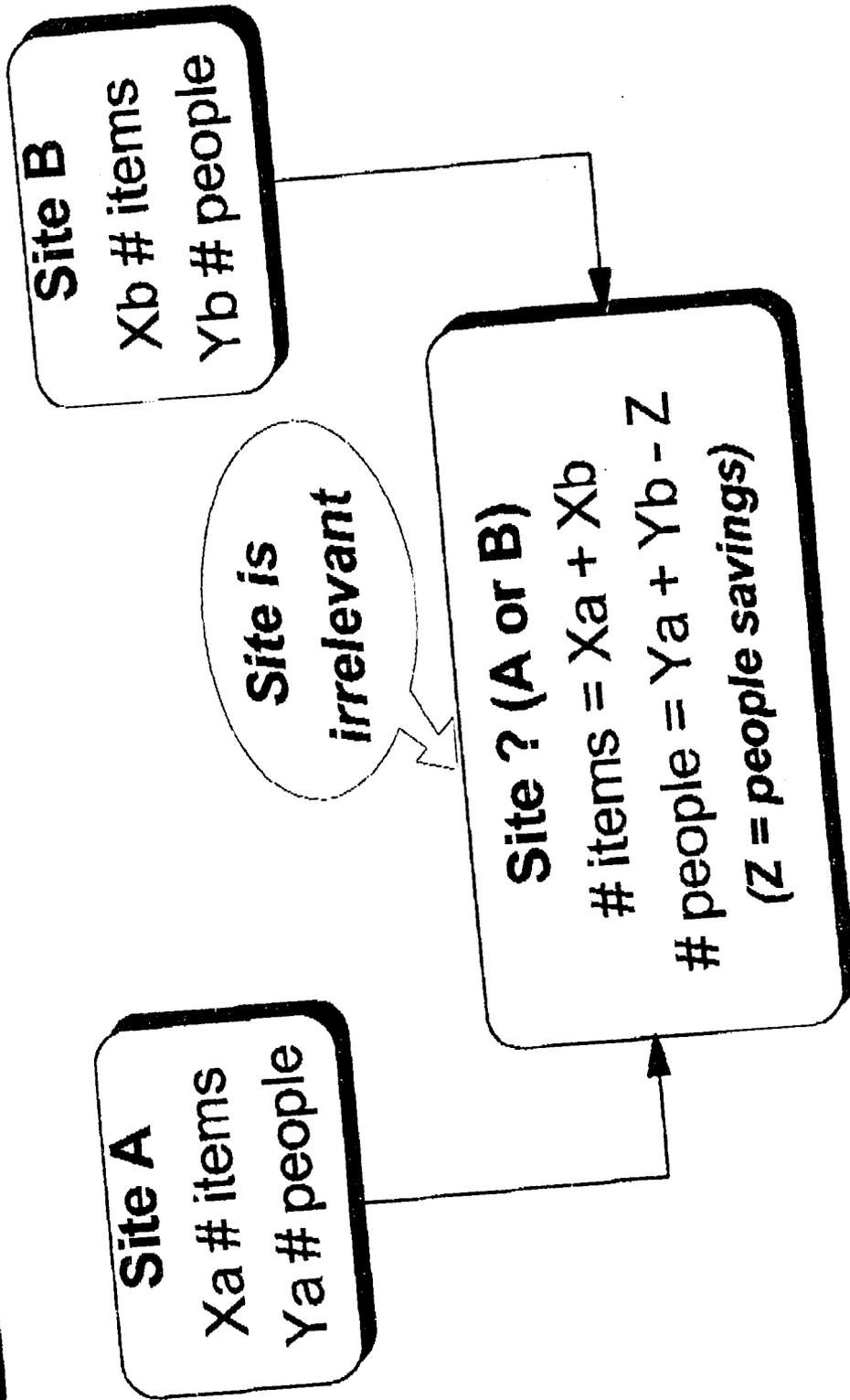
The use of a flawed methodology to compute the personnel savings from the proposal increases the positions eliminated increasing the recurring savings beyond what they would be if the reductions were taken in place.

A preliminary run of the COBRA model having DPSC and DISC located at ASO in accordance with BRAC 1993 with additional savings from consolidation of support resources produces greater total savings than the DLA proposal.

POINT OF CONTACT FOR QUESTIONS: Doug Smith (215) 697-9315

DATE PREPARED: 5 April 1995

Concept:
Personnel savings can be obtained via economies of scale generated by managing like items together at the same site.



Example:

Assume a personnel savings factor of 10%.

Site A

1000 items
100 people

Site B

500 items
50 people

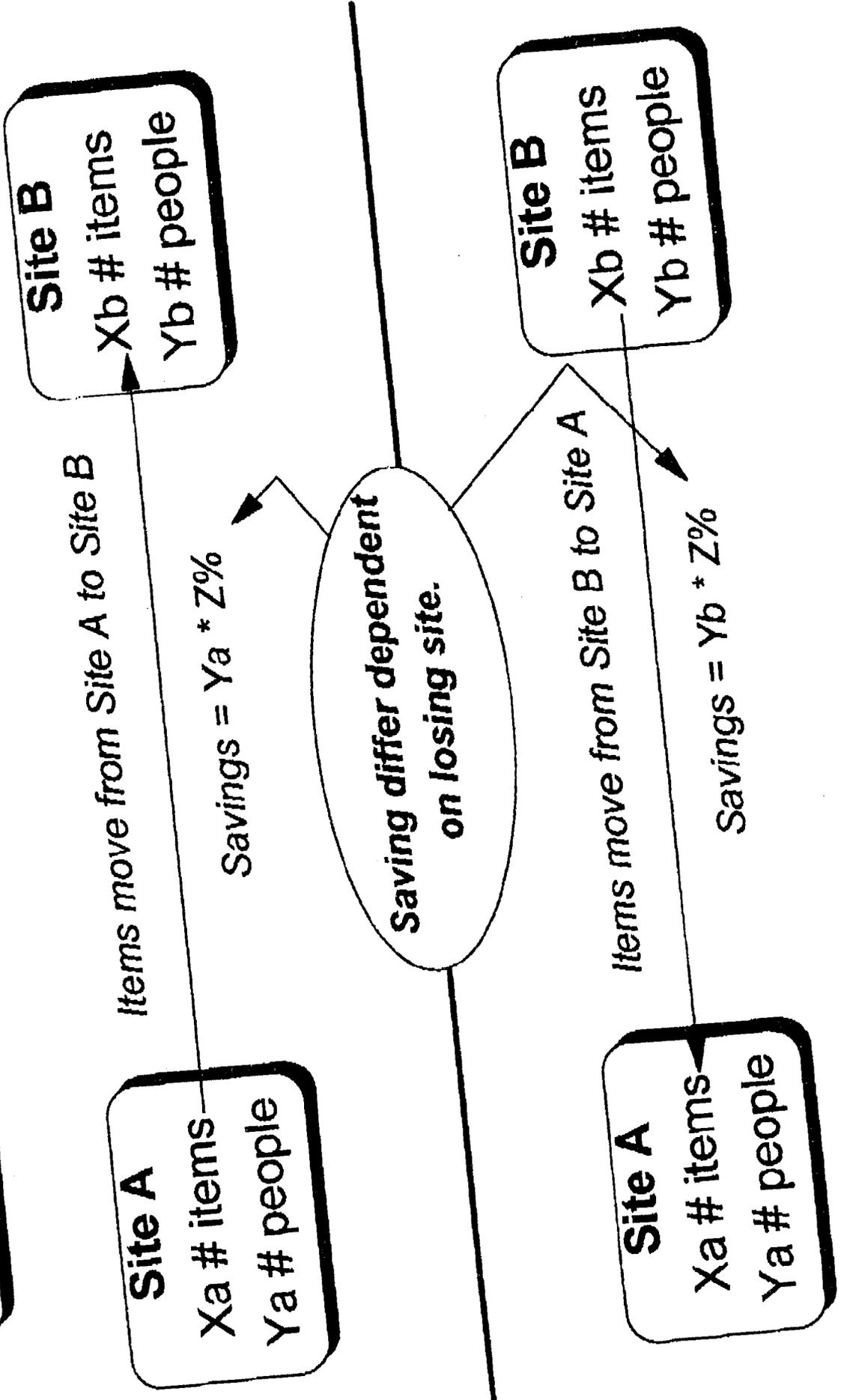
Site ? (A or B)

1500 items
135 people
 $(100 + 50) - ((100 + 50) * .10)$

Bottom line: Combined management drives savings

Implementation:

Personnel savings are calculated based on number of items moving from losing site.



Example:
Simplified version of off-line personnel savings methodology used by DLA. For WS items only.

DGSC
400K items
605 people

Items move from DISC to DGSC

$$\text{Savings} = 190 \text{ people} \\ (993 \cdot .05) + (116 \cdot .25) + (222 \cdot .5)$$

DISC
1M items
1331 people

DGSC
400K items
605 people

Items move from DGSC to DISC

$$\text{Savings} = 92 \text{ people} \\ (422 \cdot .05) + (81 \cdot .25) + (102 \cdot .5)$$

DISC
1M items
1331 people

Bottom line: Item movement savings driver.

Conclusions:
DLA personnel savings methodology flawed and does not pass the "common sense" test - indicates DLA is guessing and does not know how to compute true savings.

Logic dictates that, all things being equal (as DLA assumes), when dealing with economies of scale, the maximum benefit to be obtained is limited by how much can be obtained by combining the smaller with the larger - the number of items managed by DISC is considerably larger - max savings 92 from combining 400K items with 1M items.

Efficiency is ignored in computing personnel savings - even a cursory analysis shows DISC is a much more efficient manager of items - since the items to be managed are, by concept, the same, the playing field is level - regardless of the method used to compute overall savings, additional efficiency savings can be obtained by managing items at DISC.

DISC: 1.069M items/1331 people = 803 items per person

403M items
605 people

DGSC: .403 M items/605 people = 666 items per person

803 - 666 = 137 item per person efficiency delta

137/666 = 20% efficiency factor

1331 * 20% = 266

George Hillard
697-5152

Because DGSC is a more inefficient manager, they will require an additional 266 people over and above DISC's 1331 to manage the same number of items

BRAC FACT SHEET 1

SUBJECT: COST TO TRANSFER ITEMS

◆ ITEM TRANSFER: COSTLY, TIME-CONSUMING, COMPLEX.

- DLA did not consider item transfer costs in the COBRA Model.
- Over the next 4 years, DLA will be transferring 2.4M items within the ICPs.
- Excluding the DESC transfer, 1.3M items will be transferred within the ICPs.
- The magnitude of these transfers is unprecedented. For every transfer, two transactions result: transferring the item and receiving the item.
- These transfers will incur considerable costs.
- NOTE: Attachment 1 reflects current and proposed manager of the items.

◆ THE PROCESS:

- Various personnel (technical, procurement, supply, and warehouse personnel) play a part in the process.
- Items to be transferred must be identified, hard copy documents must be pulled, reproduced, reviewed, packaged and shipped.
- NOTE: Attachment 2 is flowchart of the tasks required to transfer an item.

◆ COST TO TRANSFER AN ITEM:

- Transferring an item incurs a transfer and receive cost.
- The cost to TRANSFER all items is \$36M: this includes labor and non labor costs (technical, supply, procurement). NOTE: See Attachment 3.
- The cost to RECEIVE all items is \$27M; this includes technical and supply labor costs.
- Total Cost to DLA is approximately \$63M.
- Our figures do not include labor time that will be spent on :
 - Providing support to the receiving activity.
 - Travel costs.
 - Labor costs associated with reconciliation of data.
- ICPs will be receiving new classes of items not previously managed and will require provider's expertise.
- Previous CIT experience has shown that the more information provided during transfer, the smoother the transition.

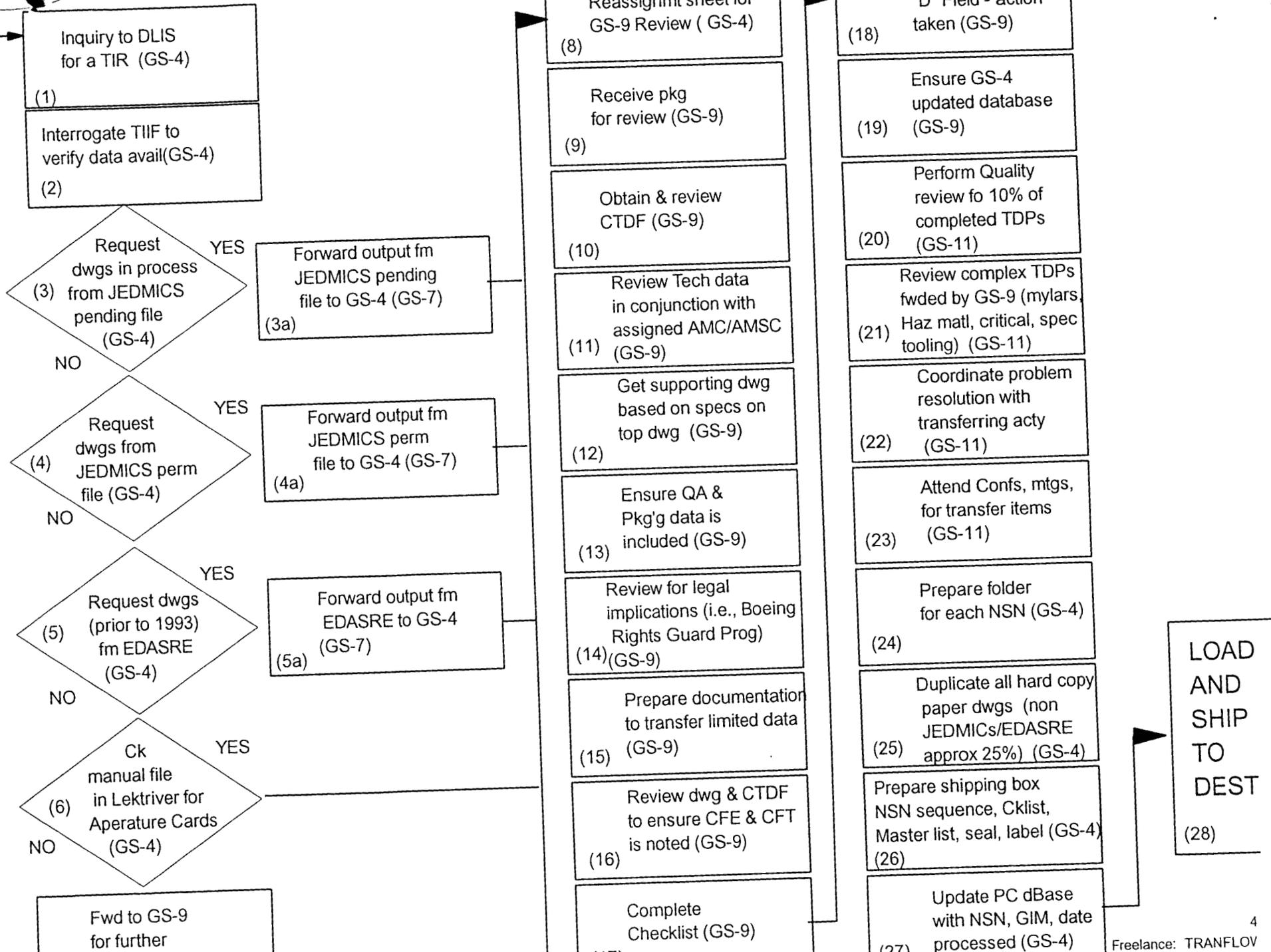
◆ CONCLUSION:

- Transfer costs need to be added to the COBRA Model.
- Since transfer costs were not in COBRA Model, DLA savings were overstated.
- 1.3M items in transition will impact readiness and customer support.
- Enormous influx of new/unfamiliar items may result in decreased performance until learning curve has been effected.
- DLA appears to have discounted the impact of this massive item transfer.

PREPARED BY: Vincent T. DiBella, (215-697-3925)
Patricia A. Brady, x1464
Russell Booth, x4222

IPU-E TECHNICAL DATA TRANSFER

Receive F-26



ITEM MANAGER PROCESS

LR Monitor

120 Days ETD*

Review Standard Supply Control Study (LL)
120 PRE-ETD Days

Input PCP less than 4 mos
Input low value demand code Y

Discontinue Disposal Actions

60 Days ETD

Review Standard Supply Control Study (LL)
60 Days PRE-ETD

Obtain Printout of OWRMPR Reqmts, SPR Reqmts.

Discontinue Redistribution Orders
Repair of F&G Materiel Review Book
Balances
Review Assets in Location
Stop Excess Screening

30 Days ETD

Prepare Item Jacket File For Consolidation and Mailing to GIM

Duplicate:IM Notes Telephone Records Correspondence Demand Forecast

Duplicate: Contract Mods Acceleration Request Substitute Info SPR Records

Obtains PF-72 CTDF, TIR and item Jacket File

Mails Package to GIM

Note: GS-9 = 95% of items
GS-11 = 5% of items

ACQUISITION ACTIONS

Modify all Active
Contract Files to
new Procurement
Contracting Officer
(GS-9)

Review, copy and
pack all hard copy
contracts in File Rm.
(GS-4)

Transfer Industrial
Readiness Contractors'
Files; Large Buys & IDT
Buys.

NOTE: Additional 350,000 contracts in
Warehouse not included.

COST ANALYSIS FOR TRANSFERRING TECHNICAL DATA

| | |
|--|-------------|
| GS-4, Step 5 hourly rate = | \$9.68 |
| Combined labor time - complex and non-complex | 0.915 |
| Cost per NSN | \$8.86 |
| Total NSN Transfer | 1,021,360 |
| Total Hours | 934,544 |
| Total Cost | \$9,046,390 |
| Steps 1-8 & 24-27 | |

| | |
|----------------------------|-----------|
| GS-7, Step 5 hourly rate = | \$13.41 |
| Labor time allowed | 0.06 |
| Cost per NSN | \$0.80 |
| Total NSN Transfer | 1,021,360 |
| Total Hours | 61,282 |
| Total Cost | \$821,786 |
| Steps 3a, 4a, 5a | |

| | |
|--|--------------|
| GS-9, Step 5 hourly rate = | \$16.41 |
| Labor time allowed - average complexity | 0.75 |
| Cost per NSN | \$12.31 |
| Total NSN 90% | 919,224 |
| Total Hours | 689,418 |
| Total cost | \$11,313,349 |
| Steps 9-19 | |

| | |
|-----------------------------|-------------|
| GS-11, Step 5 hourly rate = | \$19.85 |
| Labor time allowed | 0.5 |
| Cost per NSN | \$9.93 |
| Total NSN 10% | 102,136 |
| Total Hours | 51,068 |
| Total cost | \$1,013,700 |
| Steps 20-23 | |

BOXES

| | |
|--|----------|
| Number of boxes (99 folders per box divided by 1,021,360 items) | 10,317 |
| GC minus 25 per bundle | 447 |
| Cost per bundle | \$39.06 |
| Total cost | \$17,460 |

TAPE

| | |
|-----------------------|-------|
| 222 rolls at \$2.40 = | \$533 |
|-----------------------|-------|

ADP SUPPORT

| | |
|------------------------|-------------|
| ASO model cost per NSN | \$2.84 |
| Total items | 1,021,360 |
| Total cost | \$2,900,662 |

MAT'L SUPPLIES/SHIPPING

| | |
|--------------------------------|-------------|
| Price per aperture card | \$0.83 |
| Approx number of cards per TDP | 3 |
| Number of IG/2G items | 597,314 |
| Number of cards required | 1,791,942 |
| Total cost | \$1,487,312 |

SHIPPING COST

| | |
|---|-----------|
| Number of boxes (approx 99 folders per box) 1,021,360 items | 10,317 |
| Estimate to ship UPS (50 lb limit) | \$10.00 |
| Total cost = | \$103,168 |

MATERIAL COST

| | |
|--|----------|
| Number of boxes (500 folders per box) 1,021,360 items | 2,043 |
| Cost per box | \$29.62 |
| Cost for folders | \$60,505 |

| | |
|-----------------------|--------------|
| Total Technical Costs | \$26,764,865 |
|-----------------------|--------------|

COST TO PROCESS IM ACTIONS

PROCESS REASON FOR STUDY CODE "LL" PAGES

| | |
|---------------------------------|----------------|
| Number of Stocked/NSO items | 657,742 |
| 120 and 60 days multiplied by | |
| .0856 = process time | 0.0856 |
| Process performed 120 & 60 days | 0.1712 |
| Cost to process one NSN file | |
| (hourly rate for a GS-9, Step 5 | |
| is \$16.41 multiplied by .16) = | \$2.81 |
| Time to process 657,742 items | 112,605 |
| Cost to process one NSN file | \$1,847,855.11 |

PREPARE ITEM MANAGEMENT JACKET FILES

| | |
|-------------------------------------|--------------|
| Number of Stocked/NSO items | 657,742 |
| Time to prepare 1 folder (1.25 hrs) | 1.25 |
| Number of Stocked items 270,372 | |
| multiplied by .05 = | 13,519 |
| Cost to prepare 1 folder (hourly | |
| rate for a GS-11, Step 5 is \$19.85 | |
| multiplied by 1.25) = | \$24.81 |
| Time to prepare folders | 16,898 |
| Cost to prepare jacket folders for | |
| GS-11 items = | \$335,430.26 |
| Time to prepare 1 folder (.58 hrs) | 0.58 |
| Number of Stocked items 270,372 | |
| multiplied by .20 = | 54,074 |
| Cost to prepare 1 folder (hourly | |
| rate for a GS-9, Step 5 is \$16.41 | |
| multiplied by .58 = | \$9.52 |
| Time to prepare folders | 31,363 |
| Cost to prepare jacket folders for | |
| GS-9 items = | \$514,669.32 |

LR MONITOR PROCESS

| | |
|--------------------------------------|-------------|
| Total number of Stocked & NSO | 657,742 |
| items | |
| Time to ship 1 folder (.25 Hrs) | 0.25 |
| Cost to complete 1 folder (hourly | |
| rate for a GS-9, Step 5 is \$16.41 | |
| multiplied by .25) = | \$4.10 |
| Time to ship 657,742 items | 164,436 |
| Cost to ship all item jacket files = | \$2,698,387 |

| | |
|-------------------------------------|-------------|
| Balance of stocked items | 202,780 |
| Time to complete 1 folder (.33 hrs) | 0.33 |
| Cost to complete 1 folder (hourly | |
| rate for a GS-9, Step 5 is \$16.41 | |
| multiplied by .33) = | \$5.42 |
| Time to prepare jacket files | 66,917 |
| Cost to prepare average stocked | |
| item jacket file = | \$1,098,115 |
| Number of NSO items | 387,370 |
| Time to complete 1 folder (.16 Hrs) | 0.16 |
| Cost to complete 1 folder (hourly | |
| rate for a GS-9, Step 5 is \$16.41 | |
| multiplied by .16) = | \$2.63 |
| Time to prepare NSO folders | 61,979 |
| Cost to prepare folder for NSO | |
| items = | \$1,017,079 |

TIME & COST TO PROCESS, PREPARE & SHIP JACKET FOLDERS

| | |
|-----------------------------|----------------|
| Total time | 454,199 |
| Total cost | \$7,511,534.46 |
| Total cost divided by | |
| number of Stocked/NSO | |
| items = average hourly rate | \$11.42 |

ACQUISITION COST

Assume all active contracts will be modified to new
Procurement Contracting Officer

| | |
|--|--------------|
| Number of open active contracts | 54,000 |
| Time to modify 1 contract .5 hours (30 minutes) = | 0.5 |
| Cost to modify 1 contract GS-9, Step 5 is \$16.41 | \$8.21 |
| Time to modify contracts | 27,000 |
| Cost to modify contracts | \$443,070.00 |

Review, copy and pack all hard copy contracts
in file room. Additional 350,000 files in warehouse
not included

| | |
|---|----------------|
| Number of contracts in file room | 450,000 |
| Time to file 1 contract .25 hours | 0.25 |
| Cost to file 1 contract GS-4, Step 5 is \$9.68 | \$2.42 |
| Time to file contracts | 112,500 |
| Cost to file contracts | \$1,089,000.00 |

Transfer Industrial Readiness Contractors File (Large/IDT Buys)

| | |
|-----------------------------|-------------|
| Number of transfer files | 12,205 |
| Average number of pages | 1,220,500 |
| Cost to copy files at .0244 | \$29,780.20 |

PROCUREMENT COSTS

| | |
|----------------------|----------------|
| Total NSN transfer | 1,021,360 |
| Cost per NSN \$1.53 | 1.53 |
| Total transfer costs | \$1,562,680.80 |

FACT SHEET

SUBJECT: DISC and DGSC Backorders

BACKGROUND:

A backorder is a requisitioned quantity from our customers which can't be filled because it is not in stock. Since DISC and DGSC are in the business of filling requisitions, the attached spreadsheet was developed to explore what DGSC's performance would be in terms of backorders produced when taking on DISC's workload of stock requisitions.

DISC's three year average of 395,900 stock requisitions monthly vs DGSC's three year average of 207,000 represents 191% more requisitions.

DISCUSSION:

Using the DISC 1995 Command Data Base, which reflects a wide variety of essential management data, the number of backorders (taken at a point in time) and the average monthly stock requisitions for both centers was collected for FY 93, FY 94 and five months of FY 95.

A "backorder rate" was developed using a ratio of backorders to requisitions. The DGSC backorder rate was applied to a three year average of DISC monthly requisitions to determine how many backorders would be generated.

CONCLUSION:

If DGSC were to take on DISC's stock requisition workload, their historical backorder rate predicts there will be a 108% rise in the number of unfilled requisitions. The expected increase in backorders would amount to 131,000, in addition to their current backorder workload. Increases in backorders translates into reduced readiness, lessened supply availability and of course, decreased customer satisfaction.

K. McCullough, DISC-RMB

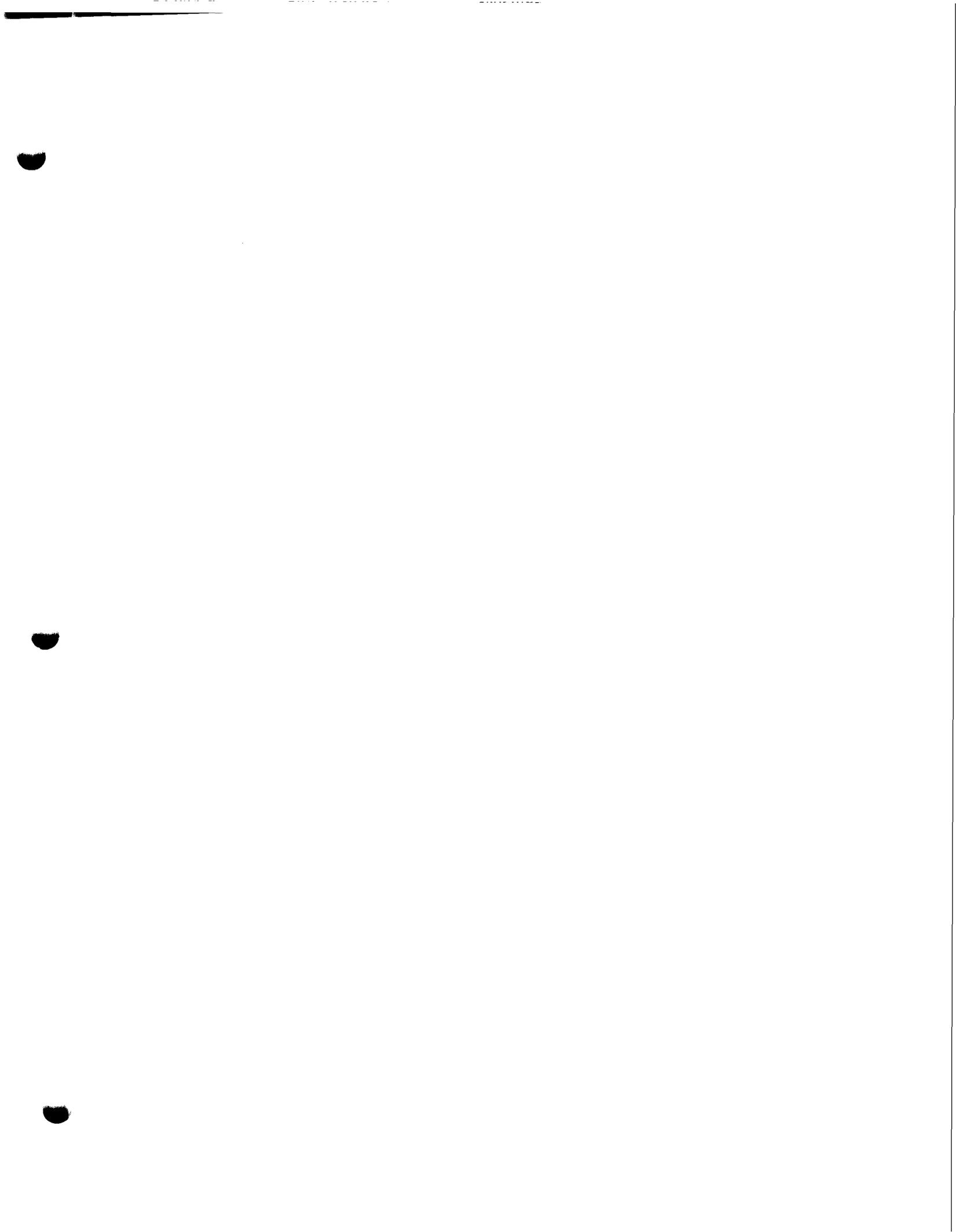
Date Prepared: 4 April 1995

| Comparison of Back Orders to Stock Requisitions | | | |
|---|--------|--------|--------|
| FY 93 | | FY 94 | |
| DISC | | DISC | |
| B/Os | 170275 | B/Os | 141014 |
| Reqs | 425400 | Reqs | 384900 |
| Ratio: | 0.400 | Ratio: | 0.366 |
| DGSC | | DGSC | |
| B/Os | 157046 | B/Os | 118744 |
| Reqs | 220000 | Reqs | 201800 |
| Ratio: | 0.714 | Ratio: | 0.588 |

| FY 95 | |
|--------|--------|
| DISC | |
| B/Os | 141773 |
| Reqs | 377400 |
| Ratio: | 0.376 |
| DGSC | |
| B/Os | 120784 |
| Reqs | 199200 |
| Ratio: | 0.606 |

Expected Backorder Increase due to Historical Rates at which Backorders are Produced

| (a) | (b) | (c) | (d) | (e) | (f) |
|----------|----------|--------------|------------|------------|------------|
| DISC | DGSC | DISC | Expected | Current | Percentage |
| 3 Yr Avg | 3 Yr Avg | 3 Yr Avg | B/O Workld | B/O Workld | Increase |
| B/O Rate | B/O Rate | Requisitions | at DGSC | at DGSC | (e / d) |
| 0.381 | 0.636 | 395,900 | 251,792 | 120,784 | 131,008 |
| | | | | | 108% |



6 Apr 95

MATERIAL FOR BRAC STAFFER DISCUSSION
(Include as Detailed Handout for Staffer Retention)

Questions on this Portion may be addressed to:
Al Cappiella (215) 697-4291

BRAC REFERENCES:

DoD BRAC RULES

SOURCE: Detailed DLA Analysis --

Military Value:

- RULE #1. The current and future mission requirements and the impact on operational readiness of the DoD's total force.
- RULE #2. The availability and condition of land, facilities, and associated airspace at both the existing and potential receiving locations.
- RULE #3. The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations.
- RULE #4. The cost and manpower implications.

Return of Investment

- RULE #5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.

Impacts

- RULE #6. The economic impact on communities.
- RULE #7. The ability of both the existing and potential receiving communities' infrastructures to support forces, missions and personnel.
- RULE #8. The environmental impact.

Minor Changes in BRAC Process per 1994 amendments:

SOURCE: DLA minutes of 3 Mar 94 mtg dated 25 Mar 94

- a. Selection criteria "should" include costs to non-DoD federal agencies (Amendment doesn't require DoD to change; DLA implies it will only comply if required by supplemental OSD guidance).
- b. Deadline for submittal of recommendations to SECDEF changed from 15 March 95 to 1 Mar 95.
- c. Testimony before Commission must be under oath.

OSD POLICY GUIDANCE

SOURCE: 7 Jan 94 Memorandum ---

(ENCL copy)

BASIS FOR RECOMMENDATIONS:

Requires Agency BRAC Studies to meet following requirements:

- * based upon the Force Structure Plan;
- * based on final DoD criteria;
- * analyze their base structure using like categories of bases;
- * use objective measures for the selection criteria, where possible; the force structure plan; programmed workload over the FYDP; and military judgement;
- * consider all military installations inside the U.S. on an equal footing;

CROSS-SERVICE OPPORTUNITIES:

- * where operationally and cost effective, DoD Components and BRAC-95 Joint Service Groups should strive to:
 - consolidate workload across the Services to reduce capacity;
 - assign operational units from one than one Service to a single base.

CHANGES TO PREVIOUS RECOMMENDATIONS:

- * DoD components may propose changes to previous BRACs, provided such changes are necessitated by revisions to force structure, mission or organizations, or significant revisions to cost effectiveness
- * Documentation for such changes must involve clear military value or significant savings, and be based on the final criteria, the force structure plan and policy guidance for BRAC-95.

AUTHORITIES:

- * BRAC-95 process must enhance opportunities for consideration of cross-Service tradeoffs and multi-Service use of remaining infrastructure.

SERVICE RECOMMENDATION PROCESS:

SOURCE: ASD Opening Testimony Statement

(ENCL- copy)

- a. Services group bases into like categories.
- b. Define, in advance, unique factors to take into account in applying criteria to each grouping.
- c. Define data to measure these factors (again, in advance).
- d. Assign weighting, in advance, to each criterion (reflecting best military judgement as to importance).

Key Points: 1. BRAC-95 process conducted from bottom-up, based on judgements of Services about relative value of bases.

2. Before any data collected, or alternatives considered, or decisions made; Services defined what was important, ranking measures and how they would evaluate.

- e. Data Calls issued to collect information on which to base decisions (Inputs certified by submitters).
- f. Services develop rankings of installations by type, using approved selection criteria, force structure plan, and measures previously defined.
- g. Alternatives assessed (balancing capacity, military value, costs/savings, economic impacts & environmental concerns).
- h. Service decisions; Recommendations to SECDEF.

*Check
See performance during
in 1993 Dec to
move DASC to DCSC*

GENERAL STATEMENT

FLAWS WITH DISC BRAC-95 RECOMMENDATION

- * DLA Committed Multiple Violations of the BRAC Rules
 - Specific Details Provided Below.

- * Relies Primarily on Military Judgement! (ENCL- 13 Jan 95 Minutes)
 - DLA "Concept" with No Supporting Factual Analysis (ENCL- 6 Jul)
 - No Factual Basis for Projected Savings from Management of Like Commodities! (Ref: 6 Jul 95 Mtg again)
(ENCL- Basis requested from DLA via Congressional Ofc; No Response)
 - DLA Admits "Equal" Military Value of All Hardware ICPs (ENCL- from Detailed Analysis +)
 - DLA BRAC Office admitted DISC Recommendation was driven by Depot Decision. (ENCL- Mark's Mtg Notes to Congressman Borski)

- * Ignores Knowledgeable Decision Reached by BRAC-93 Commission. (Phila Plan is still the Best Solution!)
 - No Additional Base Closure Results.
(DISC Action represents only .47% Contribution to Plant Replacement Value (PRV); see ENCL- 9 Jan 95 Mtg)
 - DLA Itself Recognized RISK of current recommendation in BRAC-93
 - Less Risky Alternatives are Available
 - Results in Loss of Multi-Service Synergies

- * Understates Cost of Implementation
 - Omits Cost of Continued Operations at DPSC for two more years.
 - Omits Significant costs of transferring items.
 - Doesn't account for Training Costs of Concept Implementation.
 - Understates local RIF costs.

- * Omits Real World Performance Comparison of ICPs
 - DISC as "Lead ICP" in numerous areas
 - DISC as Innovator in Business Practice Improvements
 - DISC as Most Weapon Systems Oriented ICP
(Ref: FMA Pres'n; Weapon System Mgmt Table)
 - If Depot/ICP Synergy is so great, how come ICPs colocated with depots have lower performance?
 - * Also, why is DLA reducing DCSC Depot workforce by 90% and relegating mission to storage of slow moving items?
 - NOTE: USAF uses Cost/Output for ICPs (ENCL- 22 Jun mtg slide)

- * Recommendation Misclassified as "Disestablishment" when Actually a Transfer of Function is more appropriate; DLA ICP Mission Still Needs to be Performed!

VIOLATIONS OF BRAC RULES

Rule #1:

- * RECOMMENDATION GROSSLY UNDERSTATES IMPACT ON OPERATIONAL READINESS
 - DLA Detailed Analysis from BRAC-93 REJECTED Current Recommendation as Too Risky! (ENCL Ref: p 5.3.11)
NOTE: Further supported by final BRAC-93 Commission Recommendations to the President (ENCL- extract)
(ENCL- Slides from 1Q FY-94 Cdr's Conf @ DCSC)
 - DLA Ambiguities on Importance of People Skills to Mission
 - * States that "our ability to support our customers primarily relies on the knowledge and expertise of our people."
(Ref: DLA Detailed Analysis, Intro/Bkgnd, p1, para 4)
 - * Downplays Current Risks involved with Mass Transfers
 - * Cite Distribution CONOPS Extract. (ENCL Ref: 18 Mar 94 Mtg)
 - * ICP Mission is more complex; therefore, skills more critical!
 - * DLA Demonstrates Poor use of Military Judgement
 - DSCs Now Manage >3,500,000 items (excluding CIT); Management of over 62% of these items would transition under this DLA Concept.
 - * Nothing of this size has ever been attempted before!
 - * Has potential to be the "Mother of all Transfers."
(ENCL- DSC Transfer History)
 - * Lacks Real Value Added Benefit once Risk is Considered!
(ENCL- Pictorial Slide of "NSNs in Motion")
(ENCL- DLA Listing of NSN Transfers dtd 2 Mar 95)
 - Synopsise Historical Data Available for Previous Item Transfers from DISC to DGSC (ENCL- Readiness Impact Statement)
(ENCL Chart on Supply Availability; Show "Knees" on curves)
 - Direct Readiness impact to long-planned Phase II CIT Transfers which are about to begin; High potential for double moves.
 - DISC Alone Processes more than 50% of the Requisitions from the 29 major DoD Maintenance Activities.
(Ref- FMA Pie Chart; ENCL- Spreadsheet; Actual FY-94 Data)
 - High Potential for Disruption/Turmoil
(ENCLs- Minutes of 29 DEC 94 Morning & Afternoon Mtgs)

Rule #2:

* AVAILABILITY OF SPACE/CONDITION OF FACILITY AT ASO

- DLA conducted excess capacity analysis using "microscopic" (DLA) in lieu of "macroscopic" (DoD) viewpoint; Not in keeping with multi-Service usage considerations encouraged by DoD. (Ref: OSD Guidance; see ENCL+ DLA Slide Decis Rules)
- All Major Activities here are Downsizing; DLA Analysis omits use of Projected Administrative Space Available. (ENCL- Extracts from Navy ASO BRAC Capacity Data Call) (ENCL- Detailed Analysis, pg 2)
 - * Buildable Acres of DISC Host Neglected
 - * Expandability Issues Adversely Impacted DISC Military Value Scores (Space for 108 people vs. 5500 + DPSC!)
- Environmental Problems/Costs Overstated (Ref: Mil Value Tab)
- DLA notes that Norfolk Public Works Center (PWC) determination of facilities condition is much more comprehensive than that used by Services. Concern expressed about comparisons with source facilities by OSD or BRAC Commission. (ENCL- 13 Sep)
- DLA May have Ignored Results of its own Commissioned Study by Norfolk PWC on Facility (Discussions with Facilities Rep)

Rule #3:

* ABILITY TO ACCOMMODATE "EXPANSION" AT EXISTING/RECEIVING LOCATIONS

- Post-Announcement "Rumors" prevalent at DLA regarding DGSC response to Data Call question on "Personnel needed to Handle additional workload." Indications are that DGSC answer assumed relief from ICP 4% downsizing requirement.
- A logical comparison of resources required to handle the "net" workload shift substantiates this underestimate.

Rule #4: * COST/MANPOWER IMPLICATIONS
Rule #5: * RETURN OF INVESTMENT

- Current DLA Recommendation Delays DPSC Move to ASO (from BRAC-93 decision) to Claim Savings in MILCON Costs Avoided. (Remaining Required MILCON Costs for DPSC Tenants understated; ENCL- NAVFAC Letter)
- DLA Does NOT Offset this "Apparent" Savings by Including the Additional 2-years of Operating Costs for open DPSC Base! (On the Order of \$55M per year using DPSC generated figures vs. \$28.6M MILCON Savings claimed by DLA in COBRA Run ICP22) (ENCL- DPSC Estimates Provided)
- DLA Omits Significant Costs of Massive Item Transfers Among ICPs in order to Implement their Concept! (Transfer and Receipt costs conservatively estimated at \$60M for 1,350,000 items transferred! (Ref: See Separate Writeup) NOTE: This computation excludes the additional DESC to DCSC transfers mandated under BRAC-93. There are additional costs involved with the item transitions which have not been addressed in the above estimate. These include related procurement costs involved with the transfer, costs of retraining personnel and learning curve costs, cost of physically relocating the relevant technical records and folders @ approximately one cubic foot per NSN.
- DLA also Neglects to Cite Recruitment/Retraining/Learning Curve costs required by the various ICPs to Maintain Mission capability.
- DLA uses Flawed Methodology in Determining the Resources Saved.
 - * Computations hinge on "number of items moved" in lieu of "savings based on management of like-type items."
 - * Reflected by Inconsistencies in DLA Tabular Data.
 - * Results in commingling of Force Structure Savings with BRAC savings to skew COBRA figures!
 - * Comparison of POM Cuts with BRAC savings show a true "delta" of only 50 ICP positions.
- DISC Federal Managers Association Rerun of COBRA scenario using corrected figures resulted in a COST to DLA!
- DLA claims that savings were NOT a major driver in their decision process. (Ref: Sel Proc, p19)
- Can Get to Same Point via Downsizing without Costs/Turmoil. (Using Philadelphia Alternative)

Rule #6

* ECONOMIC IMPACT ON COMMUNITY

- DLA intentionally announced understated figures to pacify local community opposition.
- More resources would be required at DGSC to handle workload.
 - * Nearly 600 more people!
- If Recommendation is implemented as proposed, "Real World" local job losses would more closely follow Force Structure numbers.
- Cumulative impact of job losses in the Philadelphia Regional Area is nearly 32,000 which represents 1.2% of area employment; This is not an insignificant impact even for a large area!
(ENCL- Community Impact Summary Sheet)

ADDITIONAL CONSIDERATIONS ---

DEVIATIONS FROM OSD GUIDANCE

- * Failure to "Consider All Military Installations Equally"
 - DLA Process Hints at Pre-Determination
 - Agency Decided which Activities to be Reviewed and NOT Reviewed for BRAC-95 Before Seeing any Comparative Data (ENCL DLA BRAC Minutes: 15 Mar 94; 19 Apr 94; 20 Apr 94)
 - Unclear that All Activities Subsequently Solicited in Data Calls
 - * Proper Implementation Sequence NOT Followed? (ASD Testimony)
 - Contention Supported by Pattern of DLA "Footdragging" on BRAC-93 implementation since MILCON planning began
 - Further Reflected by Absurdity of DLA Consideration of Reopening a Base to Avoid Becoming ASO Landlord (Option #4) (ENCL- Extract from 8 Dec 94 Mtg Minutes)
 - DLA BRAC Team Admission (to Congressional Rep + PEL & FMA Reps @ 27 Mar 95 mtg) that Richmond Depot Decision drove the process
 - * Once decision made; Game was over for DISC!
 - * Could have been implemented differently since no additional Base Closure achieved.
 - DLA Cites DISC as "Tenant on a Navy Compound" as having Negative Connotations (Ref: Detailed Analy, DISC p6, 7.9)
 - * Contrary to Synergy Encouraged by DoD (Ref: OSD Guidance)
 - * Narrow Interpretation of "Cross-Service utilization (p7.8)
 - True Reason for DISC Recommendation; High DGSC Clean-Up Costs (Ref: ICP Analysis, Figure 7.8; p7.11)
 - Investigate Accurate Portrayal of ASO Compound Facility
 - DLA Executive Group did not consider the difference among Military Value of the three hardware ICPs significant enough to identify obvious closure candidate (ENCL- ICP Analysis, p7.4) Yet, DISC Analysis cites lowest Military Value! (Ref: p6)
 - * (Ref: 13 Jan 95 Mtg minutes again)

* Overemphasis on Use of Military Judgement

- DoD BRAC Rules Make No Mention on Use of Military Judgement

- OSD Guidance makes Allowance for Use but appears to Limit Intent; e.g. Service Recommendation Process from ASD Opening Testimony: "Assign weighting, in advance, to each criterion (reflecting best military judgement as to importance)"

- OSD Guidance requires use of "objective measures" for selection criteria wherever possible; DLA's overuse of Military Judgement was subjective!

- Other Extreme -- DLA Cites the "Major Overarching Influence throughout the Process was the Application of Military Judgement," Implying that this even overrode military value considerations; A Conclusion Not Intended by DoD!

(Ref: Detailed Analy, p3 + DLA Testimony Decision Rules Slide)

- Potential Alternatives for Realignment/Closure actions were developed based on Military Value Analysis, other BRAC Analysis and application of sound military judgement (Ref: Sel Proc, p13) (Ref: previous ENCL from 13 Jan 95 mtg)

- Military Value, in conjunction with military judgement, was the primary consideration in determining potential realignment/closure candidates (Ref: Sel Proc, p13)

- "Military Judgement will be the overarching criteria for all decisions -- Optimally satisfy the 4 military value criteria by balancing outputs of all analyses to achieve maximum military benefit." (Ref: Sel Proc, Figure 13, p15)

- Cite numerous examples (at least 14) from DLA Detailed Analysis Alluding to use of military judgement

Executive Summary --

* pg 2: Figure 2 and para 3

* pg 3: Para 1 and para 2

Introduction/Background --

* pg 1: Para 4

* pg 2: Para 1

BRAC Selection Process --

* pg 2: Para 2

* pg 13: Para 1 and 2

* pg 14: Para 3

* pg 15: Figure 13 and Para 3

* pg 20: Para 2 ICP Analysis --

* pg 7.12: Para 3 (Summary)

OTHER FACTORS ---

- * DLA Ignored Multi-Service Opportunities available at ASO.
 - Synergy Impacts: e.g. Engine Components, Bearings

- * Common Support Resource Savings Potential.
 - Savings achievable: DISC/DPSC and/or DISC/DPSC/Navy
 - Reference Study ??

- * Multi-Service Use of Excess Capacity

- * Grouping by Management Type is a Compromise
 - Most FSCs contain a "mix" of commercial and military items
 - Impossible to get true separation unless done by NSN
 - Segregation below FSC level is not permitted by law

- * Another Alternative: DISC has Majority of Weapon System Items now;
Why Not designate a Weapon Systems ICP here? (Minimizes item moves)
(Ref: 1Q FY-94 Cdr's Conf Slides; Cites DISC as Wpn Sys ICP)
NOTE: During Reference Mtg at DCSC; Recommendation for Wholesale
item transfers NOT accepted due to labor intensiveness, risk, lack
of clear benefit; Cites consideration of DISC as Wpn Sys ICP!

- * DISC AS PIONEER ICP FOR DLA
 - DLA cites its "Vision" to be the Provider of Choice for the
Military Services by Leveraging Savings from Teaming, Improved
Business Practices & Technological Breakthroughs
 - In reality, DLA's BRAC Recommendation is Disestablishing its
Premier Center which made Many of these achievements a Reality!
 - The Very Same Business Improvements Cited by DLA are being
accomplished by DISC now! (Ref: CONOPS Slides fm FMA Pres'n)

- * DLA Reliance on Immature Technologies as "Safety Valve" to
Handle Work Overloads
 - Electronic Linking/Single Logical Unit
 - Cite EDMICS as Example



THE DEPUTY SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

7 JAN 1994

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
COMPTROLLER
GENERAL COUNSEL
INSPECTOR GENERAL
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: 1995 Base Realignments and Closures (BRAC 95)

Reducing the Department's unneeded infrastructure through base closures and realignments is a top Defense priority. We have made good progress so far, but there are more reductions we can and must accomplish. The 1995 round of base realignments and closures (BRAC 95) is the last round of closures authorized under Public Law 101-510. Hence, our efforts to balance the DoD base and force structures, and preserve readiness through the elimination of unnecessary infrastructure, are critical. Consequently, we must begin the BRAC 95 process now.

I look to you, individually and collectively, to recommend further infrastructure reductions consistent with the Defense Guidance and DoD's planned force reductions. The Defense Guidance BRAC 95 goal of an overall 15% reduction in plant replacement value should be considered a minimum DoD-wide goal.

Significant reductions in infrastructure and overhead costs can only be achieved after careful studies address not only structural changes to the base structure, but also operational and organizational changes, with a strong emphasis on cross-service utilization of common support assets.

The attached guidance establishes policy, procedures, authorities and responsibilities for selecting bases for realignment or closure under Public Law 101-510, as amended by Public Law 102-190 and Public Law 103-160. This guidance supersedes Deputy Secretary of Defense memoranda of May 5, 1992, and all other Office of the Secretary of Defense guidance issued regarding making recommendations for the 1993 round of base realignments and closures.

Attachment

00178

***1995 Base Realignments and Closures (BRAC 95)
Policy, Procedures, Authorities and Responsibilities***

Purpose

Part A, Title XXIX of Public Law 101-510, as amended by Public Law 102-190 and Public Law 103-160, establishes the exclusive procedures under which the Secretary of Defense may pursue realignment or closure of military installations inside the United States, with certain exceptions. The law established independent Defense Base Closure and Realignment Commissions to review the Secretary of Defense's recommendations in calendar years 1991, 1993 and 1995.

The guidance herein establishes the policy, procedures, authorities and responsibilities for selecting bases for realignment or closure for submission to the 1995 Defense Base Closure and Realignment Commission (the 1995 Commission).

This guidance supersedes Deputy Secretary of Defense memoranda of May 5, 1992, and all other Office of the Secretary of Defense Guidance for the 1993 round of closures.

Goals

DoD Components must reduce their base structure capacity commensurate with approved roles and missions, planned force drawdowns and programmed workload reductions over the FYDP. For BRAC 95, the goal is to further reduce the overall DoD domestic base structure by a minimum of 15 percent of DoD-wide plant replacement value. Preserving readiness through the elimination of unnecessary infrastructure is critical to our national security.

It is DoD policy to make maximum use of common support assets. DoD Components should, throughout the BRAC 95 analysis process, look for cross-service or intra-service opportunities to share assets and look for opportunities to rely on a single Military Department for support.

Applicability

This guidance applies to those base realignment and closure recommendations which must, by law, be submitted to the 1995 Defense Base Closure and Realignment Commission (the 1995 Commission) for review. This guidance also applies to recommendations which are forwarded to the 1995 Commission for review, though not required to be forwarded under the law.

This guidance does not apply to implementing approved closures and realignments resulting from the recommendations of the 1991 and 1993 Defense Base Closure and Realignment Commissions.

Public Law 101-510, Numerical Thresholds

Public Law 101-510 stipulates that no action be taken to close or realign an installation that exceeds the civilian personnel numerical thresholds set forth in the law, until those actions have obtained final approval pursuant to the law. The numerical thresholds established in the law require its application for the closure of installations with at least 300 authorized civilian personnel. For realignments, the law applies to actions at installations with at least 300 authorized civilian personnel which reduce and relocate 1000 civilians or 50% or more of the civilians authorized.

DoD Components must use a common date to determine whether Public Law 101-510 numerical thresholds will be met. For BRAC 95, the common date will be September 30, 1994. Nonappropriated fund employees are not direct hire, permanent civilian employees of the Department of Defense, as defined by Public Law 101-510, and therefore should not be considered in determining whether the numerical thresholds of the law will be met.

Exceptions

Public Law 101-510, as amended, does not apply to actions which:

- o Implement realignments or closures under Public Law 100-526, relating to the recommendations of the 1988 Defense Secretary's Commission on Base Realignment and Closure (the 1988 Commission);
- o Study or implement realignments or closures to which Section 2687 of Title 10, United States Code, is not applicable;
- o Reduce force structure. Reductions in force structure may be made under this exception even if the units involved were designated to relocate to a receiving base by the 1988, 1991, or 1993 Commission; or
- o Impact any facilities used primarily for civil works, rivers and harbor projects, flood control, or other projects not under the primary jurisdiction or control of the Department of Defense.

Activities in Leased Space

DoD Component activities located in leased space are subject to Public Law 101-510, as amended. Additional guidance on how to apply this requirement will be issued by the Under Secretary of Defense for Acquisition and Technology.



Policy Guidance

Basis for Recommendations

Base realignment, closure or consolidation studies that could result in a recommendation to the 1995 Commission of a base closure or realignment must meet the following requirements:

o The studies must have as their basis the Force Structure Plan required by Section 2903 of Public Law 101-510;

o The studies must be based on the final criteria for selecting bases for closure and realignment required by Section 2903; and

o The studies must be based on analyses of the base structure by like categories of bases using: objective measures for the selection criteria, where possible; the force structure plan; programmed workload over the FYDP; and military judgement in selecting bases for closure and realignment.

o The studies must consider all military installations inside the United States (as defined in the law) on an equal footing, including bases recommended for partial closure, realignment, or designated to receive units or functions by the 1988, 1991 or 1993 Commissions.



Cross-Service Opportunities

DoD Components and BRAC 95 Joint Cross-Service Groups should, where operationally and cost effective, strive to: retain in only one Service militarily unique capabilities used by two or more Services; consolidate workload across the Services to reduce capacity; and assign operational units from more than one Service to a single base.



Changes to Previous Recommendations

DoD components may propose changes to previously approved designated receiving base recommendations of the 1988, 1991 and 1993 Commissions provided such changes are necessitated by revisions to force structure, mission or organization, or significant revisions to cost effectiveness that have occurred

— Check 1993 BRAC
SOWING

since the relevant commission recommendation was made. Documentation for such changes must involve clear military value or significant savings, and be based on the final criteria, the force structure plan and the policy guidance for the BRAC 95 process. *

Authorities

The BRAC 95 process must enhance opportunities for consideration of cross-service tradeoffs and multi-service use of the remaining infrastructure. Since BRAC 95 is the last round of closures authorized under Public Law 101-510, these efforts are critical to balancing the DoD base and force structures and to preserving readiness through the elimination of unnecessary infrastructure. Sharing authority among the Military Departments, Defense Agencies and the Office of the Secretary of Defense is essential to sound decision making and taking advantage of available cross-service asset sharing opportunities. The authorities of the DoD Components and the joint groups established by this policy guidance follow and are depicted in Appendix A.

BRAC 95 Review Group

The Under Secretary of Defense for Acquisition and Technology (USD(A&T)) will chair a senior level BRAC 95 Review Group to oversee the entire BRAC 95 process. The members of the BRAC 95 Review Group will be: a senior level representative from each Military Department; the chairperson of the BRAC 95 Steering Group; the chairperson(s) of each BRAC 95 Joint Cross-Service Group; senior representatives from the Joint Staff, DoD Comptroller (COMP), Program Analysis and Evaluation (PA&E), Reserve Affairs (RA), General Counsel (GC), Environmental Security and the Defense Logistics Agency (DLA); and such other members as the USD(A&T) considers appropriate. The BRAC 95 Review Group authorities include, but are not limited to: reviewing BRAC 95 analysis policies and procedures; reviewing excess capacity analyses; establishing closure or realignment alternatives and numerical excess capacity reduction targets for consideration by the DoD Components; reviewing BRAC 95 work products of the DoD Components and BRAC 95 Joint Cross-Service Groups; and making recommendations to the Secretary of Defense, including cross-service tradeoff recommendations and recommendations on submission of below-threshold actions to the 1995 Commission.

BRAC 95 Steering Group

The Assistant Secretary of Defense for Economic Security (ASD(ES)) will chair a BRAC 95 Steering Group of study team leaders from: the Military Departments; DLA; each Joint Cross-Service Group; representatives from the Joint Staff, COMP, PA&E, RA, GC and Environmental Security; and such other members as the ASD(ES) considers appropriate. The purpose of the BRAC 95 Steering Group is to assist the BRAC 95 Review Group in exercising its authorities and to review DoD Component supplementary BRAC 95 guidance.

BRAC 95 Joint Cross-Service Groups

BRAC 95 Joint Cross-Service Groups are hereby established in six areas with significant potential for cross-service impacts in BRAC 95.

The purpose of the five functional area joint cross-service groups is: to determine the common support functions and bases to be addressed by each cross-service group; to establish the guidelines, standards, assumptions, measures of merit, data elements and milestone schedules for DoD Component conduct of cross-service analyses of common support functions; to oversee DoD Component cross-service analyses of these common support functions; to identify necessary outsourcing policies and make recommendations regarding those policies; to review excess capacity analyses; to develop closure or realignment alternatives and numerical excess capacity reduction targets for consideration in such analyses; and to analyze cross-service tradeoffs.

The purpose of the economic impact joint cross-service group is: to establish the guidelines for measuring economic impact and, if practicable, cumulative economic impact; to analyze DoD Component recommendations under those guidelines; and to develop a process for analyzing alternative closures or realignments necessitated by cumulative economic impact considerations, if necessary.

BRAC 95 Joint Cross-Service Groups shall complete the analytical design tasks above and issue guidance to the DoD Components, after review by the BRAC 95 Review Group, no later than March 31, 1994. The six BRAC 95 Joint Cross-Service Groups are:

o Depot Maintenance: The group will be chaired by the Deputy Under Secretary Defense for Logistics (DUSD(L)) with members from each Military Department, the Joint Staff and DLA, and other offices as considered appropriate by the DUSD(L). The DASD(ER&BRAC) and the Deputy Assistant Secretary of Defense for Production Resources will also serve as members.

o Test and Evaluation: The group will be jointly chaired by the Director, Test and Evaluation (D,T&E) and the Director, Operational Test and Evaluation (D,OT&E) with members from each Military Department, Defense Research and Engineering (DR&E), and other offices as considered appropriate by the chairpersons. The DASD(ER&BRAC) will also serve as a member.

o Laboratories: The group will be chaired by the Director, Defense Research and Engineering (D,DR&E) with members from each Military Department, T&E, OT&E and other offices as considered appropriate by the D,DR&E. The DASD(ER&BRAC) will also serve as a member.

o Military Treatment Facilities including Graduate Medical Education: The group will be chaired by the Assistant Secretary of Defense for Health Affairs (ASD(HA)) with members from each Military Department and other offices as considered appropriate by ASD(HA). The DASD(ER&BRAC) will also serve as a member.

o Undergraduate Pilot Training: The group will be chaired by the Assistant Secretary of Defense for Personnel and Readiness (ASD(P&R)) with members from each Military Department and others as considered appropriate by the ASD(P&R). The DASD(ER&BRAC) will also serve as a member.

o Economic Impact: The group will be chaired by Deputy Assistant Secretary of Defense for Economic Reinvestment and BRAC (DASD(ER&BRAC)) with members from each Military Department, the Office of Economic Adjustment (OEA) and other offices as considered appropriate by the DASD(ER&BRAC).

DoD Components

The Secretaries of the Military Departments, the Directors of the Defense Agencies, and the Heads of other DoD Components shall (without delegation) submit their recommendations for base realignments or closures under Public Law 101-510, as amended, to the Secretary of Defense. Recommendations and supporting documentation shall be delivered to the Assistant Secretary of Defense for Economic Security for appropriate processing and forwarding to the Secretary of Defense.

Heads of DoD Components will designate the individuals to serve on the joint groups as described above.

Coordination

The joint groups and DoD Components, in pursuing their BRAC 95 work, should coordinate with each other and should take into account other analyses or studies external to the BRAC process which may impact their deliberations. For example, the Test and Evaluation joint group should consider input from the Test and Evaluation Executive Agent Board of Directors.

USD(A&T) -- Additional Guidance

The Under Secretary of Defense for Acquisition and Technology (USD(A&T)) may issue such instructions as may be necessary: to implement these policies, procedures, authorities and responsibilities; to ensure timely submission of work products to the BRAC 95 Review Group and Joint Cross-Service Groups, the Secretary of Defense and the 1995 Commission; and, to ensure consistency in application of selection criteria, methodology and reports to the Secretary of Defense, the 1995 Commission and the Congress. The authority and duty of the Secretary of Defense to issue regulations under Title XXIX of Public Law 101-510, as amended, is hereby delegated to the USD(A&T). The USD(A&T) should exercise this authority in coordination with other DoD officials as appropriate.

Responsibilities

Selection Criteria

The BRAC 95 Review Group, chaired by the USD(A&T), will make a recommendation to the Secretary of Defense on whether an amendment to the selection criteria is appropriate no later than January 31, 1994. If the recommendation is to amend the criteria, the recommendation will include the proposed amendment.

If the Secretary of Defense approves amending the criteria, USD(A&T) will publish the proposed amendment in the Federal Register by February 15, 1994, for a 30 day public comment period. The BRAC 95 Review Group will review the public comments received, incorporate appropriate comments and make a recommendation to the Secretary of Defense on the final criteria no later than March 31, 1994.

Force Structure Plan

The Chairman of the Joint Chiefs of Staff, in coordination with the Under Secretary of Defense for Policy (USD(P)), the Under Secretary of Defense for Acquisition and Technology (USD(A&T)), the Assistant Secretary of Defense for Reserve Affairs, General Counsel, DoD Comptroller, Director Program

Analysis and Evaluation, and such other officials as may be appropriate, shall develop the force structure plan in accordance with Public Law 101-510, as amended, and submit it to the Secretary of Defense for approval. Pending issuance of the final force structure plan by the Secretary of Defense, DoD Components shall use an interim force structure plan to be developed and issued in accordance with the above coordination procedures by the Chairman of the Joint Chiefs of Staff. The interim force structure guidance shall be issued no later than January 31, 1994. Additional force structure guidance shall be issued as soon as practicable after the FY96-FY01 Program Review is completed in the Summer of 1994. The final force structure plan shall be issued as soon as possible after final force decisions are made during the preparation of the FY96 budget, but no later than December 15, 1994. The interim and final force structure plans must include guidance on overseas deployed forces.

Nominations

Public Law 101-510, as amended, requires that commissioners be nominated by the President no later than January 3, 1995, or the 1995 base closure process will be terminated. The Counselor to the Secretary of Defense and Deputy Secretary of Defense will coordinate all matters relating to the Secretary's recommendations to the President for appointments to the 1995 Commission. All inquiries from individuals interested in serving on the Commission should be referred to the Counselor.

Commission Support

The Under Secretary of Defense for Acquisition and Technology (USD(A&T)), assisted by the Director of Administration and Management (D,A&M), will provide the Department's support to the 1995 Commission.

Primary Point of Contact

The USD(A&T) shall be the primary point of contact for the Department of Defense with the 1995 Commission and the General Accounting Office (GAO). Each DoD component shall designate to USD(A&T) one or more points of contact with the 1995 Commission and the GAO. The USD(A&T) shall establish procedures for interaction with the 1995 Commission and the GAO.

Internal Controls

The DoD Inspector General shall be available to assist the DoD Components in developing, implementing and evaluating internal control plans.

Depot Maintenance Outsourcing and Industrial Base Considerations

USD (A&T) is currently analyzing depot maintenance outsourcing considerations and is assessing public and private industrial base capabilities. Key policy decisions resulting from this review should be promulgated, if practicable, by March 1, 1994, in order to maximize possible efficiencies in maintenance depot infrastructure.

Procedures

Record Keeping

DoD Components and joint groups empowered by this memorandum to participate in the BRAC 95 analysis process shall, from the date of receipt of this memorandum, develop and keep:

- o Descriptions of how base realignment and closure policies, analyses and recommendations were made, including minutes of all deliberative meetings;
- o All policy, data, information and analyses considered in making base realignment and closure recommendations;
- o Descriptions of how DoD Component recommendations met the final selection criteria and were based on the final force structure plan; and
- o Documentation for each recommendation to the Secretary of Defense to realign or close a military installation under the law.

Internal Controls

DoD Components and joint groups empowered by this memorandum to participate in the BRAC 95 analysis process must develop and implement an internal control plan for base realignment, closure or consolidation studies to ensure the accuracy of data collection and analyses.

At a minimum, these internal control plans should include:

- o Uniform guidance defining data requirements and sources;
- o Systems for verifying the accuracy of data at all levels of command;

- o Documentation justifying changes made to data received from subordinate commands;
- o Procedures to check the accuracy of the analyses made from the data; and
- o An assessment by auditors of the adequacy of each internal control plan.

Data Certification

Public Law 101-510, as amended, requires specified DoD personnel to certify to the best of their knowledge and belief that information provided to the Secretary of Defense or the 1995 Commission concerning the closure or realignment of a military installation is accurate and complete.

DoD components shall establish procedures and designate appropriate personnel to certify that data and information collected for use in BRAC 95 analyses are accurate and complete to the best of that person's knowledge and belief. DoD Components' certification procedures should be incorporated with the required internal control plan. Both are subject to audit by the General Accounting Office.

Finally, Secretaries of the Military Departments, Directors of Defense Agencies, and heads of other DoD Components must certify to the Secretary of Defense that data and information used in making BRAC 95 recommendations to the Secretary are accurate and complete to the best of their knowledge and belief.

Criteria Measures/Factors

DoD Components and BRAC 95 Joint Cross-Service Groups must develop one or more measures/factors for applying each of the final criteria to base structure analyses. While objective measures/factors are desirable, they will not always be possible to develop. Measures/factors may also vary for different categories of bases. DoD Components and BRAC 95 Joint Cross-Service groups must document the measures/factors used for each of the final criteria.

Categories of Bases

One of the first steps in evaluating the base structure for potential closures or realignments must involve grouping installations with like missions, capabilities, or attributes into categories, and when appropriate, subcategories. Categorizing bases is the necessary link between the forces described in the Force Structure Plan, programmed workload, and the base structure. Determining categories of bases is a DoD

Component and BRAC 95 Joint Cross-Service Group responsibility. DoD Components and BRAC 95 Joint Cross-Service Groups should avoid over-categorization in order to maximize opportunities for cross-service or intra-service tradeoffs.

Reserve Component Impacts

Considerable overall DoD savings can be realized through maximizing the use of Reserve component enclaves and through joint use of facilities by the Reserve components. However, these overall DoD savings may not be identified during the BRAC 95 process. Consequently, DoD Components should look for opportunities to consolidate or relocate Reserve components onto active bases to be retained in the base structure and onto closing or realigning bases.

DoD Components must complete Reserve component recruiting demographic studies required by DoD Directive 1225.7 to ensure that the impact on the Reserve components of specific closures and realignments are considered.

Cost of Base Realignment Actions (COBRA) Cost Model

DoD Components must use the COBRA cost model to calculate the costs, savings and return on investment of proposed closures and realignments. The Army is executive agent for COBRA and model improvements are underway.

Community Preference

DoD Components must document the receipt of valid requests received from communities expressing a preference for the closure of a military installation under Section 2924 of Public Law 101-510. DoD components will also document the steps taken to give these requests special consideration. Such documentation is subject to review by the General Accounting Office, the Commission and the Congress.

Release of Information

Data and analyses used by the DoD Components to evaluate military installations for closure and realignment will not be released until the Secretary's recommendations have been forwarded to the 1995 Commission on March 1, 1995, unless specifically required by law. The 1995 Commission is required to hold public hearings on the recommendations.

The General Accounting Office (GAO), however, has a special role in assisting the Commission in its review and analysis of the Secretary's recommendations and must also prepare a report detailing the Department of Defense's selection process. As

such, the GAO will be provided, upon request, with as much information as possible without compromising the deliberative process. The DoD Components must keep records of all data provided to the GAO.

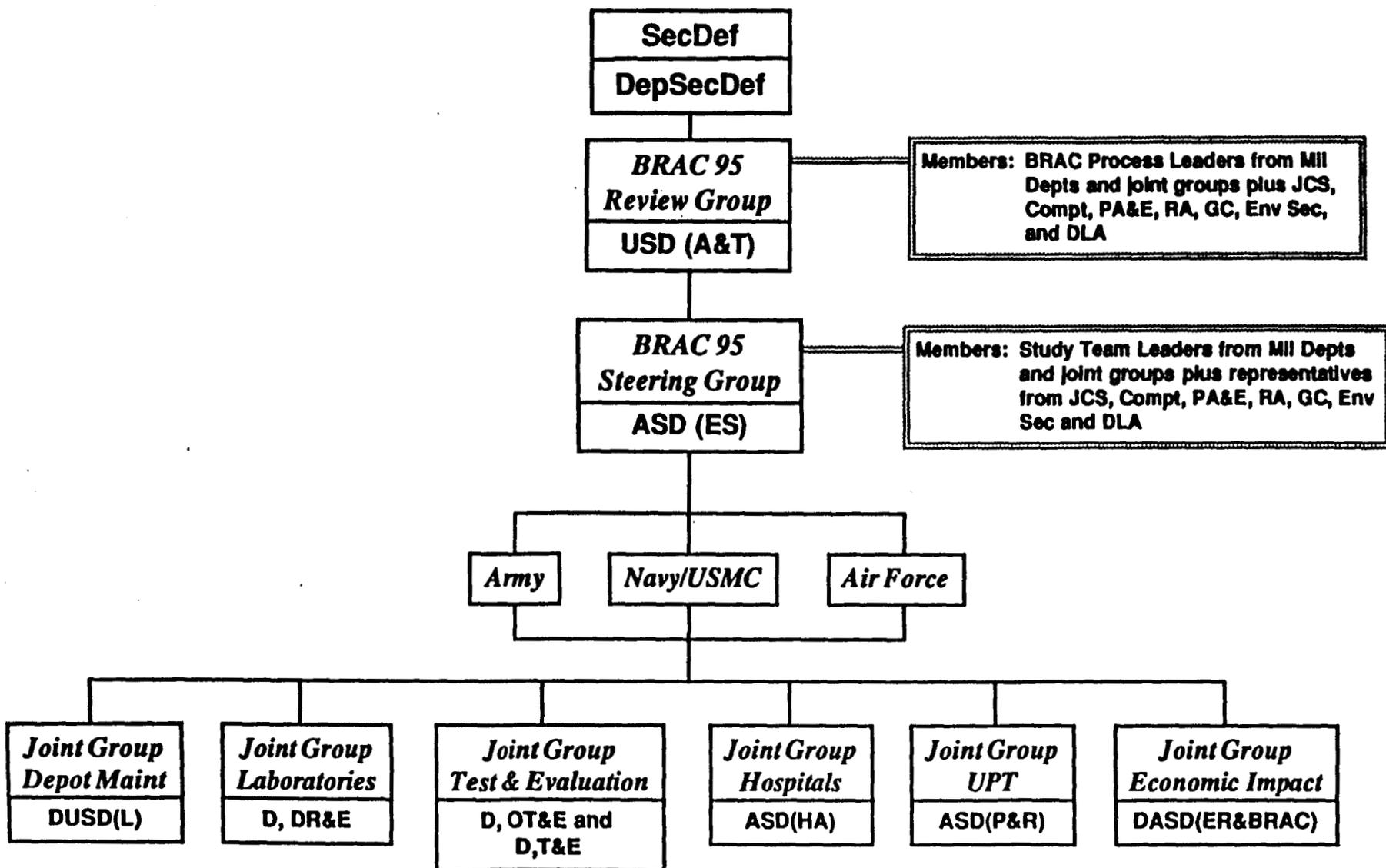
Dissemination of Guidance

DoD Components shall disseminate this guidance and subsequent policy memoranda as widely as possible throughout their organizations. The BRAC 95 Steering Group will review DoD Component supplementary guidance.

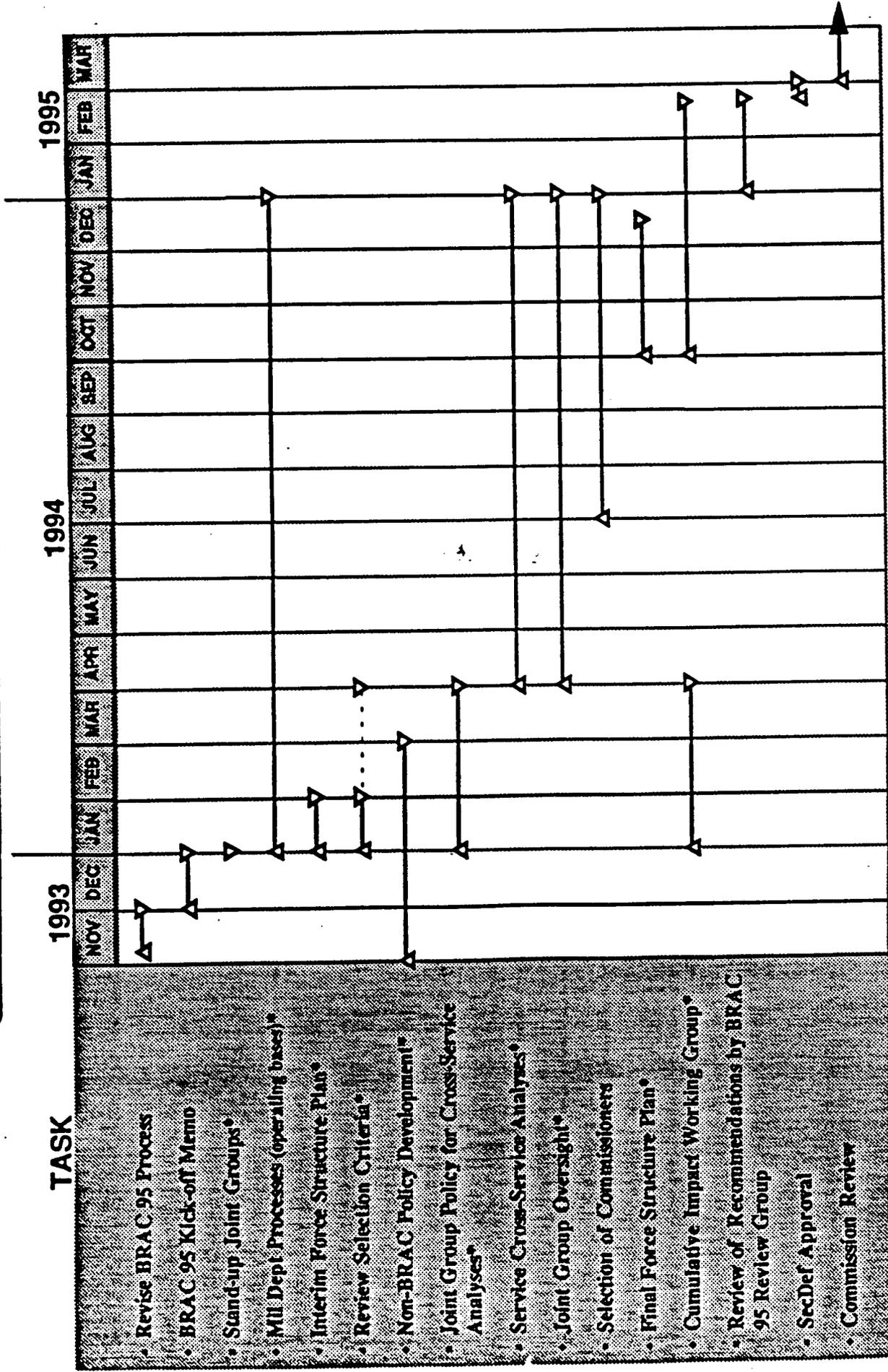
Timelines

The timelines described in this memorandum are depicted at Appendix B.

BRAC 95 Organization for Analysis



BRAC 95 Timeline



* Work products reviewed by BRAC 95 Review Group

**THE DEFENSE BASE CLOSURE &
REALIGNMENT PROCESS**

STATEMENT OF

JOSHUA GOTBAUM

**ASSISTANT SECRETARY OF DEFENSE
(ECONOMIC SECURITY)**

BEFORE THE

DEFENSE BASE CLOSURE & REALIGNMENT COMMISSION

MARCH 1, 1995

Good afternoon. I am Joshua Gotbaum, the Assistant Secretary of Defense for Economic Security. With me is Robert Bayer, the Deputy Assistant Secretary of Defense for Installations.

You have asked that we review for you the process and procedures that the Department followed in developing the recommendations. We welcome the opportunity to do so, because they are, necessarily, very complicated. Nonetheless, we believe that they are sound, that they are fair, and that they meet both the spirit and the letter of the law.

I will cover our procedures in general and our joint cross-service work, then ask Bob to describe how we considered economic impact.

Before I turn to the details, there are four points about our process that I would like to emphasize.

First, that it is fair. Congress, when it recognized that the existing procedures for base closing did not work and proposed BRAC as a substitute, recognized that it must, unquestionably, be fair. We go to extraordinary efforts to make sure that it is. As the law directs, we consider all installations equally. We direct the use of a common public force structure and public selection criteria. The services develop their tests and measures for applying those criteria, where possible, in advance of seeing any data for particular installations. All the data used is certified by its providers to be, to the best of their knowledge, complete and accurate. We performed more analysis in BRAC 95 than we did in any of the prior rounds. All of it is done under the watchful eyes of auditors from the DoD Inspector General, auditors within each Military Department, and the General Accounting Office.

These requirements form an extraordinary discipline. Only then do we make these critical, difficult judgments. And then those judgments are reviewed by the Office of the Secretary of Defense, by the General Accounting Office, by the public, and -- most importantly -- by this Commission.

Second, that it is undeniably painful. As the Secretary has already noted, we did not arrive at our recommendations easily. We were forced to choose among many excellent facilities. The facilities are on this list, not because they aren't excellent, but because they are more than we need or can afford. And in every case, this is a facility with a Commander who is justifiably proud of his or her operation. And in every case, there is a community that has supported our Nation's defense, sometimes for hundreds of years.

Third, that it is extraordinarily complicated. In the base closure process, we must make judgments about many different kinds of facilities in a way that is at the same time effective, accurate, consistent, public and fair. To do so we have developed many methods of analysis and many methods for implementation of the selection criteria. Because these are so complicated, in some cases where the results are relatively close people will argue that the Department's recommendation is arbitrary. Once you understand the extraordinary level of analysis that we have undertaken, it should be clear that there is nothing in this process that is arbitrary. Others will argue that some additional factor ought to be taken into account that would help their base

survive. You will, of course, make your own judgments on these arguments, but we hope you recognize that every ad hoc addition for a specific site makes the result less consistent, less fair, and even more complicated.

My last point before turning to the process is that, as we discuss the details of this or that procedure and this or that base, we must not lose sight of the reasons why we must close bases in the first place. And that, quite simply, is because we need those funds. Even after the three previous BRAC rounds, we still have too many bases. Reductions in our forces and our budget have far outpaced reductions in our basing structure. We estimate that the BRAC process will produce total savings of some \$50 billion dollars -- savings that are critical to maintain readiness and modernize the armed forces in the decades to come.

Bottom Up Process Under Secretarial Guidance

Most of the analysis and review that is carried out in the base closure process is performed by the Military Departments and Defense agencies under the policy guidance and review of the Secretary of Defense.

The Deputy Secretary of Defense established the policy, procedures, authorities, and responsibilities for selecting bases for realignment and closure. Over a year ago, in January 1994, he set out by memorandum the basic policies under which all service and the Defense agencies must operate. This guidance required them to:

- develop recommendations based exclusively upon the force structure plan and eight selection criteria;
- consider all military installations inside the United States equally;
- analyze their base structure using like categories of bases;
- use objective measures for the selection criteria wherever possible; and
- allow for the exercise of military judgment in selecting bases for closure and realignment.

The Deputy Secretary also established the BRAC 95 Review Group and the BRAC 95 Steering group to oversee the entire BRAC process. The Review Group was composed of senior level representatives from each of the Military Departments, Chairpersons of the Steering Group and each Joint Cross-Service Group, and other senior officials from the Office of the Secretary of Defense, Joint Staff, and Defense Logistics Agency. It provided oversight and policy for the entire BRAC process.

The BRAC Steering Group was established to handle day-to-day issues and assist the Review Group in exercising its authorities. Upon confirmation, I chaired that group. I was given the responsibility to oversee the process on a day-to-day basis, and was delegated authority to issue additional instructions.

The Chairman of the Joint Chiefs issued force structure plans in February 1994. The force structure plan was updated in January and again this month to reflect budget decisions, and we have already provided the plan to the Commission. As the Secretary noted, this was the first round of base closures based upon the Bottom Up Review.

The selection criteria, which the Deputy Secretary issued in November, remained unchanged from BRAC 93. They give priority consideration to military value, and also consider costs and savings and environmental and economic impacts. (Those criteria are attached to this testimony.)

These criteria have not been changed. However, we have made some improvements in the way we implement them. For example, the Army never analyzed air space in analyzing its training schools; it now does so. They now also give extra credit for ranges that are computerized. In 1991, the Air Force took 80 different attributes of each base into account; this year they use 250.

The Service Recommendation Process

Each Service begins by categorizing its bases. For example, the Air Force divides its activities into large aircraft and missile bases, small aircraft bases, air reserve/guard components, industrial/depot, and so forth.

Then they must define -- in advance -- those factors that should be taken into account to apply the criteria for each type. Obviously, different factors are important for different types of installations. They defined data -- again, in advance -- that would measure those factors. The Services were directed and sought to develop measures that were, as much as possible, objective and quantifiable.

Furthermore, they assigned a weighting in advance to each criterion. The weighting reflected their best military judgment as to the likely importance of each factor to the particular criterion and to the Department as a whole.

There are two key points here:

- One, that BRAC 95 was a process conducted from the bottom-up, based on the judgments of the military services about the relative value of their installations.
- Second, that before any data was collected, before any alternatives were considered, before any decisions were made, the Services defined what was important, what measures they would use in ranking facilities, and how they would evaluate those measures.

Once the Services had completed these tasks, they sent to their installations requests for data, to collect the information on which to base their decisions. Personnel at bases around the country collected the data, certified that it was accurate and complete to the best of their knowledge and belief, and sent it back to headquarters where it could be analyzed.

The Services next developed rankings of their installations by type, using the approved selection criteria, the common force structure plan, and the measures that they had previously defined. In many cases, they considered alternatives developed by the Joint Cross-Service Groups, and/or modifications of those alternatives.

The process of assessing alternatives is itself a difficult undertaking. The Services had to balance numerous considerations. For example, they examined how much capacity they have now, and how much they need to keep. They had to evaluate the military value of numerous alternatives, and examine these in light of differing costs and savings, economic impacts, and environmental concerns. Also, as Secretary Perry stated this morning, closing bases costs money up front. So each Service had to determine how much of a near-term investment they could afford to make in order to realize long-term savings.

At the end of this rigorous, labor-intensive, analytical process, the Services decided on their recommendations, and presented them to the Secretary of Defense.

Within each military department, these decisions are of course the responsibility of the service secretary. But in every case, they were discussed, reviewed, analyzed and debated -- sometimes for days -- by a group composed very senior, experienced military and civilian officials. The chiefs of service were completely involved in the process. The resulting recommendations reflect the best judgment of both the civilian and military leadership. And they are never made lightly.

Cross-Service Alternatives

The 1993 Commission recommended that the Department develop procedures for considering joint or common activities among the Military Departments. For BRAC 95, the Deputy Secretary directed the creation of Joint Cross-Service Groups to consider these issues in conjunction with the Military Departments. Each such group included membership from the Office of the Secretary of Defense and each of the Military Departments.

We established a process, involving the Joint Groups and the Military Departments, through which we developed alternatives in five areas: depot maintenance, medical treatment facilities, test and evaluation, undergraduate pilot training, and laboratories.

Each of the Joint Groups developed excess capacity reduction goals, established data collection procedures and milestone schedules, presented alternatives to the Military Departments for their consideration in developing recommendations. The Joint Groups issued their alternatives to the Military Departments in November 1994, and they considered them as part of their ongoing BRAC analyses. In some instances, the Departments adopted the alternatives and recommended them, as made or modified, to the Secretary of Defense. In other instances, the Services declined to endorse them, because the particular alternative was not considered to be cost effective, the base too valuable militarily, or for other reasons. Our report to you -- in Chapter 4 -- summarizes the Joint Groups' efforts. Further, we have already provided you with detailed documentation of each Joint Group's activities, methods, and analyses.

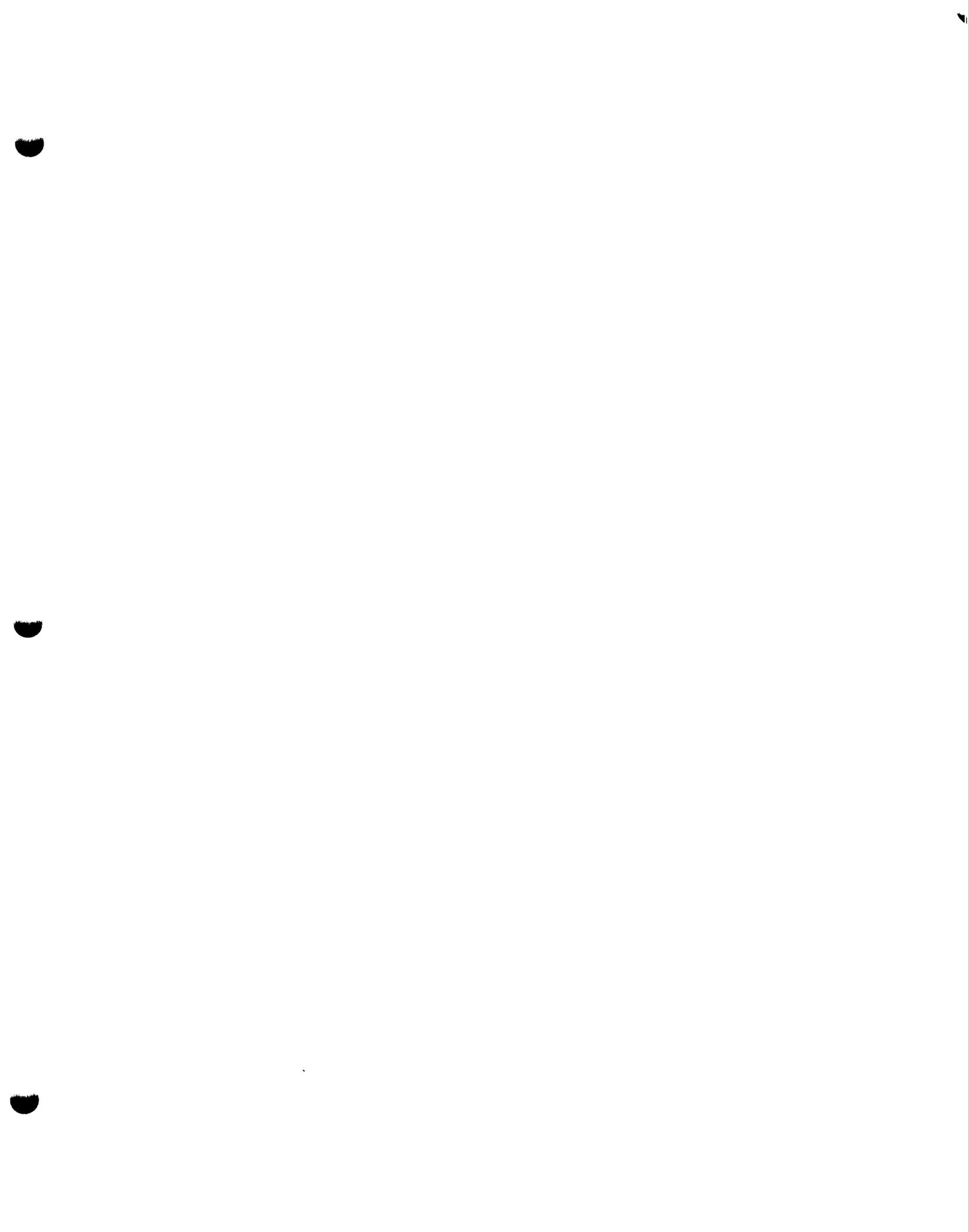
We also established a Joint Group to address economic impact. Bob will discuss their efforts in a few minutes.

Review & Decision by the Secretary of Defense

Once the services reported their recommendations to the Secretary of Defense, these were in turn reviewed by the Office of the Secretary and of the Joint Staff.

The Joint Staff reviewed the recommendations from a warfighting perspective, to ensure they would not impair the military readiness of the armed services and the particular war fighting requirements of the Unified and Specified Commanders. After that review, the Chairman of the Joint Chiefs of Staff endorsed all of the recommendations without exception.

Within the Office of the Secretary, the recommendations were review by many different offices. For example, the Undersecretary for Policy, the General Counsel, and the Assistant to the Secretary for Atomic Energy reviewed recommendations that might affect compliance with various treaties. We considered whether recommendations made by a particular service might have failed to consider sufficiently the interests of other parts of the Department or other Federal agencies with national security concerns. Furthermore, the staff assistants to the secretary who had been responsible for particular cross-service analyses were asked to review the responses of the Services to their recommendations. Finally, my office reviewed the recommendations, to ensure that they conformed to the Secretary's guidance, and to consider possible economic impacts from independent actions of several Services on a particular locale. After considering the results of our review, Secretary Perry endorsed all of the recommendations of the Service Secretaries and Defense Agency Directors.



CAAJ(BRAC) PAGE 1 CLOSE HOLD

27 FEB 1995

SUBJECT: Summary of Base Realignment and Closure (BRAC) Executive Group
(BRACEG) Meeting - 13 January 1995

warehouse construction. BRAC Working Group Members indicated that using Rough and Ready Island could be costly due to high Backlog of Maintenance and Repair (BMAR) costs if we retain the space indefinitely. Also, the Navy may close Rough and Ready Island.

H. The revision of the analysis reviewed at the 9 January 1995 BRACEG meeting, using the BMAR and real property maintenance costs was displayed. This analysis applies to DoD final selection criteria 2 and 4. (The availability and condition of land, facilities, and associated air space at both the existing and potential receiving locations, and the costs and manpower implications.) This revised analysis resulted in very little change from the earlier version. The realignment of the additional stand-alone depot options, discussed in paragraph 11F above, were also included in this updated analysis.

I. A detailed discussion of recommendations to be made to the Director, DLA, by the BRACEG took place.

1. When analyzing the stand-alone depots, installation Military Value data indicates the most proper closures would be DDOU and DDMT. Although the COBRA results are not as favorable for these two depots, the SAILS analysis consistently suggests the closure of DDOU and DDMT result in lowest operating costs. Also, there is a significant amount of synergy between the Defense Distribution Depot Norfolk (DDNV) and DDRV, that would be lost if DDRV was closed. The increasing importance of the Norfolk location to the Navy and the significant assistance DDRV can and does provide needs to be continued, particularly in light of the fact that DLA is losing storage space at the wharf and in the South Annex at DDNV. Closure of either DDRV or DDCO will not result in a base closure since both are tenants on DLA ICP installations.

2. For the one ICP option, the consensus was to close the Defense Industrial Supply Center (DISC) (Option 3A). This recommendation was based on the collective military judgment of the BRAC Executive Group after reviewing the results of the Capacity, Military Value, and COBRA results. Differences in the results of these analyses were not great enough by themselves to indicate which option was best. Therefore, military judgment, which took into account all of the available data relating to ICP analyses, as well as depot recommendations was the final determinant. The weapon systems items will be realigned to the Defense General Supply Center (DGSC) and the Defense Construction Supply Center (DCSC). The DISC, DCSC, and DGSC troop and general support items will be realigned to the Defense Personnel Support Center (DPSC). This alternative would result in a difference of less than 400 jobs in Philadelphia. COBRA projects less savings for the one ICP option than the two ICP options.

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27 FEB 1995

3. Within the two ICP options, Option 1, which closes DISC and DPSC, was the proposed recommendation. As with the one ICP option, this recommendation was based on Military judgment. DPSC was reviewed as a stand-alone and DISC was third of the three ICPs with only 24 points between it and DGSC. This realignment would result in all weapons systems items being managed at DCSC and all troop and general support items being managed at DGSC. Although the total NPV for this option is lower than the other two ICP options, the relative difference is small. Savings is not the driver in our decision process. This option was reflected as high risk because it closes two ICPs, one of which is DPSC. DPSC manages items (clothing and textiles, subsistence, and medical) which are unique to DPSC. None of the Hardware ICPs manage items which are comparable.

4. After much discussion, the BRAEG decided to downgrade the risk level of "close two ICP" options 2-2b to moderate plus; These options close DGSC and DISC. However, the risk level associated with the "close two ICP" options 1 remained "high" because no other ICP had experience in managing commodities similar to those at DPSC.

III. DECISIONS REACHED: Make the following recommendations to the Director:

- A. For the one ICP options, Option 3a is proposed.
- B. For the two ICP options, Option 1 is proposed.

NOTE: Depot recommendations are the same for both options.

IV. FOLLOW-UP ACTIONS:

- A. In support of our testimony to the BRAC Commission, build a briefing and viewgraphs to include a chart that describes how we made Military Value decisions to include our military judgment rationale--CAAJ(BRAC).
- B. BRAC Team representatives will attend BRAC Commission regional hearings--CAAJ(BRAC).
- C. Discuss the potential availability of space for moving the people in DCMD West (and the Defense Contract Management Office there) to Los Angeles Air Force Station with the Special Assistant for BRAC, Headquarters U.S. Air Force, Maj Gen Blume--DB.
- D. Add both the SAILS NPV and steady state savings to the option chart and delete the "Best Cost 2 - Depot Option" annotation--CAAJ(BRAC).

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



CLOSE HOLD

08 AUG 1994

MEMORANDUM OF MEETING

SUBJECT: Summary of Base Realignment and Closure (BRAC) Executive Group (BRACEG)
Meeting - 6 July 1994

I. PURPOSE: To revisit the Inventory Control Point (ICP) and Distribution Concepts of Operations prior to presenting the Concepts to the Director. A list of BRACEG attendees is at enclosure 1. Briefing charts are at enclosure 2. Revised ICP and Distribution Concepts of Operations are enclosures 3 and 4, respectively.

II. BRIEF SUMMARY OF DISCUSSION:

A. Gen Babbitt indicated that he had some concern about the broad organizing principles associated with the ICP concept of operation approved by the BRACEG on 12 Apr 94. A revised concept of operation was presented that will allow more flexibility.

1. Items have traditionally been assigned to DLA ICPs on the basis of industry groupings. Assigning items based on the management process involved (i.e., military specification vs. commercial item), or venue (i.e., Air/Land/Sea), or weapon systems make more sense. The traditional order focuses on the supplier. Venue and weapons system are oriented more to the customer. Structuring around management process is more internally focused. There are advantages and disadvantages to each principle. Modern technology and Commodity Business Units allow the choice of an organizing principle to be independent of basing decisions. The actual execution of the concept philosophy would be determined by what made the most business sense in light of the BRAC analysis process.

2. MMS recommended using the management process as the organizing principle. Several significant concerns were raised, including de-emphasizing moving to more commercial practices, moving away from "one face to industry," and diluting emphasis on weapon system support items.

3. The BRACEG agreed that the ideas and issues should be taken to the Director.

B. Minor changes associated with the Distribution region concept were reviewed.

1. The distribution Concept of Operations was changed to remove any appearance of a predecision about the location of the primary distribution sites. The concept was also changed to emphasize that command and control is the primary function of the Regions.

2. Another change emphasizes that the Commanders of Depots, which DLA is permitted to operate, should be the Base Commander. All other Depots should "buy" support services which do not require standardization from whatever source makes sense.

CLOSE HOLD

ROBERT A. BORSKI
30 DISTRICT, PENNSYLVANIA

COMMITTEES:
TRANSPORTATION
AND INFRASTRUCTURE
RANKING DEMOCRAT - SUBCOMMITTEE ON
WATER RESOURCES AND ENVIRONMENT

STEERING COMMITTEE

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March 16, 1995

Major General Lawrence P. Farrell, Jr., USAF
Principal Deputy Director
Defense Logistics Agency
Cameron Station
Alexandria, VA 22304-6100

Dear General Farrell:

I am writing to request additional material relating to your base closure recommendation for the Defense Logistics Agency's (DLA) Inventory Control Points (ICPs).

I greatly appreciate the supporting materials your staff has provided to me to date relating to the ICP recommendation. However, in order to execute a thorough review of your recommendation, I need all materials you have relating to the following minutes of the DLA BRAC meetings:

- 1) An explanation of General Babbit's concerns on the ICP Concepts of Operation from DLA BRACEG meeting, April 12, 1994.
- 2) All supporting data from the meetings of July 6-8, 1994, specifically on the significant concerns that were raised regarding organization of the Hardware ICPs under a management style grouping.
- 3) Details of discussions on workload consolidation by type of management from the January 23, 1995 meeting.

*No
RESPONSE
FROM
DLA!*

In addition, I need any additional supporting material you have relating to your analysis of reorganizing ICPs along the lines of "like styles of items managed."

Finally, I would greatly appreciate receiving the COBRA analysis for the ICP recommendation on computer diskette.

Because time is of the essence in the BRAC process, I would greatly appreciate receiving the above as soon as possible, preferably within the next few days.

I have enclosed copies of the meeting minutes referenced above. Please contact my Legislative Director, Mr. Mark Vieth, at (202) 225-8251 if you have any questions regarding this request.

March 16, 1995
Page 2

Thank you in advance for your attention to these important matters.

Sincerely,



ROBERT A. BORSKI
Member of Congress

RAB/mdv
Enclosures

✓ cc: Honorable Alan Dixon, Chairman
Defense Base Closure and Realignment Commission

(CONGR BORSKI)

To: Bob
From: Mark
Date: March 28, 1995
re: Yesterday's meeting with Defense Logistics Agency BRAC team.
Bob,

Yesterday I met with DLA's BRAC team to further discuss their recommendation to disestablish DISC. I was joined by Tony Cosenza, an FMA representative of DISC, and Ed Koc of the Pennsylvania Economy League. Here's a summary of what we learned:

MILITARY VALUE:

We discussed why the military value analysts changed for DISC and DGSC (Richmond) over the course of several weeks leading up to the final decision. As of December, DISC had a higher military value score than DGSC. However, after numerous requests for resubmission of data, DGSC ended with a higher final score.

Nothing

The discrepancies were due primarily to inaccurate data submitted by DGSC. DLA will provide us with a full explanation of why these figures changed.

MILITARY VALUE NOT A DECIDING FACTOR:

The important point we learned about military value is that it was not the deciding factor between closing DISC or DGSC. Instead, the decision was driven by which depot would be closed. DLA conducted an "installation military value" analysis, which measured the value of all activities on a base. Because Richmond received a high score for its installation (which includes DGSC and its depot, DRRV), the DLA decided to keep it open.

The problem with the "installation military value" analysis conducted by DLA is that it did not even measure the value of the ASO compound. DLA claims that the Navy conducts its own analysis for ASO, and therefore DLA cannot do an analysis for the whole compound.

As a result, DISC didn't even stand a chance in the "installation military value" analysis. DLA made its decision based on its decision to close depots. Military value of the actual ICPS and cost savings were not factors.

PERFORMANCE:

DLA also admitted that the performance of the employees was not measured in the military value analysis. They claim that they don't need to do this because performance is determined by the quality of management. They claim that the location of the management has no bearing on the level of performance of the personnel. (We obviously disagreed with this logic)

POSITIONS ELIMINATED:

The DLA gave us a chart explaining how they achieved the 404 positions eliminated in their recommendation. They achieve this by categorizing position at each facility with the type of work they do (weapons, troop & general, miscellaneous). Within each category, they subdivide the positions into direct support, indirect support, and administrative. For each base losing work, they calculated that they could eliminate 5% of the direct support, 25% of the indirect support, and 50% of the administrative. For example, by transferring the weapons systems work out of Philadelphia, DLA calculated they would need 190 fewer positions. *

We also asked DLA if any of these positions were those eliminated by the BRAC93 recommendation to close DESC in Dayton and move it to DCSC in Columbus. They stated that the positions eliminated by BRAC95 are in addition to positions eliminated by BRAC93.

COSTS ASSOCIATED WITH DPSC DELAY:

In their recommendation, DLA claims that it can avoid spending \$25 million to rehab warehouses on the ASO compound by delaying the DPSC move by two years and backfilling the positions in the DISC buildings. We asked if DLA included the costs of keeping DPSC open in South Philly for two additional years in its cost savings analysis (COBRA).

DLA claims that it did not need to include these additional costs because they are a part of BRAC93, not BRAC95. However, this certainly makes no sense if they are including the rehab cost avoidance as BRAC95 savings. We need to get more clarification on this issue.

JOB RIGHTS FOR DISC PERSONNEL:

We conveyed the apprehension felt by all 1800 of DISC's employees about the fact that they have no job guarantees at other ICPs under this recommendation. The DLA BRAC team stated that in their recommendation they have every intention of filling new jobs at DPSC with DISC employees.

However, this is not their decision to make. In BRAC93, when DLA closed DESC in Dayton, the Commanders of DCSC and DESC worked out an agreement whereby the DESC employees had first rights to new jobs at DCSC. DLA claims that a similar agreement can be worked out for DISC employees, but would have to involve an agreement among all four commanders of the ICPs. DLA claims that they are now working on such an agreement.

05/28/95

11:12

DLA also stated that "transfer of function" rights may actually be less helpful for DISC employees. For example, had they granted "transfer of function" rights for all of the supply classes that are being transferred, DLA would have to offer a large part of the new DPSC jobs to current DGSC employees.

| | | FY 94 Permanent Civilians | | | | | | FY 96 | | FY 97 | | FY 98 | | FY 99 | | |
|------|-------------------------|---------------------------|--------|----------|--------|-------|---------|-------|-------|---------|-------|---------|-------|---------|-------|--------|
| | | Direct | % Dir | InDirect | % Ind | G & A | % G & A | Total | Total | Pom Chg | Total | Pom Chg | Total | POM Chg | Total | POM ch |
| DCSC | Weapon Systems Items | 1356 | 40.8 | 844 | 25.4 | 309 | 9.3 | 2509 | | | | | | | | |
| | Troop & General Support | 205 | 6.17 | 128 | 3.85 | 61 | 1.84 | 394 | | | | | | | | |
| | Miscellaneous | 0 | | 0 | | 0 | | 0 | | | | | | | | |
| | Base Operations | 0 | | 0 | | 0 | | 0 | | | | | | | | |
| | Totals | 1561 | | 972 | | 420 | 12.64 | 420 | 3284 | -39 | 3289 | -15 | 3138 | -131 | 3013 | -125 |
| DGSC | Weapons Systems Items | 507 | 23.07 | 97 | 4.41 | 123 | 5.6 | 727 | | | | | | | | |
| | Troop & General Support | 550 | 25.02 | 105 | 4.78 | 133 | 6.05 | 788 | | | | | | | | |
| | Miscellaneous | 188 | | 71 | | 54 | | 313 | | | | | | | | |
| | [IPE] | [25] | [1.14] | [71] | [3.23] | [20] | [.91] | [116] | | | | | | | | |
| | [Other] | [163] | [7.42] | [0] | [0] | [34] | [1.55] | [197] | | | | | | | | |
| | Base Operations | 0 | | 0 | | 370 | 16.83 | 370 | | | | | | | | |
| | Totals | 1245 | | 273 | | 680 | | 2198 | 2068 | -132 | 1983 | -83 | 1904 | -79 | 1828 | -76 |
| DISC | Weapon Systems Items | 1228 | 66.34 | 143 | 7.73 | 275 | 14.86 | 1646 | | | | | | | | |
| | Troop & General Support | 148 | 7.89 | 25 | 1.35 | 34 | 1.84 | 205 | | | | | | | | |
| | Miscellaneous | 0 | | 0 | | 0 | | 0 | | | | | | | | |
| | Base Operations | 0 | | 0 | | 0 | | 0 | | | | | | | | |
| | Totals | 1374 | | 168 | | 309 | | 1851 | 1679 | -172 | 1624 | -55 | 1559 | -65 | 1497 | -62 |

| | | FY 99 | | | | | Total |
|------|-------------------------|--------|---------|------|--|--|-------|
| | | Direct | Indirec | G&A | | | |
| DCSC | Weapon Systems Items | 1229 | 765 | 280 | | | 2274 |
| | Troop & General Support | 186 | 116 | 56 | | | 358 |
| | Miscellaneous | | | | | | |
| | Base Operations | | | 381 | | | 381 |
| | Totals | 1415 | 881 | 717 | | | 3013 |
| DGSC | Weapons Systems Items | 422 | 81 | 102 | | | 605 |
| | Troop & General Support | 457 | 87 | 111 | | | 655 |
| | Miscellaneous | 157 | 59 | 45 | | | 260 |
| | (IPE) | [21] | [59] | [17] | | | [97] |
| | (Miscellaneous) | [136] | [0] | [28] | | | [163] |
| | Base Operations | | | 308 | | | 308 |
| | Totals | 1035 | 227 | 566 | | | 1828 |
| DISC | Weapon Systems Items | 993 | 116 | 222 | | | 1331 |
| | Troop & General Support | 118 | 20 | 28 | | | 166 |
| | Miscellaneous | | | | | | |
| | Base Operations | | | 250 | | | 250 |
| | Totals | 1111 | 136 | 250 | | | 1497 |

| 95% Direc | 75% Indirec | 50% G&A | TOTAL |
|--------------|----------------|------------|-------|
| 1168 | 574 | 140 | 1882 |
| 177 | 87 | 28 | 292 |
| 401 | 61 | 51 | 513 |
| 434 | 62 | 56 | 552 |
| 149 | 44 | 23 | 216 |
| [129] | [0] | [14] | [143] |
| 943 | 87 | 111 | 1141 |
| 112 | 15 | 14 | 141 |

| | FY 94 Permanent Civilians | | | | | | |
|-------------------------|---------------------------|-------|----------|-------|-------|---------|-------|
| | DIRECT | % DIR | INDIRECT | % IND | G & A | % G & A | TOTAL |
| Weapons Systems Items | | | | | | | |
| Troop & General Support | 1179 | 56.2 | 280 | 13.35 | 426 | 20.3 | 1885 |
| Base Operations | | | | | 185 | 8.82 | 185 |
| Personnel Supt. to DISC | | | | | 28 | 1.33 | 28 |
| Total | 1179 | | 280 | | 639 | | 2098 |

| | FY 96 | | FY 97 | | FY 98 | | FY 99 | |
|-------------------------------------|-------------------------------------|------|-------|------|-------|------|-------|------|
| | TOTAL | CHG | TOTAL | CHG | TOTAL | CHG | TOTAL | CHG |
| | POM Stream - DPSC at ASO in 1997 | 1858 | -240 | 1623 | -235 | 1558 | -65 | 1480 |
| POM Stream - DPSC at ASO in 1999 | 1858 | -240 | 1787 | -71 | 1716 | -71 | 1647 | -69 |
| | | | | | | | 1480 | -236 |

| | FY 99 DPSC | | | | | | | |
|-------------------------|------------|------|-------|-------|-------|---------|---------|-------|
| | DIRECT | DIRE | G & A | TOTAL | 5% DI | 5% INDI | 50% G & | TOTAL |
| Weapons Systems Items | | | | | | | | |
| Troop & General Support | 926 | 220 | 334 | 1480 | 879 | 165 | 168 | 1212 |
| Base Operations | | | 145 | 145 | | | | |
| Personnel Supt. to DISC | | | 22 | 22 | | | | |
| Total | 926 | 220 | 501 | 1647 | | | | |

PLANT REPLACEMENT VALUE OF VACATED FACILITIES (BRAC 95)

| <u>SLFA</u> | <u>SITE</u> | <u>%DLA PRV</u> | <u>O #1</u> | <u>O #2a</u> | <u>O #2b</u> | <u>O #3a</u> | <u>O #4a</u> | <u>O #4b</u> |
|-------------|-------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| DCMD-S | MARIETTA | 0.12% | 0.12% | 0.12% | 0.12% | 0.12% | 0.12% | 0.12% |
| DDCO | PIKETON | 0.35% | 0.35% | 0.35% | 0.35% | 0.35% | 0.35% | 0.35% |
| DDMT | MEMPHIS | 5.89% | 5.89% | | 5.89% | 5.89% | | 5.89% |
| DDOU | OGDEN | 7.65% | 7.65% | 7.65% | | 7.65% | 7.65% | |
| DDRT | RED RIVER | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% |
| DDRT | LEASED | 0.11% | 0.11% | 0.11% | 0.11% | 0.11% | 0.11% | 0.11% |
| DDRV | RICHMOND | 4.01% | | 4.01% | 4.01% | | 4.01% | 4.01% |
| DDST | SAN ANTONIO | 3.14% | 3.14% | 3.14% | 3.14% | 3.14% | 3.14% | 3.14% |
| DGSC | RICHMOND | 1.55% | | 1.55% | 1.55% | | 1.55% | 1.55% |
| DISC | NE PHILA | 0.47% | 0.47% | 0.47% | 0.47% | 0.47% | | |
| DPSC | NE PHILA | 0.71% | <u>0.71%</u> | _____ | _____ | _____ | _____ | _____ |
| | | | 22.10% | 21.06% | 19.30% | 21.39% | 20.60% | 18.83% |



AIR FORCE

FY 93 BRAC REPORT

- ✦ DIFFERENTIATED BY MISSION (FIGHTER, BOMBER, DEPOT MAINTENANCE.)
- ✦ DEPOT MAINT BASES
 - » NUMBER OF CRITICAL SKILL WORKERS
 - » PERCENTAGE OF MAJOR WEAPON SYSTEM SOURCE REPAIR LOCATED AT THE BASE
 - » COST PER OUTPUT (ICPs)
 - » DEPOT WORKLOAD CAPACITY
 - » UTILITY RATES (COST/MBTU)
 - » PERCENT OF WORKFORCE REQUIRING UNIQUE FACILITIES
 - » AVERAGE SALARY

6/22/94

11:34 AM

Close Hold



DLA BRAC 93 Detailed Analysis

Midatlantic, and other tenants with approximately 800 personnel. DPSC was not reviewed as part of the ICP category since it manages a much smaller number of items which have a significantly higher dollar value than the hardware ICPs. The activity has no administrative space available, but does have a small number of buildable acres. Environmental problems at DPSC would make building or extensive renovations impossible for some time in the future.

With the movement of DCMD Midatlantic and the Clothing Factory out of DPSC, the Working Group examined options to either utilize the base as a receiver or move DPSC to another location. Scenarios were built so that activities moved to locations where excess space had been identified. DISC, currently a tenant at ASO which is recommended for closure by the Navy, was considered for possible realignment to DPSC. A scenario which realigned DPSC to ASO where DLA would assume responsibility for the base was analyzed. Another, which split the three commodities at DPSC between DGSC and DCSC was also examined.

The distribution depot at New Cumberland has available buildable acres. Additionally, another recommendation moves DISC, a hardware ICP from Philadelphia to New Cumberland. This allows several activities to be consolidated. The presence of three ICPs and major DLA facilities in the area will create significant opportunities for savings and efficiencies in the future. As a result of the closure of DPSC, the property will be excess to Army needs. The Army will dispose of it in accordance with existing policy and procedure.

Return on Investment: Total estimated one time cost for these closures is \$173.0 million. Annual steady state savings are \$90.6 million with an immediate return on investment.

Impacts: Closing the DPSC installation and the Clothing Factory will have an impact on the local economy. The projected potential employment loss, both direct and indirect, is 0.4 percent of the employment base in the Philadelphia Metropolitan Statistical Area, assuming no economic recovery. The closure will ultimately result in a reduction in air emissions, wastewater discharges, and solid waste.

Defense Industrial Supply Center, Philadelphia, Pennsylvania

Recommendation: Relocate the Defense Industrial Supply Center (DISC), a hardware Inventory Control Point (ICP), located in Philadelphia, Pennsylvania, to New Cumberland, Pennsylvania.

Justification: DISC is a tenant of the Navy's Aviation Supply Office (ASO) located in Philadelphia. With the Navy decision to close ASO during BRAC 93, DISC must either be relocated or remain behind and assume responsibility for the base.

The Executive Group considered options where square footage or buildable acres existed. Also, only locations where ICPs currently exist were considered.

Collocation with DCSC, DESC and DGSC were also considered. DGSC has buildable acres but no space available. DESC has warehouse space and DCSC will have administrative space in 1997. However, with the recommended closures of DESC and realignment with DCSC, the additional move of DISC to DCSC was considered too risky. Scenarios were run splitting DISC among the remaining hardware centers and splitting DISC between DCSC and DGSC. Both options were considered too risky because proposed moves split managed items to multiple locations.

*

ASK
Cully
P. P.
C. P.
1/20/93



**DEFENSE
BASE CLOSURE
AND
REALIGNMENT
COMMISSION**

**1993
REPORT
TO THE
PRESIDENT**

Dynamic component facility be moved to Cherry Point Navy or Corpus Christi Army Depots or the private sector, in lieu of the Navy's plan to retain these operations in a stand-alone facility at NADEP Pensacola. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

Naval Inventory Control Points

Aviation Supply Office, Philadelphia, Pennsylvania

Category: Inventory Control Point
Mission: Naval Aviation Logistical Support
One-time Cost: N/A
Savings: N/A
Annual: N/A
Payback: N/A

SECRETARY OF DEFENSE RECOMMENDATION

Close the Aviation Supply Office (ASO), Philadelphia, Pennsylvania and relocate necessary personnel, equipment and support to the Ship Parts Control Center (SPCC), Mechanicsburg, Pennsylvania.

SECRETARY OF DEFENSE JUSTIFICATION

The reductions in the DoD Force Structure Plan equate to a significant workload reduction for the Navy's inventory control points. Since there is excess capacity in this category the Navy decided to consolidate their two inventory control points at one location. A companion consideration was the relocation of the Naval Supply Systems Command from its present location in leased space in the National Capital Region, to a location at which it could be collocated with major subordinate organizations. This major consolidation of a headquarters with its operational components can be accomplished at SPCC, Mechanicsburg with a minimum of construction and rehabilitation. The end result is a significantly more efficient and economical organization.

COMMUNITY CONCERNS

The Philadelphia community claimed the military value assessment for ASO Philadelphia was based on the installation and geography

instead of on the intellectual capacity and experience of the managers. In addition, the community maintained the ASO's management efficiency, which amounted to just 5% of material cost, was not considered in the service analysis. The community also emphasized savings were overstated because they did not reflect the cost of operating the ASO.

The community pointed out ASO Philadelphia was a model of innovation and cost-saving techniques, and movement would require years to train a new work force to accomplish the same results. The community also stated that a consolidation of other activities in Philadelphia at the ASO compound would save \$350 million.

COMMISSION FINDINGS

The Commission found the savings to be realized by moving the Naval Aviation Supply Office were exaggerated since the ASO Compound in North Philadelphia would remain open even after ASO departed, and the facility's operating costs were not included in the cost analysis. The Commission did not find a significant synergy from collocating the ASO with the SPCC in Mechanicsburg, Pennsylvania. The cumulative economic impact on Philadelphia was also found to be severe, with no appreciable savings to the Department of Defense.

COMMISSION RECOMMENDATION

The Commission finds the Secretary of Defense deviated substantially from final criteria 4, 5, 6. Therefore, the Commission recommends the following: the Naval Aviation Supply Office, Philadelphia, PA, remains open. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

Technical Centers (SPAWAR)

Naval Air Warfare Center-Aircraft Division, Trenton, New Jersey

Category: Technical Center
Mission: Research, Development, Testing, and Evaluation Support
One-time Cost: \$97.0 million
Savings: 1994-1999: \$31.0 million
Annual: \$ 19.3 million
Payback: 11 years

The 4950th will still move to Edwards AFB, California from Wright-Patterson AFB, Ohio, to take advantage of the enhanced military value through the efficiency of consolidating test assets.

The original 1991 realignment cost was \$37.9 million in Military Construction (MILCON). The cost for this redirect is \$26.2 million in MILCON, for a projected savings of \$11.7 million.

COMMUNITY CONCERNS

The Rickenbacker airfield, no longer a military responsibility, was transferred by long-term lease to the Rickenbacker Port Authority in 1992. The State of Ohio showed cost savings by leaving the ANG tanker units in a cantonment area at Rickenbacker ANGB instead of moving them to Wright-Patterson AFB. The community argued the move of the 178th from Springfield to WPAFB was not cost-effective and jeopardized unit military value. In addition to the cost savings realized by *not* moving to WPAFB, the community asserted significant impacts on recruitment and retention were avoided. By moving to WPAFB, which already has a National Guard recruiting station, the community believed the move would result in personnel problems. The community also argued moving the ANG units from Rickenbacker to Wright-Patterson would impact military readiness because the facilities could not accommodate the units properly.

COMMISSION FINDINGS

The Commission found moving the ANG units from Rickenbacker ANGB to Wright-Patterson AFB was no longer cost effective. The Secretary of Defense recommendation in 1991 to realign Rickenbacker units to Wright-Patterson AFB was estimated to cost \$49.6 million. This figure included \$21 million in one-time moving costs. In contrast, the total cost to remain at Rickenbacker in a cantonment area, as recommended by the Secretary of Defense in 1993, is estimated at \$32.2 million. When compared to the cost of realignment, a \$17.4 million savings could be realized by retaining the Air National Guard at Rickenbacker.

Additionally, in a related move suggested by the Secretary of Defense, analysis showed it was not cost effective to move the units at

Springfield to Wright-Patterson AFB or to move the 178th from Springfield to WPAFB. The USAF performed a detailed site survey in April 1993, and, on May 4, 1993, provided the preliminary results. The site survey showed the USAF MILCON projections for construction of facilities at WPAFB for the 178th FG were significantly erroneous. Initially, in the March 1993 recommendations to the Commission, DoD estimated the cost to move and beddown the 178th Fighter Group from Springfield ANGB to WPAFB was \$3 million. The updated estimate revealed a \$35 million cost to beddown the 178th at WPAFB. Overall, the data showed a cost of \$26.61M to move the 178th in contrast to an earlier stated savings of \$14.39M which made such a related move uneconomical.

COMMISSION RECOMMENDATION

The Commission finds the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria. Therefore, the Commission recommends the following: the 121st Air Refueling Wing (ANG) and the 160th Air Refueling Group (ANG) will move into a cantonment area on the present Rickenbacker ANGB, and operate as a tenant of the Rickenbacker Port Authority (RPA) on RPA's airport. The 907th Airlift Group (AFRES) will realign to Wright-Patterson AFB, Ohio as originally recommended. The 4950th Test Wing will still move to Edwards AFB, California. There is no recommendation by the Secretary of Defense or the Commission to move the 178th Fighter Group; it will stay at Springfield Municipal Airport, Ohio.

DEFENSE LOGISTICS AGENCY

Inventory Control Points

Defense Electronics Supply Center Gentile AFS, Ohio

Category: Inventory Control Point

Mission: Provide wholesale support of military services with electronic type items

One-time Cost: \$ 101.2 million

Savings: 1994-99: \$ -47.6 million (cost)

Annual: \$ 23.8 million

Payback: 10 years

SECRETARY OF DEFENSE RECOMMENDATION

Close the Defense Electronics Supply Center (DESC) (Gentile AFS), Dayton, Ohio, and relocate its mission to the Defense Construction Supply Center (DCSC), Columbus, Ohio.

SECRETARY OF DEFENSE JUSTIFICATION

DESC is one of four hardware Inventory Control Points (ICPs). It is currently the host at Gentile Air Force Station in Dayton, Ohio. The only other tenant at Gentile AFS is the Defense Switching Network (DSN). The base has a large number of warehouses (vacant since the depot closed in the mid-seventies) which require extensive renovation before they could be used as administrative office space. The Agency has no plans to re-open the Depot at this location.

The hardware ICPs are all similar in missions, organizations, personnel skills and common automated management systems. The ICP Concept of Operations which takes into account the DoD Force Structure Plan, indicates that consolidation of ICPs can reduce the cost of operations by eliminating redundant overhead operations. The Consumable Item Transfer will be completed in FY 94 and consolidation can begin after that transfer has been completed.

Consolidating DESC and DCSC at both Columbus and Dayton was considered. The Columbus location provided the best overall payback and could allow for the complete closure of Gentile Air Force Station, Dayton, Ohio. DCSC currently has approval for construction of a 700,000 square foot office building which should be completed in FY 96. This building will provide adequate space for expansion of the ICP. As a result of the closure of DESC, Gentile Air Force Station will be excess to Air Force needs. The Air Force will dispose of it in accordance with existing policy and procedure. It is the intent of the Air Force that the only other activity, a Defense Switching Network terminal, phase out within the time frame of the DESC closure. If the terminal is not phased out during this period, it will remain as a stand alone facility.

COMMUNITY CONCERNS

The community contended Gentile Air Force Station should remain open and DESC should not move to Columbus, Ohio. The community asserted they had empty warehouses which could be converted into administrative use. Rather than construct a new building at Columbus which would cost \$89M, the hardware center at Columbus could be moved to Gentile, utilizing existing space and combining two activities. The community argued such a move could be accomplished at a lower cost than the DoD and DLA proposal to move DESC to DCSC at Columbus, Ohio.

COMMISSION FINDINGS

The Commission found the consolidation of Inventory Control Points was a rational approach to increase management efficiencies. Further, the Commission found moving DESC to DCSC allowed for both the closing of Gentile Air Force Station and future expansion at DCSC if required. In addition, the Commission found the cost data supports the Secretary's proposal to merge DESC with the DCSC in Columbus, Ohio. Although the costs used by the Secretary varied and were debatable, the estimates did not affect the validity of the recommendations.

COMMISSION RECOMMENDATION

The Commission finds the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria and, therefore, that the Commission adopt the following recommendation of the Secretary of Defense: close the Defense Electronics Supply Center (DESC) (Gentile AFS), Dayton, Ohio, and relocate its mission to the Defense Construction Supply Center (DCSC), Columbus, Ohio.

Defense Industrial Supply Center Philadelphia, Pennsylvania

Category: Inventory Control Point
Mission: Provide wholesale support of military services with industrial type items
One-time Cost: N/A
Savings: 1994-99: N/A
Annual: N/A
Payback: N/A

SECRETARY OF DEFENSE RECOMMENDATION

Relocate the Defense Industrial Supply Center (DISC), a hardware Inventory Control Point (ICP), located in Philadelphia, Pennsylvania, to New Cumberland, Pennsylvania.

SECRETARY OF DEFENSE JUSTIFICATION

DISC is a tenant of the Navy's Aviation Supply Office (ASO) located in Philadelphia. With the Navy decision to close ASO during BRAC 93, DISC must either be relocated or remain behind and assume responsibility for the base.

The Executive Group considered options where square footage or buildable acres existed. Also, only locations where ICPs currently exist were considered.

Collocation with DCSC, DESC and DGSC were also considered. DGSC has buildable acres but no space available. DESC has warehouse space and DCSC will have administrative space in 1997. However, with the recommended closures of DESC and realignment with DCSC, the additional move of DISC to DCSC was considered too risky. Scenarios were run splitting DISC among the remaining hardware centers and splitting DISC between DCSC and DGSC. Both options were considered too risky because proposed moves split managed items to multiple locations.

Locating DISC at Defense Distribution Region East, a DLA activity located at New Cumberland, Pennsylvania, and the presence of three ICPs and major DLA facilities in the area will create significant opportunities for savings and efficiencies in the future. The relocation of DISC to New Cumberland provides the best payback for DoD. The relocation allows the Navy to close and dispose of ASO.

COMMUNITY CONCERNS

The community argued moving DISC, the Defense Personnel Support Center (DPSC), and ASO out of Philadelphia, and closing the Defense Clothing Factory could impact more than 9,000 jobs and would be economically devastating to the community. The community contended DISC and ASO should remain together and DPSC

should be moved to the ASO facility, resulting in the closure of the DPSC installation. This scenario, they asserted, would also provide more cost savings and would be less disruptive than moving DPSC and DISC to New Cumberland, as proposed by DoD and DLA.

COMMISSION FINDINGS

The Commission found moving DISC from Philadelphia would create a negative cumulative economic impact on Philadelphia. The Commission also found the Secretary's recommendation did not yield the greatest savings commensurate with no mission degradation. Further, the Commission found the most cost-effective option was for DISC to remain in place.

COMMISSION RECOMMENDATION

The Commission finds the Secretary of Defense deviated substantially from final criteria 4, 5, and 6. Therefore, the Commission recommends the following: the Defense Industrial Supply Center remains open and located within the Aviation Supply Office compound in Philadelphia, Pennsylvania. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

Defense Personnel Support Center Philadelphia, Pennsylvania

Category: Inventory Control Point

Mission: Provide food, clothing and textiles, medicines, and medical equipment to military personnel and their eligible dependents worldwide

Cost to close: \$ 45.9 million

Savings: 1994-99: \$ 6.5 million

Annual: \$ 26.1 million

Payback: 7 years

SECRETARY OF DEFENSE RECOMMENDATION

Close the Defense Personnel Support Center (DPSC), Philadelphia, Pennsylvania, and relocate its mission to the Defense Distribution Region East, New Cumberland, Pennsylvania. Close the Defense Clothing Factory, relocate the personnel supporting the flag mission, and use existing commercial sources to procure the Clothing Factory products.

SECRETARY OF DEFENSE JUSTIFICATION

DPSC is the host of this Army-permitted activity in Philadelphia, Pennsylvania. The installation also houses the Clothing Factory, the Defense Contract Management District (DCMD) Midatlantic, and other tenants with approximately 800 personnel. The decision to close the Clothing Factory is based on the premise that clothing requirements for the armed forces can be fulfilled cost effectively by commercial manufacturers, without compromising quality or delivery lead time. DPSC was not reviewed as part of the ICP category since it manages a much smaller number of items which have a significantly higher dollar value than the hardware ICPs. The activity has no administrative space available, but does have a small number of buildable acres. Environmental problems at DPSC would make building or extensive renovations impossible for some time in the future.

With the movement of DCMD Midatlantic and the Clothing Factory out of DPSC, the Working Group examined options to either utilize the base as a receiver or move DPSC to another location. Scenarios were built so that activities moved to locations where excess space had been identified. DISC, currently a tenant at ASO which is recommended for closure by the Navy, was considered for possible realignment to DPSC. A scenario which realigned DPSC to ASO where DLA would assume responsibility for the base was analyzed. Another, which split the three commodities at DPSC between DGSC and DCSC was also examined.

The distribution depot at New Cumberland has available buildable acres. Additionally, another recommendation moves DISC, a hardware ICP from Philadelphia to New Cumberland. This allows several activities to be consolidated. The presence of three ICPs and major DLA facilities in the area will create significant opportunities for savings and efficiencies in the future. As a result of the closure of DPSC, the property will be excess to Army needs. The Army will dispose of it in accordance with existing policy and procedure.

COMMUNITY CONCERNS

The community argued moving DPSC out of south Philadelphia would severely impact the livelihood of the south Philadelphia merchants, who rely on DPSC personnel for their business. The community also contended moving the Defense Industrial Supply Center (DISC), the Defense Personnel Support Center (DPSC) and the Aviation Supply Office (ASO) out of Philadelphia and closing the Defense Clothing Factory could impact more than 9,000 jobs and would be economically devastating to the community. The community believed DISC and ASO should remain together and DPSC should be moved to the ASO facility, resulting in the closure of the DPSC installation. This scenario, they argued, would also provide more cost savings and would be less disruptive than moving DPSC and DISC to New Cumberland, as proposed by DoD and DLA.

COMMISSION FINDINGS

The commission found relocating DPSC out of Philadelphia would result in a significant loss of trained workers who would be difficult to replace. The Commission also found this move would have an adverse economic impact on Philadelphia. The Commission found the Secretary's recommendation did not yield the greatest savings commensurate with no mission degradation. The Commission also found the ASO installation had enough excess capacity to accommodate the present tenants, ASO and DISC, as well as DPSC. The Commission found this to be the most cost effective option.

COMMISSION RECOMMENDATION

The Commission finds that the Secretary of Defense deviated substantially from final criteria 4, 5, and 6. Therefore, the Commission recommends the following: relocate the Defense Personnel Support Center, Philadelphia, Pennsylvania to the Aviation Supply Office compound in North Philadelphia, Pennsylvania. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

DEFENSE LOGISTICS AGENCY



2/9/95

MEMO FOR

BB Beauchamp

This was from Audis Conf
at Columbus Dec 93. First
one you attended I believe

PS - may have been Nov 93.

sent @

6 DEC 1993

DISC - RM
- OC/OP
- AL

Infrastructure Review - AKA -
Reassignment of FSC's between
DIA ICP's.

Attached are the briefing charts used by DIA MMS during Commander's Conference. Recommendation was not accepted as presented. Reason was

that this ~~plan~~ recommendation envisioned wholesale item transfers. Such transfers are labor intensive and involve significant, initial, support disruptions. Without a clear analysis of the benefits (cost/benefit), DIA HQ (and the ICP's) were unwilling to agree to recommendations.

Ergo - for the short term, DIA will review some limited FSC reassignments rather than simply moving all DISC classes to DCSC. Coordination with DSC's will be accomplished.

Greg Allen

INFRASTRUCTURE REVIEW

WHY ~~DO~~ WE NEED IT?

MOMENT OF OPPORTUNITY

BRAC 93 & 95

NEW GAME WITH NEW RULES

NPR; OSD & OUR OWN DATA INDICATE

OUR PROBLEMS = LOST BUSINESS

CAPTURE NEW BUSINESS (MIL & CIV)

MAINTAIN FRAMEWORK FOR FUTURE
SURGE SUPPORT

FUTURE ENVIRONMENT

NO CAPTIVE AUDIENCE

NO LIMIT ON OUR MARKET

CUSTOMER REQUIREMENTS WILL BE FASTER

STREAMLINE PROVISIONING PROCESS

GROUPING BY BUSINESS PRODUCTS

PEACETIME ROLE A DRIVER FOR DLA

NATURAL DISASTER SUPPORT

MUST BE SELF-SUSTAINING

REVIEW GROUP RESULTS

DLA HAS TWO TYPES OF BUSINESS

COMMERCIAL & WEAPON SYSTEM UNIQUE

EACH BUSINESS REQUIRES DIFFERENT
MANAGEMENT TECHNIQUES

TYPE OF BUSINESS SHOULD DRIVE
THE INFRASTRUCTURE

DEFINITION

MILITARY UNIQUE ITEMS

- ITEMS MANUFACTURED SPECIFICALLY FOR DOD
- ITEMS WITH LONG LEAD TIMES
- ITEMS WITH SOURCE CONTROL DRAWINGS
- CRITICAL ITEMS REQUIRING SOURCE INSPECTION

DEFINITION COMMERCIAL ITEMS

- ITEMS SOLD TO OTHER THAN DOD
- ITEMS AVAILABLE QUICKLY FROM
COMMERCIAL SOURCES
- ITEMS AVAILABLE FROM MORE THAN ONE
COMMERCIAL SOURCE
- MARKETPLACE DETERMINES LEVEL
OF QUALITY
- NOT MANUFACTURED SPECIFICALLY FOR DOD

MISSION OBJECTIVES

MILITARY

INTEGRATED LOGISTICS SUPPORT

IMPROVED TECH & LOG SERVICES

IMPROVED QUALITY ASSURANCE

PARTICIPATE IN INTEGRATED WEAPON
SYSTEM DATA BASE

MISSION OPERATIONAL READINESS
OF END ITEMS

MISSION OBJECTIVES COMMERCIAL

EMPHASIS ON QUICK RESPONSE
& LOW PRICES

PREDOMINANTLY A BUYING SERVICE
UTILIZING DOD DEMAND TO OBTAIN
MARKET CLOUT

FOCUSED TOWARD NEW MARKETS &
PRODUCT LINES

MILITARY ACTIVITIES

NEW APPROACH TO TRADITIONAL BUSINESS PRACTICES

DEPOT STOCKAGE

CORPORATE OEM CONTRACTS

SHARED PRODUCTION

SAVE THROUGH COMPETITION

UTILIZE BREAKOUT, VALUE ENGINEERING

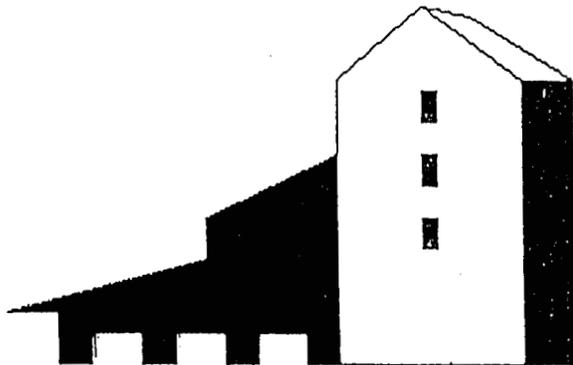
COMMERCIAL ACTIVITIES

UTILIZE COMMERCIAL BUSINESS PRACTICES

UTILIZE COMMERCIAL DISTRIBUTION SYSTEM

USE PRIME VENDOR TYPE CONTRACTS

EMPHASIZE EC/EDI



ALLOCATION OF ITEMS

COMMERCIAL & MILITARY
WITHIN EACH CENTER

OR

AMONG THE CENTERS

WITHIN THE CENTERS

PROS

COMMODITY EXPERTISE EXISTS

BUSINESS RELATIONSHIPS WITH
INDUSTRY EXIST

CONS

LESS FOCUS

MILITARY SIDE IMPEDES INNOVATION
ON COMMERCIAL SIDE

AMONG THE CENTERS

CONS (SHORT TERM)

TRANSFER ITEM MANAGEMENT

MANAGEMENT BY NSN, NOT FSC

PROS

CONCENTRATION OF MISSION SUPPORT

BETTER SERVICE TO CUSTOMERS

CENTER FOR REENGINEERING

RECOMMENDATION

THREE COMMERCIAL ICPs

- DGSC DPSC DFSC

TWO MILITARY ICPs

- DISC DESC/DCSC

MIGRATION STRATEGY

RULES OF PLAY

DGSC TO BE COMMERCIAL HARDWARE ICP

DGSC DRAWS NSNs AS COMMERCIAL
DISTRIBUTION COVERAGE OBTAINED

DISC, DESC, DCSC DRAW MILITARY
NSNs FROM DGSC BY COMMODITY AREA

NOTHING CRITICAL WILL TRANSFER INTO DGSC

NOTHING REQUIRING SOURCE INSPECTION INTO
DGSC

HQ CONTROLS VOLUME OF CHANGE TO
BALANCE WORKLOAD

MATERIAL MANAGEMENT - DISTRIBUTION
CONCEPT OF OPERATIONS

requires immediate access to information about stock availability, storage and thrupt capacities, and discrete cost data. Information requirements to support customized service will be provided by the Distribution Standard System (DSS). DSS, which will be fielded over the next three years, will also standardize performance reporting and facilitate cost reducing business process improvements.

ACCURATE INVENTORY

Inventory accuracy is essential to an effective and efficient distribution system. We have an ongoing program to measure inventory accuracy and to correct for inaccuracies created by the interaction of personnel with automated systems. We will be implementing Approved MILSTRAP Change Letter 8 (AMCL-8), which transfers accountability of material stored at depots from the inventory control points to the depots. Implementation of DSS and the proper storage of material will contribute to improved inventory accuracy.

→ WELL TRAINED WORKFORCE

A depot workforce whose knowledge, skills, and abilities more closely matches the demands placed upon them will contribute to a more effective and efficient distribution system - one which operates at a lower cost. DLA is now the

MATERIAL MANAGEMENT - DISTRIBUTION
CONCEPT OF OPERATIONS

employer of the majority of DoD's distribution professionals. We are developing a training program to empower these employees to do better work and to support the logical progression of a career in distribution. Certain commodities (such as hazardous materials, subsistence, clothing & textiles, etc.) require certain special skills. A skilled workforce, combined with the proper facilities for distribution of these commodities, is a combination which yields cheaper better distribution. Any consideration of transferring a specialized mission to another location must consider the workforce skills at the new location in addition to the facilities at the new location. The cost of properly training personnel at the proposed new site of a specialized mission may be a significant expense.

DSC ITEM TRANSFER HISTORY

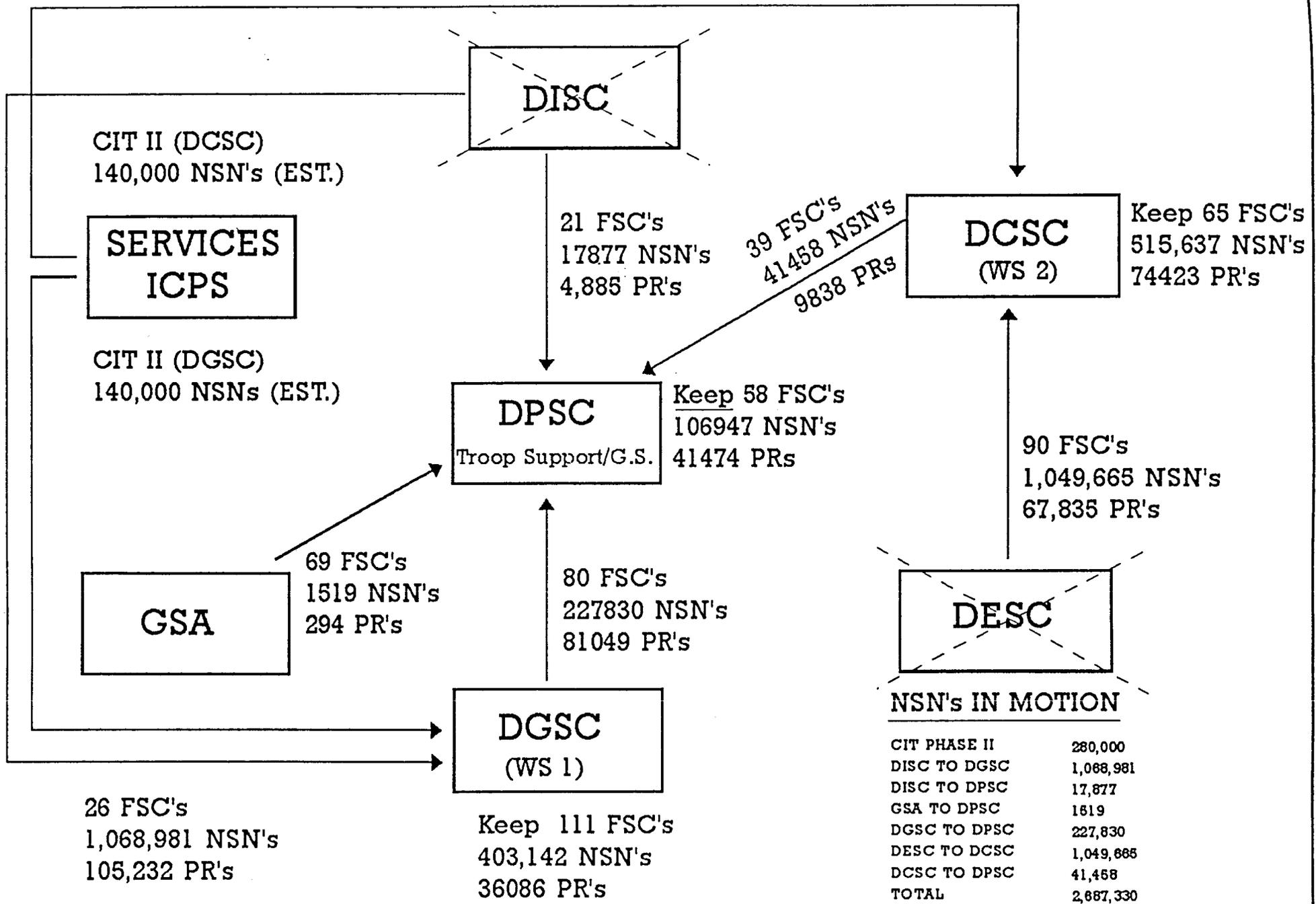
| <u>DSC</u> | <u>CIT</u> | <u>CIT - PHASE 1 (1991-1995)</u> | | | <u>CIT</u> |
|--------------|----------------|----------------------------------|------------------|----------------|--------------------|
| | <u>(1982)</u> | <u>TRANSFERRED</u> | <u>REMAINING</u> | <u>TOTAL</u> | <u>PHASE 2</u> |
| | | | | | <u>(1996-1997)</u> |
| DISC | 41,536 | 130,247 | 24,501 | 154,748 | T B D |
| DCSC | 50,360 | 146,844 | 15,221 | 162,065 | |
| DESC | 56,012 | 182,672 | 16,884 | 199,556 | |
| DGSC | 62,487 | 219,274 | 20,734 | 240,008 | |
| TOTAL | 210,395 | 679,037 | 77,340 | 756,377 | |

CUMULATIVE TOTAL = 1,246,772 (OVER 15 YEARS)

PROPOSED BRAC TRANSFERS = 2,407,330 (INCL DESC)

DLA BRAC CONFIGURATION

3/95



2 Mar 95

PROPOSED NSN TRANSFERS VIA BRAC-95

| <u>FROM</u> | | <u>TO</u> | <u>No. of NSNs</u> |
|-------------|---------|-----------|--------------------|
| GSA | - - - > | DPSC | 1,519 |
| DCSC | - - - > | DPSC | 41,460 |
| DESC | - - - > | DCSC | 1,049,685 |
| DGSC | - - - > | DPSC | 227,830 |
| DISC | - - - > | DPSC | 17,877 |
| DISC | - - - > | DGSC | 1,068,981 |

NSNs RETAINED

| | | |
|------|---------|---------|
| DCSC | - - - - | 615,637 |
| DGSC | - - - - | 403,142 |
| DPSC | - - - - | 106,947 |

DLA ICP SUMMARY

| <u>ICP</u> | <u>CURRENT</u> | <u>POST-BRAC</u> |
|------------|----------------|------------------|
| DCSC | 657,095 | 1,665,302 |
| DESC | 1,049,665 | 0 |
| DGSC | 630,972 | 1,472,123 |
| DISC | 1,086,858 | 0 |
| DPSC | 106,947 | 394,112 |
| TOTAL | 3,531,537 | 3,531,537 |

Pre and Post-BRAC 95 FSC Breakdown by ICP and Category

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| FSC | Title | Current Inv Mgr | Cat | NSN Total | Proc Total | BRAC 95 Inv Mgr |
|------|--|-----------------|-----|-----------|------------|-----------------|
| 3540 | Wrapping & Packaging Mach | GSA | G | 32 | 19 | Effort |
| 3550 | Vending & Coin Opr Mach | GSA | G | | | Transferred |
| 3590 | Misc Svc & Trade Eq | GSA | G | 2 | 11 | to |
| 3750 | Gardening Imp & Tools | GSA | G | 1 | | DPSC |
| 5110 | Hand Tools, Edged, Nonpowered | GSA | G | 10 | 4 | * |
| 5120 | Hand Tools, Nonedged Nonpowered | GSA | G | 63 | 7 | * |
| 5130 | Hand Tools, Power Driven | GSA | G | 11 | 1 | * |
| 5133 | Drill Bits, Counterbores & Countersinks, hand & Mach | GSA | G | 3 | | * |
| 5136 | Taps, Dies, Collets, Hand/Mach | GSA | G | 2 | | * |
| 5140 | Tool & Hardware Boxes | GSA | G | 1 | | * |
| 5180 | Sets, Kits, & Outfits Meas Tools | GSA | G | 17 | | * |
| 5210 | Measuring Tools, Craftsmen's | GSA | G | 6 | | * |
| 5350 | Abrasive Materials | GSA | G | 17 | 3 | * |
| 5610 | Mineral Constr Mats, Bulk | GSA | G | 1 | | * |
| 5620 | Blkg Glass, Tile, Brick, Block | GSA | G | 7 | | * |
| 5630 | Pipe & Conduit, Nonmetallic | GSA | G | 1 | | * |
| 5640 | Wallboard, Blkg Paper, Thermal Insulation Mats | GSA | G | 145 | 4 | * |
| 5650 | Roofing & Siding Mats | GSA | G | | | * |
| 5670 | Building Components Prefabricated | GSA | G | 10 | | * |
| 5680 | Misc Constr Mats | GSA | G | 45 | 3 | * |
| 7105 | Household Furn | GSA | G | 28 | 16 | * |
| 7110 | Office Furn | GSA | G | 11 | 1 | * |
| 7125 | Cabinets, Lockers, Bins, Shelving | GSA | G | 24 | 7 | * |
| 7195 | Misc Furn & Fixtures | GSA | G | 2 | 1 | * |
| 7220 | Floor Coverings | GSA | G | | | * |
| 7230 | Draperies, Awnings & Shades | GSA | G | | | * |
| 7240 | House & Comm Utility Containers | GSA | G | 44 | 13 | * |
| 7290 | Misc House & Comm Furn & Appl | GSA | G | 2 | 2 | * |
| 7330 | Kitch Hnd Tools & Utensils | GSA | G | 13 | 6 | * |
| 7340 | Cutlery & Flatware | GSA | G | 4 | 2 | * |
| 7350 | Tableware | GSA | G | 22 | 3 | * |
| 7420 | Accounting & Calculator Mach | GSA | G | | | * |
| 7430 | Typewriters & Ofc Type Comp Mach | GSA | G | 2 | | * |
| 7435 | Ofc Information Systems Mach | GSA | G | | | * |
| 7460 | Visible Rec Eq | GSA | G | 1 | | * |
| 7490 | Misc Ofc Mach | GSA | G | 8 | | * |
| 7510 | Ofc Sup | GSA | G | 80 | 7 | * |
| 7520 | Ofc Scs & Access | GSA | G | 63 | 8 | * |
| 7530 | Stationary & Rec Forms | GSA | G | 328 | 56 | * |
| 7540 | Std Forms | GSA | G | 32 | | * |
| 7710 | Musical Instr | GSA | G | | | * |
| 7720 | Musical Instr Parts & Access | GSA | G | | | * |
| 7730 | Phonograph, Rad & TVs, Home-type | GSA | G | | | * |
| 7740 | Phonograph Records | GSA | G | | | * |
| 7910 | Ftr Polishers & Vacuum Cleaners Eq | GSA | G | 17 | | * |
| 7920 | Brooms, Brushes, Mps, Sponges | GSA | G | 22 | 4 | * |
| 7930 | Cleaning & Polishing Comp & Prep | GSA | G | 97 | 14 | * |
| 8010 | Paints, Dopes, Varn & Related | GSA | G | 2 | | * |
| 8020 | Paint & Artists' Brushes | GSA | G | 16 | | * |
| 8030 | Preserv & Sealing Comp | GSA | G | 3 | 2 | * |
| 8040 | Adhesives | GSA | G | 11 | 1 | * |
| 8105 | Bags & Sacks | GSA | G | 79 | 2 | * |
| 8115 | Boxes, Cartons, Crates | GSA | G | 38 | 11 | * |
| 8135 | Packaging & Pcking Bulk Mats | GSA | G | 16 | 57 | * |
| 8710 | Forge & Feed | GSA | G | | | * |
| 8720 | Fertilizer | GSA | G | | | * |
| 8730 | Seeds & Nursery Stock | GSA | G | | | * |
| 9310 | Paper & Paperboard | GSA | G | 24 | 12 | * |

Pre and Post-BRAC 95 FSC Breakdown by ICP and Category

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| | | | | | | | |
|-------|--|-----|---|--------|-------|------|----|
| 9905 | Signs, Adv Displays, & ID Plates | GSA | G | 70 | | * | |
| 9910 | Jewelry | GSA | G | | | * | |
| 9915 | Collectors and/or Hist Items | GSA | G | | | * | |
| 9999 | Subtotal | GSA | G | 1,438 | 277 | | |
| 7810 | Athletic & Sporting Eq | GSA | T | | | * | |
| 7820 | Games, Toys, Wheeled Goods | GSA | T | | | * | |
| 7830 | Rec & Gym Eq | GSA | T | 10 | | * | |
| 8510 | Perf, Toilet Prep Clothing & Powders | GSA | T | 10 | | * | |
| 8520 | Toilet Soap, Shav Prep & Dent | GSA | T | 31 | 5 | * | |
| 8530 | Pers Toilet Articles | GSA | T | 17 | 3 | * | |
| 8540 | Toilet Paper Products | GSA | T | 12 | 5 | * | |
| 9920 | Smokers' Articles & Matches | GSA | T | 1 | 4 | * | |
| 9999 | Subtotal | GSA | T | 81 | 17 | | |
| 2250 | Track Maint, Railroad | SSC | G | 17 | | DPSC | |
| 2410 | Tractors, Full Track, Low Sp | SSC | G | 26 | | DPSC | |
| 2420 | Tractors, Wheeled | SSC | G | 33 | | DPSC | |
| 2430 | Tractors, Track Laying Hi Stop | SSC | G | | | DPSC | |
| 2540 | Veh Furn & Access | SSC | G | 11,688 | 4414 | DPSC | |
| 3436 | Welding Post & Manipulators | SSC | G | 16 | 3 | DPSC | |
| 3441 | Bending & Forming Mach | SSC | G | 259 | 34 | DPSC | |
| 3450 | Mach Tools, Portable | SSC | G | 39 | 5 | DPSC | |
| 3710 | Soil Preparation Eq | SSC | G | 22 | 3 | DPSC | |
| 3720 | Harvesting Eq | SSC | G | 25 | | DPSC | |
| 3730 | Dairy, Poultry, Livestock Eq | SSC | G | 2 | | DPSC | |
| 3760 | Animal Drawn Veh, Farm Trailers | SSC | G | | | DPSC | |
| 3770 | Saddlery, Harness, Whips, Rel Animal Furnishings | SSC | G | 75 | 60 | DPSC | |
| 3815 | Crane & Crane Shovel Attach | SSC | G | 543 | 60 | DPSC | |
| 3820 | Mining, Rock Drilling, Earth Boring, Rel Eq | SSC | G | 1,311 | 98 | DPSC | |
| 3825 | Road Clearing & Cleaning Eq | SSC | G | 651 | 75 | DPSC | |
| -3895 | Misc Const Eq | SSC | G | 1,598 | 139 | DPSC | |
| 3910 | Conveyors | SSC | G | 524 | 46 | DPSC | |
| 3915 | Mail Feeders | SSC | G | 1 | | DPSC | |
| 3930 | Warehouse Trucks & Tractors Self-Prop | SSC | G | 2,242 | 217 | DPSC | |
| 3960 | Elevators & Escalators | SSC | G | 278 | 15 | DPSC | |
| 4210 | Fire Fighting Eq | SSC | G | 3,338 | 826 | DPSC | |
| 4430 | Indus Furns, Kgh, Lehr & Oven | SSC | G | 126 | 4 | DPSC | |
| 4510 | Plumbing Fixtures & Access | SSC | G | 2,185 | 699 | DPSC | |
| 4520 | Space Heat Eq, Dom Water Heat | SSC | G | 3,377 | 262 | DPSC | |
| 4530 | Fuel Burning Eq Units | SSC | G | 1,449 | 134 | DPSC | |
| 4540 | Misc Plumb, Heat & Sant Eq | SSC | G | 5,907 | 516 | DPSC | |
| 4630 | Sewage Treatment Eq | SSC | G | 289 | 12 | DPSC | |
| 4940 | Misc Maint & Rep Shop SE | SSC | G | 2,490 | 42 | DPSC | |
| 5410 | Prefab Port Bldgs | SSC | G | 752 | 55 | DPSC | |
| 5411 | Rigid Wall Shelters | SSC | G | 136 | 7 | DPSC | |
| 5430 | Storage Tanks | SSC | G | 364 | 56 | DPSC | |
| 5440 | Scaffold Eq & Concrete Forms | SSC | G | 188 | 111 | DPSC | |
| 5450 | Misc Prefab Structures | SSC | G | 83 | 30 | DPSC | |
| 5510 | Lumber & Rel Basic Wood Mats | SSC | G | 783 | 1299 | DPSC | |
| 5520 | Mkwork | SSC | G | 260 | 30 | DPSC | |
| 5530 | Plywood & Veneer | SSC | G | 174 | 565 | DPSC | |
| 5660 | Fencing, Fences & Gates | SSC | G | 135 | 18 | DPSC | |
| 9999 | Subtotal | SSC | G | 41,388 | 8,835 | DPSC | 70 |
| 5445 | Prefab Shower Structures | SSC | T | 72 | 3 | DPSC | |
| 9999 | Subtotal | SSC | T | 72 | 3 | DPSC | |
| 1005 | Guns, thru 30mm | SSC | W | 4,722 | 421 | S9C | |
| 1010 | Guns, over 30mm to 75mm Mech & Comp | SSC | W | 999 | 81 | S9C | |
| 1015 | Buns, 75 mm-125mm | SSC | W | 2,317 | 133 | S9C | |
| 1020 | Guns, over 125mm-150mm | SSC | W | 5,868 | 69 | S9C | |
| 1025 | Guns, over 150mm-200mm | SSC | W | 862 | 82 | S9C | |
| 1030 | Guns, over 200mm-300mm | SSC | W | 1,721 | 2 | S9C | |

Pre and Post-BRAC 95 FSC Breakdown by ICP and Category

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| | | | | | | |
|------|---|-----|---|---------|--------|-----|
| 1035 | Guns over 300mm | S9C | W | 614 | 3 | S9C |
| 1095 | Misc Weapons | S9C | W | 956 | 79 | S9C |
| 1450 | Guided Missile Hand & Serv Eq | S9C | W | 1,280 | 44 | S9C |
| 1610 | A/C Propellers | S9C | W | 810 | 44 | S9C |
| 1615 | Helicopter Rotor Blades, Drive Mech & Comp | S9C | W | 2,654 | 275 | S9C |
| 1620 | A/C Landing Gear Comp | S9C | W | 3,311 | 159 | S9C |
| 1630 | A/C Wheel & Brake Sys | S9C | W | 1,567 | 119 | S9C |
| 1650 | A/C Hyd, Vac & de-ic Sys Comp | S9C | W | 14,355 | 1005 | S9C |
| 1710 | A/C Arrest, Barrier & Barr Eq | S9C | W | 1,422 | 45 | S9C |
| 1720 | A/C Launching Eq | S9C | W | 1,695 | 37 | S9C |
| 1730 | A/C Ground Serv Eq | S9C | W | 6,671 | 465 | S9C |
| 1740 | Airfield Spec Trucks & Trails | S9C | W | 740 | 42 | S9C |
| 2010 | Ship & Boat Prop Comp | S9C | W | 3,494 | 209 | S9C |
| 2230 | Right-of-Way Const & Maint Eq, Railroad | S9C | W | 4 | | S9C |
| 2240 | Loco & Rail Car Access & Comp | S9C | W | 854 | | S9C |
| 2510 | Veh Cab, Body & Frame Struct Comp | S9C | W | 10,142 | 3111 | S9C |
| 2520 | Veh Power Trans Comp | S9C | W | 15,598 | 2128 | S9C |
| 2530 | Veh Brake, Steer Aids, Wheel & Track Comp | S9C | W | 23,661 | 5327 | S9C |
| 2590 | Misc Veh Comp | S9C | W | 8,665 | 2179 | S9C |
| 2620 | Tires & Tubes, Pneu, A/C | S9C | W | 36 | 14 | S9C |
| 2805 | Gas Recip Eng & Comp, Ex A/C | S9C | W | 7,948 | 722 | S9C |
| 2815 | Diesel Eng & Comp | S9C | W | 13,814 | 1645 | S9C |
| 2820 | Steam Eng, Recip, & Comp | S9C | W | 117 | | S9C |
| 2825 | Steam Turb & Comp | S9C | W | 11,382 | 294 | S9C |
| 2830 | Water Turb & Wheels & Comp | S9C | W | 1 | 2 | S9C |
| 2850 | Gas Rotary Eng & Comp | S9C | W | 1 | | S9C |
| 2910 | Eng Fuel Sys Comp, Ex A/C | S9C | W | 150 | 18 | S9C |
| 2920 | Eng Elect Sys Comp, Ex A/C | S9C | W | 9,938 | 252 | S9C |
| 2930 | Eng Cooling Sys Comp, Ex A/C | S9C | W | 1,279 | 66 | S9C |
| 2940 | Eng Air & Oil Filters, Strainers & Cleaners, Ex A/C | S9C | W | 354 | 25 | S9C |
| 2985 | Misc Eng & Comp | S9C | W | 267 | 25 | S9C |
| 2990 | Misc Eng Access, Ex A/C | S9C | W | 10,605 | 2842 | S9C |
| 3010 | Torque Converters & Sp Changers | S9C | W | 11,897 | 1003 | S9C |
| 3020 | Gears, Pulleys, Sprockets, & Trans Chain | S9C | W | 47,144 | 2401 | S9C |
| 3030 | Beltng, Drive Belts, Fan Belts, & Access | S9C | W | 5,228 | 2530 | S9C |
| 3040 | Misc Power Trans Eq | S9C | W | 61,070 | 5107 | S9C |
| 3805 | Earth Moving & Excavating Eq | S9C | W | 1,381 | 240 | S9C |
| 3810 | Cranes & Crane-Shovels | S9C | W | 895 | 56 | S9C |
| 3830 | Truck & Tractor Attach | S9C | W | 1,095 | 174 | S9C |
| 3835 | Petrol Prod & Distr Eq | S9C | W | 126 | 26 | S9C |
| 3950 | Winch, Hoist, Crane, Derrick | S9C | W | 3,343 | 276 | S9C |
| 4220 | Marine Lifesaving & Diving Eq | S9C | W | 1,085 | 217 | S9C |
| 4310 | Compressors & Vac Pumps | S9C | W | 10,356 | 949 | S9C |
| 4320 | Power & Hand Pumps | S9C | W | 33,558 | 3052 | S9C |
| 4330 | Centrifugals, Separators, & Pressure & Vac | S9C | W | 9,254 | 2489 | S9C |
| 4410 | Indus Boilers | S9C | W | 2,989 | 139 | S9C |
| 4420 | Heat Exchange & Steam Condens | S9C | W | 2,542 | 120 | S9C |
| 4440 | Drier, Dehydr, Anhydrators | S9C | W | 815 | 138 | S9C |
| 4460 | Air Purification Eq | S9C | W | 422 | 51 | S9C |
| 4510 | Water Purification Eq | S9C | W | 509 | 55 | S9C |
| 4620 | Water Distillation Eq, Marine & Indus | S9C | W | 323 | 32 | S9C |
| 4710 | Pipe & Tube | S9C | W | 36,896 | 3358 | S9C |
| 4720 | Hose & Tubing Flexible | S9C | W | 27,541 | 6679 | S9C |
| 4730 | Fittings & Specialties, Hose, Pipe & Tube | S9C | W | 81,462 | 11019 | S9C |
| 4810 | Valves, Powered | S9C | W | 13,634 | 1761 | S9C |
| 4820 | Valves, Nonpowered | S9C | W | 85,113 | 9629 | S9C |
| 4910 | Motor Veh Maint & Rep Shop SE | S9C | W | 2,145 | 505 | S9C |
| 4930 | Lub & Fuel Dispensing Eq | S9C | W | 2,424 | 423 | S9C |
| 5420 | Bridges, Fixed & Floating | S9C | W | 504 | 20 | S9C |
| 9999 | Subtotal | S9C | W | 815,637 | 74,423 | S9C |

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Pre and Post-BRAC 95 FSC Breakdown by ICP and Category

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| | | | | | | |
|------|---|-----|---|---------|-------|-----|
| 1210 | Fire Cont Directors | S9E | W | 1 018 | 1 | S9C |
| 1220 | Fire Cont Computer Sights & Development | S9E | W | 1 086 | 9 | S9C |
| 1240 | Optical Sight & Rang Eq | S9E | W | 1 896 | 93 | S9C |
| 1250 | Fire Cont Stabilizing Mech | S9E | W | 80 | | S9C |
| 1260 | Fire Cont Design & Indic Eq | S9E | W | 709 | 10 | S9C |
| 1265 | Fire Cont Trans & Rec Eq Ex Airborne | S9E | W | 235 | 3 | S9C |
| 1270 | AVC Gunnery Fire Cont Comp | S9E | W | 4 408 | 82 | S9C |
| 1280 | AVC Bombing Fire Cont Comp | S9E | W | 1 034 | 65 | S9C |
| 1285 | Fire Cont Radar Eq, Ex Airborne | S9E | W | 844 | 27 | S9C |
| 1287 | Fire Cont Sonar Eq | S9E | W | 40 | | S9C |
| 1420 | Guided Missile Comp | S9E | W | 2 067 | 48 | S9C |
| 1440 | Launchers, Guided Missile | S9E | W | 2 608 | | S9C |
| 1660 | AVC Air Cond, Heat & Press Eq | S9E | W | 8 587 | 306 | S9C |
| 4931 | Fire Cont Maint & Rep Shoo SE | S9E | W | 451 | 23 | S9C |
| 4935 | Guided Missile Maint, Rep & Checkout SE | S9E | W | 539 | 61 | S9C |
| 5805 | Telephone & Telegraph Eq | S9E | W | 2 163 | 203 | S9C |
| 5810 | Comm Security Eq & Comp | S9E | W | 82 | 4 | S9C |
| 5811 | Other Cryptologic Eq & Comp | S9E | W | 42 | 4 | S9C |
| 5815 | Teletype & Facsimile Eq | S9E | W | 7 917 | 84 | S9C |
| 5820 | Radio & TV Comm Eq, Ex Airborn | S9E | W | 3 457 | 74 | S9C |
| 5821 | Radio & TV Comm Eq, Airborn | S9E | W | 2 495 | 42 | S9C |
| 5825 | Radio & Nav Eq, Ex Airborn | S9E | W | 402 | 16 | S9C |
| 5825 | Radio Nav Eq, Airborne | S9E | W | 2 634 | 109 | S9C |
| 5830 | Intercom & PA Sys, Ex Airborn | S9E | W | 336 | 22 | S9C |
| 5831 | Telecom & PA Sys, Airborn | S9E | W | 165 | 9 | S9C |
| 5835 | Sound Recording & Reprod Eq | S9E | W | 1 506 | 114 | S9C |
| 5836 | Video Recording & Reprod Eq | S9E | W | 189 | 529 | S9C |
| 5840 | Radar Eq, Ex Airborne | S9E | W | 3 225 | 49 | S9C |
| 5841 | Radar Eq, Airborne | S9E | W | 4 564 | 95 | S9C |
| 5845 | Underwater Sound Eq | S9E | W | 2 814 | 66 | S9C |
| 5850 | Visible & Invis Light Comm Eq | S9E | W | 431 | 31 | S9C |
| 5855 | Night Vision Eq, Emitted & Reflected Radiation | S9E | W | 1 124 | 71 | S9C |
| 5860 | Simulated Coherent Radiation Dev, Comp, & Access | S9E | W | 161 | 9 | S9C |
| 5865 | Elect Countermesasures Counter, CM & Quick | S9E | W | 3 710 | 55 | S9C |
| 5895 | Misc Comp Eq | S9E | W | 14 447 | 757 | S9C |
| 5905 | Resistors | S9E | W | 159 486 | 3418 | S9C |
| 5910 | Capacitors | S9E | W | 79 182 | 2882 | S9C |
| 5915 | Filters & Networks | S9E | W | 22 649 | 1356 | S9C |
| 5920 | Fuses & Lightning Arresters | S9E | W | 9 107 | 1582 | S9C |
| 5925 | Circuit Breakers | S9E | W | 12 384 | 1920 | S9C |
| 5930 | Switches | S9E | W | 96 249 | 8936 | S9C |
| 5935 | Connectors, Electrical | S9E | W | 162 148 | 14867 | S9C |
| 5945 | Relays, Solenoids | S9E | W | 34 592 | 2660 | S9C |
| 5950 | Coils, Transformer | S9E | W | 94 744 | 3807 | S9C |
| 5955 | Oscillators, Piezoelec Crystals | S9E | W | 16 927 | 494 | S9C |
| 5960 | Electron Tubes, Assoc Hdw | S9E | W | 5 281 | 347 | S9C |
| 5961 | Semiconductor Dev, Assoc Hdw | S9E | W | 38 527 | 2668 | S9C |
| 5962 | Microcircuits, Electronic | S9E | W | 68 436 | 3937 | S9C |
| 5963 | Electronic Modules | S9E | W | 1 584 | 229 | S9C |
| 5965 | Headsets, Handsets, Microphones, Speakers | S9E | W | 2 725 | 614 | S9C |
| 5980 | Optoelectronic Dev, Assoc Hdw | S9E | W | 3 487 | 407 | S9C |
| 5985 | Antennas, Waveguide, Rel Eq | S9E | W | 30 044 | 2167 | S9C |
| 5990 | Synchros, Resolvers | S9E | W | 2 891 | 271 | S9C |
| 5998 | Elect, Elect Assemblies, Boards, Cards, Assoc Hdw | S9E | W | 45 546 | 1839 | S9C |
| 5999 | Misc Elect, Electronic Comp | S9E | W | 49 168 | 3375 | S9C |
| 6004 | Rotary Joints | S9E | W | | | S9C |
| 6005 | Couplers, Splitters, Mixers | S9E | W | 16 | 2 | S9C |
| 6007 | Fiber Optic Filters | S9E | W | | | S9C |
| 6008 | Optical Multiplexers/Demultip | S9E | W | 1 | | S9C |
| 6010 | Fiber Optic Conductors | S9E | W | 8 | 2 | S9C |

| | | | | | | | |
|------|---|-----|---|-----------|--------|------|----|
| 6015 | Fiber Optic Cables | S9E | W | 53 | | S9C | |
| 6020 | Fiber Optic Cable Assemblies, Harnesses | S9E | W | 254 | 25 | S9C | |
| 6021 | Fiber Optic Switches | S9E | W | 1 | | S9C | |
| 6025 | Fiber Optic Transmitters | S9E | W | 19 | 2 | S9C | |
| 6026 | Fiber Optic Receivers | S9E | W | 6 | | S9C | |
| 6029 | Optical Repeaters | S9E | W | 4 | | S9C | |
| 6030 | Fiber Optic Dev | S9E | W | 75 | 2 | S9C | |
| 6031 | Integrated Optical Circuits | S9E | W | | | S9C | |
| 6032 | Fiber Optic Light Sources | S9E | W | 10 | 2 | S9C | |
| 6033 | Fiber Optic Photo Detectors | S9E | W | 8 | | S9C | |
| 6034 | Fiber Optic Modulators/Demodulators | S9E | W | 2 | 1 | S9C | |
| 6035 | Fiber Optic Light Transfer/Image Transfer Devices | S9E | W | 12 | | S9C | |
| 6040 | Fiber Optic Sensors | S9E | W | | | S9C | |
| 6050 | Fiber Optic Passive Dev | S9E | W | 4 | | S9C | |
| 6060 | Fiber Optic Interconnectors | S9E | W | 250 | 35 | S9C | |
| 6070 | Fiber Optic Access, Sup | S9E | W | 23 | | S9C | |
| 6080 | Fiber Optic Kts & Sets | S9E | W | 31 | 7 | S9C | |
| 6099 | Misc Fiber Optic Comp | S9E | W | 4 | 1 | S9C | |
| 6625 | Elect & Electronic Prop Meas, Test Instr | S9E | W | 25,425 | 2349 | S9C | |
| 7010 | ADPE Sys Config | S9E | W | 644 | 21 | S9C | |
| 7020 | ADP Cent Proc Unit (CPU, Computer), Analog | S9E | W | 9 | 1 | S9C | |
| 7021 | ADP Cent Proc Unit (CPU, Computer), Digital | S9E | W | 353 | 13 | S9C | |
| 7022 | ADP Cent Proc Unit (CPU, Computer), Hybrid | S9E | W | 15 | | S9C | |
| 7025 | ADP Input/Output & Str Dev | S9E | W | 5,441 | 2609 | S9C | |
| 7030 | ADP Software | S9E | W | 147 | 6 | S9C | |
| 7035 | ADP Support Eq | S9E | W | 731 | 50 | S9C | |
| 7040 | Punched Card Eq | S9E | W | 543 | 3 | S9C | |
| 7042 | Mini & Micro Computer Cont Dev | S9E | W | | | S9C | |
| 7045 | ADP Sup | S9E | W | 1,059 | 2104 | S9C | |
| 7050 | ADP Comp | S9E | W | 919 | 73 | S9C | |
| 8999 | Subtotal | S9E | W | 1,049,685 | 67,835 | S9C | 10 |
| 9130 | Liq Propl & Fuels, Petrol Base | S9F | G | | | DFSC | 10 |
| 9140 | Fuel Oil | S9F | G | | | DFSC | 10 |
| 9999 | Subtotal | S9F | G | | | DFSC | 10 |
| 2050 | Buoys | S9G | G | 43 | 1 | DPSC | |
| 2060 | Commercial Fishing Eq | S9G | G | | | DPSC | |
| 3210 | Sawmill & Planing Mill Mach | S9G | G | 16 | 1 | DPSC | |
| 3220 | Woodworking Mach | S9G | G | 221 | 30 | DPSC | |
| 3230 | Tools & Attach for Woodworking Mach | S9G | G | 286 | 110 | DPSC | |
| 3740 | Pest, Disease, Frost Cont Eq | S9G | G | 135 | 14 | DPSC | |
| 3920 | Mat Handling Eq, Nonself-Prof | S9G | G | 363 | 112 | DPSC | |
| 3940 | Block, Tackle, Rigging, Sling | S9G | G | 1,065 | 173 | DPSC | |
| 3990 | Misc Mat Handling Eq | S9G | G | 851 | 231 | DPSC | |
| 4110 | Refng Eq | S9G | G | 1,930 | 226 | DPSC | |
| 4120 | Air Cond Eq | S9G | G | 232 | 55 | DPSC | |
| 4130 | Refng & Air Cond Comp | S9G | G | 9,584 | 1447 | DPSC | |
| 4140 | Fans, Air Circ & Blower Eq | S9G | G | 8,070 | 1084 | DPSC | |
| 5220 | Insp Gage & Precis Layout Tools | S9G | G | 1,543 | 121 | DPSC | |
| 5280 | Sets, Kts, Outfits/Hand Tools | S9G | G | 17 | 4 | DPSC | |
| 5355 | Knobs & Pointers | S9G | G | 19,683 | 1346 | DPSC | |
| 6105 | Motors, Elect | S9G | G | 21,271 | 1385 | DPSC | |
| 6110 | Elect Control Eq | S9G | G | 12,754 | 890 | DPSC | |
| 6115 | Gen & Gen Sets, Elect | S9G | G | 3,799 | 166 | DPSC | |
| 6116 | Fuel Cell Power Units, Com Access | S9G | G | 5 | 1 | DPSC | |
| 6117 | Solar Elect Power Sys | S9G | G | 6 | | DPSC | |
| 6120 | Transformers, Dist, Power Sta | S9G | G | 218 | 19 | DPSC | |
| 6125 | Converters, Elect, Rotating | S9G | G | 674 | 35 | DPSC | |
| 6130 | Converters, Elect, Nonrotating | S9G | G | 11,514 | 1053 | DPSC | |
| 6135 | Batteries, Nonrechargeable | S9G | G | 659 | 25613 | DPSC | |
| 6140 | Batteries, Rechargeable | S9G | G | 2,504 | 1148 | DPSC | |

Pre and Post-BRAC 95 FSC Breakdown by ICP and Category

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| | | | | | | | |
|------|--|-----|----|---------|--------|------|-----|
| 6150 | Misc Elect Power & Dist Eq | S9G | G | 32 783 | 2136 | DPSC | |
| 6160 | Misc Battery Retaining Fixtures and Liners | S9G | G | 473 | 92 | DPSC | |
| 6210 | Indoor Outdoor Elect Lighting Fixtures | S9G | G | 31 016 | 2049 | DPSC | |
| 6230 | Elect Port Hand Lighting Eq | S9G | G | 1 307 | 444 | DPSC | |
| 6240 | Elect Lamps | S9G | G | 7 030 | 23080 | DPSC | |
| 6250 | Ballast, Lampholders, Starters | S9G | G | 2 303 | 392 | DPSC | |
| 6260 | Nonelect Lighting Fixtures | S9G | G | 118 | 449 | DPSC | |
| 6310 | Traffic, Transit Signal Sys | S9G | G | 14 | 5 | DPSC | |
| 6330 | Railroad Signal, Warning Dev | S9G | G | 1 | | DPSC | |
| 6350 | Misc Alarm Signal, Security Detect Sys | S9G | G | 2 374 | 394 | DPSC | |
| 6636 | Environment Chambers & Rel Eq | S9G | G | 10 | | DPSC | |
| 6710 | Cameras, Motion Picture | S9G | G | 318 | 1 | DPSC | |
| 6720 | Cameras, Still Picture | S9G | G | 1 110 | 20 | DPSC | |
| 6730 | Photo Projection Eq | S9G | G | 1 010 | 39 | DPSC | |
| 6740 | Photo Devel & Finishing Eq | S9G | G | 2 144 | 110 | DPSC | |
| 6750 | Photo Sup | S9G | G | 5 017 | 2138 | DPSC | |
| 6760 | Photo Eq & Access | S9G | G | 2 819 | 129 | DPSC | |
| 6770 | Film, Processed | S9G | G | 353 | 21 | DPSC | |
| 6780 | Photo Sets, Kts, & Outfits | S9G | G | 297 | 1 | DPSC | |
| 6810 | Chemicals | S9G | G | 1 376 | 369 | DPSC | |
| 6820 | Dyes | S9G | G | 21 | 1 | DPSC | |
| 6830 | Gases, Compressed & Liquefied | S9G | G | 549 | 43 | DPSC | |
| 6840 | Pest Cont Agents & Disinfects | S9G | G | 339 | 127 | DPSC | |
| 6850 | Misc Chem Specialties | S9G | G | 2 009 | 1593 | DPSC | |
| 6910 | Training Aids | S9G | G | 631 | 32 | DPSC | |
| 6920 | Armament Training Dev | S9G | G | 1 249 | 52 | DPSC | |
| 6930 | Operation Training Dev | S9G | G | 2 643 | 28 | DPSC | |
| 6940 | Comm Training Dev | S9G | G | 251 | 1 | DPSC | |
| 7310 | Food Cook, Bak & Serv Eq | S9G | G | 10 646 | 1433 | DPSC | |
| 7320 | Kitch Eq & Appliances | S9G | G | 5 573 | 634 | DPSC | |
| 7360 | Sets, Kts, Outfits: Food Prep & Serv | S9G | G | 113 | 56 | DPSC | |
| 7450 | Ofc Type Sound Rec & Repro Mach | S9G | G | 223 | 7 | DPSC | |
| 7610 | Books & Pamphlets | S9G | G | 1 266 | 470 | DPSC | |
| 7630 | Newspapers & Periodicals | S9G | G | 12 | 24 | DPSC | |
| 7640 | Maps, Atlases, Charts & Globes | S9G | G | 93 | | DPSC | |
| 7650 | Drawings & Specifications | S9G | G | 8 | | DPSC | |
| 7660 | Sheet & Book Music | S9G | G | 2 | | DPSC | |
| 7670 | Microfilm, Processed | S9G | G | 73 | 16 | DPSC | |
| 7690 | Misc Printed Matter | S9G | G | 6 429 | 585 | DPSC | |
| 8110 | Drums & Cans | S9G | G | 241 | 119 | DPSC | |
| 8120 | Compl & Indus Gas Cylinders | S9G | G | 377 | 96 | DPSC | |
| 8125 | Bottles & Jars | S9G | G | 226 | 29 | DPSC | |
| 8130 | Reels & Spools | S9G | G | 131 | 6 | DPSC | |
| 8145 | Spec Ship & Stor Containers | S9G | G | 636 | 33 | DPSC | |
| 9110 | Fuels, Solid | S9G | G | 12 | 1 | DPSC | |
| 9150 | Oils & Greases | S9G | G | 976 | 469 | DPSC | |
| 9160 | Misc Waxes, Oils & Fats | S9G | G | 96 | 19 | DPSC | |
| 9440 | Misc Crude Agric & Forest Prod | S9G | G | 1 | | DPSC | |
| 9450 | Nonmetallic Scrap, Ex Textile | S9G | G | | | DPSC | |
| 9925 | Ecclesiastical Eq, Furnishings & Sup | S9G | G | 124 | 31 | DPSC | |
| 9930 | Memorials, Cemeterial & Mortuary Eq Sup | S9G | G | 50 | 10 | DPSC | |
| 9999 | Misc Items | S9G | G | 43 | | DPSC | |
| 9999 | Subtotal | S9G | G | 224,739 | 81049 | DPSC | 110 |
| 1860 | Space Survival Eq | S9G | T | | | DPSC | |
| 4240 | Safety & Rescue Eq | S9G | T | 3 291 | 11 223 | DPSC | |
| 9999 | Subtotal | S9G | T | 3 091 | 11 223 | DPSC | |
| 3405 | Saws & Filing Mach | S9G | PE | 160 | 22 | S9G | |
| 3408 | Machining Ctrs & Way-Type Mach | S9G | PE | | | S9G | |
| 3410 | Elec & Ultrasonic Erosion Mach | S9G | PE | 16 | 1 | S9G | |
| 3411 | Boring Mach | S9G | PE | 3 | | S9G | |

Pre and Post-BRAC 95 FSC Breakdown by ICP and Category

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| | | | | | | |
|------|--|-----|----|--------|-------|-----|
| 3412 | Broaching Mach | S9G | PE | | | S9G |
| 3413 | Drilling & Tapping Mach | S9G | PE | 176 | 9 | S9G |
| 3414 | Gear Cutting & Finishing Mach | S9G | PE | 1 | | S9G |
| 3415 | Grinding Mach | S9G | PE | 287 | 35 | S9G |
| 3416 | Lathes | S9G | PE | 149 | 30 | S9G |
| 3417 | Milling Mach | S9G | PE | 109 | | S9G |
| 3418 | Planers & Shapers | S9G | PE | 6 | 1 | S9G |
| 3419 | Misc Mach Tools | S9G | PE | 103 | 16 | S9G |
| 3422 | Rolling Mills & Drawing Mach | S9G | PE | | | S9G |
| 3424 | Metal Heat Treat & Non-Thermal Treat Eq | S9G | PE | 37 | 4 | S9G |
| 3426 | Metal Finishing Eq | S9G | PE | 158 | 53 | S9G |
| 3431 | Elect Arc Welding Eq | S9G | PE | 680 | 120 | S9G |
| 3432 | Elect Resistance Welding Eq | S9G | PE | 85 | 10 | S9G |
| 3433 | Gas Welding, Heat Cutting & Metalizing Eq | S9G | PE | 762 | 247 | S9G |
| 3438 | Misc Welding Eq | S9G | PE | 25 | 2 | S9G |
| 3439 | Misc Welding, Soldering & Brazing Sup & Access | S9G | PE | 2,762 | 995 | S9G |
| 3442 | Hyd & Pneu Presses, Power Dr | S9G | PE | 80 | 2 | S9G |
| 3443 | Mech Presses, Power Dr | S9G | PE | 33 | 6 | S9G |
| 3444 | Manual Presses | S9G | PE | 70 | 22 | S9G |
| 3445 | Punching & Shearing Mach | S9G | PE | 126 | 4 | S9G |
| 3446 | Forging Mach & Hammers | S9G | PE | 10 | 1 | S9G |
| 3447 | Wire & Metal Ribbon Form Mach | S9G | PE | 1 | | S9G |
| 3448 | Riveting Mach | S9G | PE | 18 | | S9G |
| 3449 | Misc Secondary Metal Form & Cutting Mach | S9G | PE | 32 | 32 | S9G |
| 3455 | Cutting Tools for Mach Tools | S9G | PE | 3,913 | 827 | S9G |
| 3456 | Cutting & Form Tools for Secondary Metalworking Mach | S9G | PE | 639 | 68 | S9G |
| 3460 | Machine Tool Access | S9G | PE | 2,465 | 451 | S9G |
| 3461 | Access for Secondary Metalworking Mach | S9G | PE | 2 | | S9G |
| 3465 | Prod Jigs, R/Fixtures & Templates | S9G | PE | 869 | 36 | S9G |
| 3470 | Mach Shop Sets, Kits & Outfits | S9G | PE | 1 | | S9G |
| 3510 | Laundry & Dry Cleaning Eq | S9G | PE | 1,926 | 175 | S9G |
| 3520 | Shoe Repairing Eq | S9G | PE | 34 | | S9G |
| 3530 | Indus Sew Mach & Mobile Textile Repair Shops | S9G | PE | 827 | 118 | S9G |
| 3605 | Food Products Mach & Eq | S9G | PE | 3 | | S9G |
| 3610 | Print, Dupl. & Bookbinding Eq | S9G | PE | 1,185 | 64 | S9G |
| 3611 | Industrial Marketing Mach | S9G | PE | 62 | 5 | S9G |
| 3615 | Pulp & Paper Industries Mach | S9G | PE | 57 | 4 | S9G |
| 3620 | Rubber & Plastics Working Mach | S9G | PE | 10 | | S9G |
| 3625 | Textile Industries Mach | S9G | PE | 22 | 3 | S9G |
| 3630 | Clay & Concrete Industries Mach | S9G | PE | 20 | | S9G |
| 3635 | Crystal & Glass Industries Mach | S9G | PE | 8 | 4 | S9G |
| 3640 | Tobacco Manufactur Mach | S9G | PE | | | S9G |
| 3645 | Leather Tanning & Working Mach | S9G | PE | 1 | | S9G |
| 3650 | Chem & Pharm Manufac Mach | S9G | PE | 1 | 1 | S9G |
| 3670 | Spec Semicond, Microopt & PC Bnd Mnt Mach | S9G | PE | 5 | | S9G |
| 3680 | Foundry Mach, Rel Eq & Sup | S9G | PE | 72 | 3 | S9G |
| 3685 | Spec Metal Container Manufac Mach & Rel Eq | S9G | PE | 4 | | S9G |
| 3693 | Indus Assembly Mach | S9G | PE | | | S9G |
| 3694 | Clean Work Sta, Cont Environment & Rel Eq | S9G | PE | 33 | 8 | S9G |
| 3695 | Misc Spec Industry Mach | S9G | PE | 270 | 29 | S9G |
| 9999 | Subtotal | S9G | PE | 18,368 | 3,395 | S9G |
| 1040 | Chem Weapons & Eq Rec Sys, Cargo Tie Down Eq | S9G | W | 362 | 6 | S9G |
| 1045 | Launchers, Torp & Depth Charge | S9G | W | 820 | 22 | S9G |
| 1055 | Launchers, Gren, Rocket & Pyro | S9G | W | 680 | 105 | S9G |
| 1075 | Degaussing & Mine Sweep Eq | S9G | W | 730 | 14 | S9G |
| 1080 | Camouflage & Deception Eq | S9G | W | 131 | 2 | S9G |
| 1090 | Assy Interchangeable Bl Weps in 2 or More Classes | S9G | W | 123 | 4 | S9G |
| 1560 | Airframe Struct Comp | S9G | W | 99,464 | 5050 | S9G |
| 1670 | Parachts, Aer Pck Up, Del Rec Sys, & Cargo Tie Dwn | S9G | W | 1,498 | 145 | S9G |
| 1680 | MISC A/C Access & Comp | S9G | W | 28,305 | 1853 | S9G |

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Pre and Post-BRAC 95 FSC Breakdown by ICP and Category

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| | | | | | | | |
|------|---|-----|---|---------|--------|------|--|
| 1820 | Space Veh Comp | S9G | W | 2 | | S9G | |
| 1830 | Space Veh Rem Cont Sys | S9G | W | 169 | | S9G | |
| 1840 | Space Veh Launchers | S9G | W | | | S9G | |
| 1850 | Space Veh Hand & Serv Eq | S9G | W | | | S9G | |
| 2020 | Rigging & Rigging Gear | S9G | W | 88 | 14 | S9G | |
| 2030 | Deck Machinery | S9G | W | 2,551 | 121 | S9G | |
| 2040 | Marine Hardware & Hull Items | S9G | W | 5,460 | 425 | S9G | |
| 2090 | Misc Ship Marine Eq | S9G | W | 1,040 | 206 | S9G | |
| 3655 | Gas Generating & Dispensing Sys Fixed or Mobile | S9G | W | 1,463 | 104 | S9G | |
| 3660 | Indus Size Reduction Mach | S9G | W | 12 | 1 | S9G | |
| 3690 | Spec Ammo & Ord Mach & Rel Eq | S9G | W | | | S9G | |
| 4230 | Decontam & Impregnating Eq | S9G | W | 93 | 15 | S9G | |
| 4920 | A/C Maint & Rep Shop SE | S9G | W | 16,457 | 451 | S9G | |
| 4921 | Torp Maint, Rep, & Checkout SE | S9G | W | 327 | 10 | S9G | |
| 4923 | Depth Charges & Under Mines Maint, Rep & Ckout | S9G | W | 18 | | S9G | |
| 4925 | Ammo Maint, Rep & Checkout SE | S9G | W | 213 | 12 | S9G | |
| 4927 | Rocket Maint, Rep & Checkout SE | S9G | W | 8 | | S9G | |
| 4960 | Space Veh Maint, Rep & Checkout SE | S9G | W | 2,825 | 415 | S9G | |
| 4993 | Weapons Maint & Rep Shop SE | S9G | W | 5 | | S9G | |
| 5940 | Lugs, Terminals, Terminal Strips | S9G | W | 22,604 | 1763 | S9G | |
| 5970 | Elect Insulators, Insulat Matsl | S9G | W | 21,817 | 2319 | S9G | |
| 5975 | Elect Hwr, Sup | S9G | W | 17,597 | 2203 | S9G | |
| 5977 | Elect Contact Crashes, Electrodes | S9G | W | 6,957 | 486 | S9G | |
| 5995 | Cable Cord, Wre Assemblies: Comm Eq | S9G | W | 58,222 | 2692 | S9G | |
| 6220 | Elect Veh Lights, Fixtures | S9G | W | 10,885 | 1925 | S9G | |
| 6320 | Shipboard Alarm, Signal Sys | S9G | W | 747 | 47 | S9G | |
| 6340 | A/C Alarm, Signal Sys | S9G | W | 663 | 79 | S9G | |
| 6605 | Navigational Instr | S9G | W | 4,497 | 176 | S9G | |
| 6610 | Flight Instr | S9G | W | 7,729 | 355 | S9G | |
| 6615 | Auto Pilot Mechanisms, Airborne Gyro Comp | S9G | W | 3,978 | 203 | S9G | |
| 6620 | Entine Instr | S9G | W | 4,524 | 700 | S9G | |
| 6635 | Physical Prop Test Eq | S9G | W | 2,145 | 403 | S9G | |
| 6645 | Time Meas Instr | S9G | W | 2,812 | 492 | S9G | |
| 6650 | Optical Instr | S9G | W | 4,415 | 311 | S9G | |
| 6655 | Geophisic & Astronomic Instr | S9G | W | 105 | 14 | S9G | |
| 6660 | Meteorological Instr & Appar | S9G | W | 930 | 74 | S9G | |
| 6665 | Hazard-Detect Inst & Appar | S9G | W | 1,174 | 2063 | S9G | |
| 6670 | Scales & Balances | S9G | W | 965 | 129 | S9G | |
| 6675 | Draft, Survey, Map Instr | S9G | W | 1,343 | 162 | S9G | |
| 6680 | Liq, Gas Flow, Liq Level & Mech Motion Meas Instr | S9G | W | 15,871 | 2019 | S9G | |
| 6685 | Pressure, Temp, & Humidity Meas & Cont Instr | S9G | W | 16,567 | 2614 | S9G | |
| 6695 | Comb & Misc Instr | S9G | W | 3,666 | 525 | S9G | |
| 8140 | Ammo & Nuc Ord Boxes, Pkgs & Spec Containers | S9G | W | 1,162 | | S9G | |
| 9320 | Rubber Fabricated Mats | S9G | W | 2,309 | 487 | S9G | |
| 9330 | Plastics Fabricated Mats | S9G | W | 2,905 | 759 | S9G | |
| 9340 | Glass Fabricated Mats | S9G | W | 2,052 | 270 | S9G | |
| 9350 | Refractories & Fire Surf Mats | S9G | W | 153 | 10 | S9G | |
| 9390 | Misc Fabricated Nonmetal Matl | S9G | W | 2,898 | 410 | S9G | |
| 9999 | Subtotal | S9G | W | 384,774 | 32,691 | S9G | |
| 4020 | Fiber Rope, Cordage, Twine | S9I | G | 970 | 290 | DPSC | |
| 4030 | Fitting for Rope, Cable, Chain | S9I | G | 3,249 | 490 | DPSC | |
| 5335 | Metal Screening | S9I | G | 327 | 37 | DPSC | |
| 5345 | Disks & Stones, Abrasive | S9I | G | 1 | | DPSC | |
| 9505 | Wire, Nonlect, Iron & Steel | S9I | G | 661 | 53 | DPSC | |
| 9510 | Bars & Rods, Iron & Steel | S9I | G | 2,750 | 296 | DPSC | |
| 9515 | Plate, Sheet, Strip & Foil, Iron & Steel | S9I | G | 1,784 | 2090 | DPSC | |
| 9520 | Struct Shapes, Iron & Steel | S9I | G | 433 | 140 | DPSC | |
| 9525 | Wire, Nonlect, Nonferrous Base Metal | S9I | G | 275 | 20 | DPSC | |
| 9530 | Bars & Rods Nonferrous Base Metal | S9I | G | 2,034 | 462 | DPSC | |
| 9535 | Plate, Sheet, Strip & Foil Nonferrous Base Metal | S9I | G | 2,044 | 620 | DPSC | |

Pre and Post-BRAC 95 FSC Breakdown by ICP and Category

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| | | | | | | | |
|------|---|------|---|-----------|---------|------|-----|
| 9540 | Struct Shapes Nonferrous Base Metal | S9I | G | 3 164 | 355 | DPSC | |
| 9545 | Plate Sheet Strip Foil & Wire Precious Metal | S9I | G | 29 | 1 | DPSC | |
| 9610 | Ores | S9I | G | | | DPSC | |
| 9620 | Mineral Nat & Synthetic | S9I | G | 24 | 3 | DPSC | |
| 9630 | Additive Metal Molds & Master Alloys | S9I | G | 19 | 2 | DPSC | |
| 9640 | Iron & Steel Primary & Semifinished Products | S9I | G | 34 | 5 | DPSC | |
| 9650 | Nonferrous Base Metal Refinery & Intermediate Forms | S9I | G | 72 | 21 | DPSC | |
| 9660 | Precious Metals Primary Forms | S9I | G | 7 | | DPSC | |
| 9670 | Iron & Steel Scrap | S9I | G | | | DPSC | |
| 9680 | Nonferrous Metal Scrap | S9I | G | | | DPSC | |
| 9999 | Subtotal | S9I | G | 17,877 | 4 885 | DPSC | |
| 2810 | Gas Recip Eng & Comp, A/C | S9I | W | 1,020 | 35 | S9G | |
| 2835 | Gas Turb, Jet Eng & Comp, Ex A/C | S9I | W | 4 803 | 258 | S9G | |
| 2840 | Gas Turb, Jet Eng & Comp, A/C | S9I | W | 7,560 | 280 | S9G | |
| 2845 | Rocket Eng & Comp | S9I | W | 11 | | S9G | |
| 2915 | Eng Fuel Sys Comp, A/C | S9I | W | 12,050 | 5662 | S9G | |
| 2925 | Eng Elect Sys Comp, A/C | S9I | W | 8,830 | 2762 | S9G | |
| 2935 | Eng Cooling Sys Comp, A/C | S9I | W | 5 507 | 1250 | S9G | |
| 2945 | Eng Air & Oil Filters, Strainers & Cleaners, A/C | S9I | W | 3,537 | 12056 | S9G | |
| 2950 | Turbochargers | S9I | W | 417 | 33 | S9G | |
| 2995 | Misc Eng Access, A/C | S9I | W | 3,697 | 135 | S9G | |
| 3110 | Bearings, Antifrnc, Unmounted | S9I | W | 37,109 | 2560 | S9G | |
| 3120 | Bearings, Plain, Unmounted | S9I | W | 61,998 | 4058 | S9G | |
| 3130 | Bearings, Mounted | S9I | W | 4,936 | 306 | S9G | |
| 4010 | Chain & Wire Rope | S9I | W | 6,925 | 871 | S9G | |
| 5305 | Screws | S9I | W | 102 579 | 7917 | S9G | |
| 5306 | Bolts | S9I | W | 53 256 | 5439 | S9G | |
| 5307 | Studs | S9I | W | 15 292 | 562 | S9G | |
| 5310 | Nuts & Washers | S9I | W | 106 607 | 7994 | S9G | |
| 5315 | Nails, Keys & Pins | S9I | W | 58 412 | 3683 | S9G | |
| 5320 | Rivets | S9I | W | 33 325 | 3712 | S9G | |
| 5325 | Fastening Devices | S9I | W | 14 135 | 1006 | S9G | |
| 5330 | Packing & Gasket Mats | S9I | W | 192 325 | 19595 | S9G | |
| 5340 | Misc Hardware | S9I | W | 154 080 | 12081 | S9G | |
| 5360 | Coil, Flat, & Wire Springs | S9I | W | 61 239 | 3223 | S9G | |
| 5365 | Rings, Shims, & Spacers | S9I | W | 101 767 | 6770 | S9G | |
| 6145 | Wire & Cable, Elect | S9I | W | 17 654 | 2394 | S9G | Var |
| 9999 | Subtotal | S9I | W | 1,068,961 | 106 232 | S9G | |
| 6506 | Drugs & Biologicals | DPSC | T | | | DPSC | |
| 6508 | Med Cosmetics, Toiletries | DPSC | T | 100 | 13 | DPSC | |
| 6510 | Surg Dressing Mats | DPSC | T | 1,339 | 294 | DPSC | |
| 6515 | Med, Surg Instr, Eq, Sup | DPSC | T | 22 787 | 30662 | DPSC | |
| 6520 | Dent Instr, Eq, Sup | DPSC | T | 6 935 | 1410 | DPSC | |
| 6525 | X-Ray Eq, Sup: Med, Dent, Vet | DPSC | T | 3 467 | 401 | DPSC | |
| 6530 | Hosp Furn, Eq, Utensils, Sup | DPSC | T | 27 179 | 545 | DPSC | |
| 6532 | Hosp, Surg Clothing, Rel Spec Purpose Items | DPSC | T | 997 | 161 | DPSC | |
| 6540 | Ophthalmic Instr, Eq & Sup | DPSC | T | 4 973 | 5859 | DPSC | |
| 6545 | Replen Field Med Sets, Kits & Outfits | DPSC | T | 1 714 | 122 | DPSC | |
| 6550 | In Vitro Diag Substances, Reagents, Test Kits, Sets | DPSC | T | 4 050 | 512 | DPSC | |
| 6630 | Chem Analysis Instr | DPSC | G | 1 838 | 407 | DPSC | |
| 6640 | Lab Eq & Sup | DPSC | T | 3 947 | 360 | DPSC | |
| 7210 | Household Furnishings | DPSC | G | 165 | 22 | DPSC | |
| 8305 | Textile Fabrics | DPSC | G | 1 212 | 75 | DPSC | |
| 8310 | Tam & Thread | DPSC | G | 293 | 5 | DPSC | |
| 8315 | Notions & Apparel Findings | DPSC | G | 712 | 33 | DPSC | |
| 8320 | Packing & Stuffing Mats | DPSC | G | 11 | | DPSC | |
| 8325 | Fur Mats | DPSC | G | | | DPSC | |
| 8330 | Leather | DPSC | G | 58 | 3 | DPSC | |
| 8335 | Shoe Findings & Soling Mts | DPSC | G | 1 532 | 10 | DPSC | |
| 8340 | Tents & Tarps | DPSC | G | 456 | 66 | DPSC | |

IMPACT OF PREVIOUS ITEM TRANSFERS ON MILITARY READINESS

DISC has previously conducted transfers of items with Defense General Supply Center that were minimal compared to the transfer that this plan calls for. The transfer was conducted in 1988-1989 and involved 6 Federal Supply Classes (FSCs). The number of items transferred were as follows:

| FSC | ITEMS |
|-------|--------|
| 1560 | 32,727 |
| 1670 | 503 |
| 1680 | 12,912 |
| 2020 | 24 |
| 2030 | 2251 |
| 2040 | 3612 |
| Total | 51309 |

This transfer was relatively minor compared to the DLA transfer planned based on this BRAC recommendation which involves 1,356,156 items between four DLA centers. The preponderance of this massive transfer of items is 1,068,981 items transferring from DISC to DGSC in Richmond Va.

There was a definite adverse impact on readiness support from this transfer. Stock Availability is one of the prime measures of logistics readiness support to military customers. Immediately following the transfer of these classes there was an adverse impact on stock availability at DGSC. A part of the impact of this declining customer support was caused by the addition of these items., the sizable additional workload involved and the lack of technical expertise in managing and procuring the items.

The attached chart shows the stock availability rates for the four DLA Supply Centers from March of 1988 through December of 1994. The transfer of the above FSCs occurred in December 1988-March 1989 period. Note that the DGSC stock availability rates dropped by 9.2% in the two years following the transfer. The DISC stock availability rates were the only DLA supply centers rates that remained steady through Desert Storm. DGSC stock availability continued to decline from Desert Storm another 2.8% through 1993. DISC stock availability is currently the highest in DLA at 89.6%.

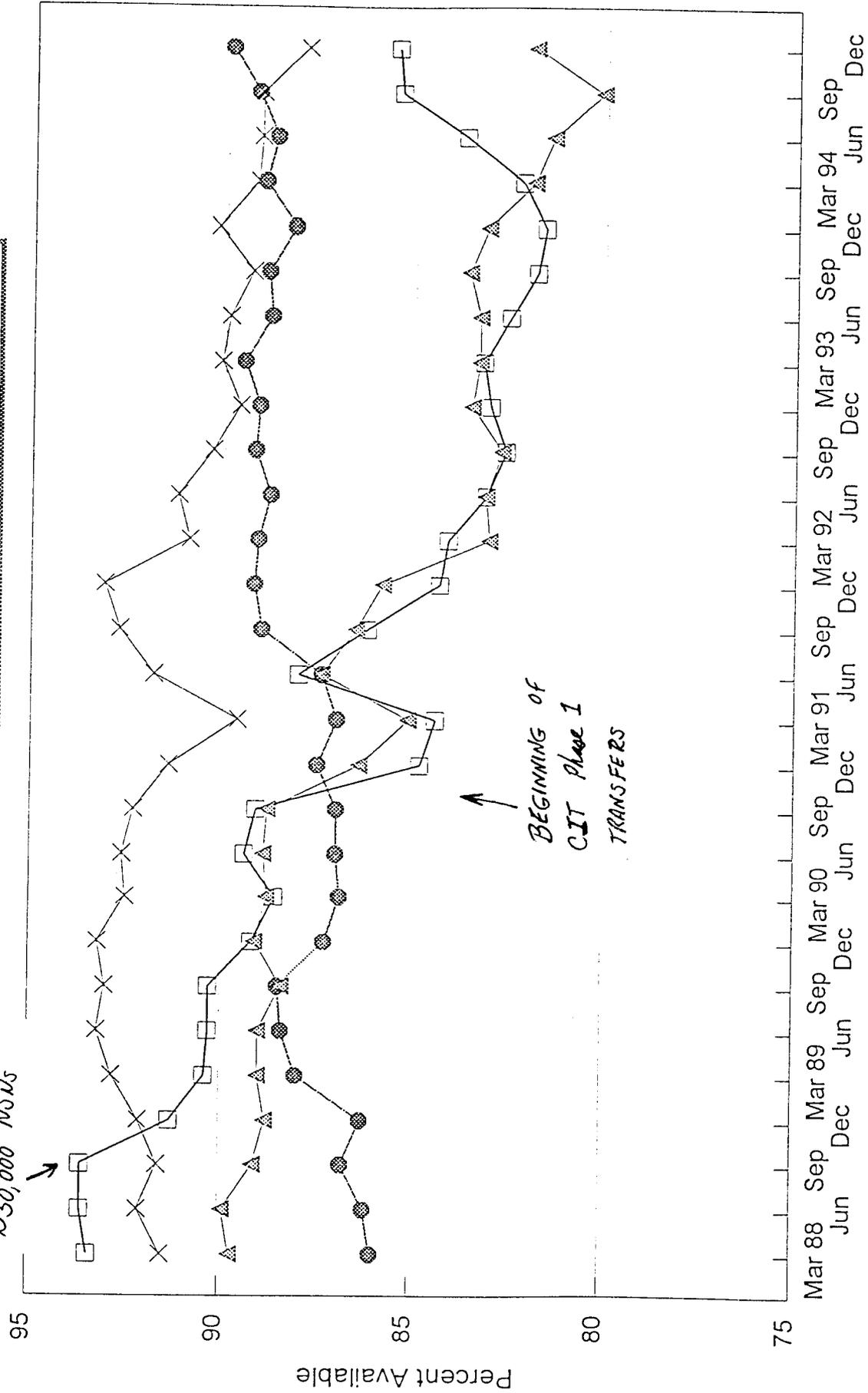
SUPPLY AVAILABILITY

ICP HARDWARE CENTERS

DISC TRANSFERS

To DGSC

~50,000 NSMs



● DISC □ DGSC ▲ DCSC × DESC

↑ BEGINNING OF
CIT Phase I
TRANSFERS

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



CLOSE HOLD

CAAJ(BRAC)

3 FEB 1995

MEMORANDUM OF MEETING

SUBJECT: Summary of Base Realignment and Closure (BRAC) Executive Group (BRACEG) Meeting - 29 December 1994 (Morning Session)

I. PURPOSE: To provide the BRACEG adjustments to the Inventory Control Point (ICP) Military Value (enclosure 2) and ICP Cost of Base Realignment Action (COBRA) runs (enclosure 3). A list of attendees is at enclosure 1.

II. BRIEF SUMMARY OF DISCUSSION:

A. The BRAC Team Chief indicated that community information was now in the BRACEG books. BRACEG members should review this information because it will be another tool available when making receiving location decisions. Besides this community information, an economic impact assessment will be accomplished for gaining and losing locations using a standard model provided by the Office of the Secretary of Defense (OSD). This model will be run once initial decisions are made and results will be presented.

B. Hardware ICP Military Value changes:

1. Under Mission Suitability, paragraph IIA2, ICP "C," the point value increased from 105 to 110.

2. Changes were made to Operational Efficiencies, because of new field inputs based on BRAC Team questions and DoDIG audits.

3. Under Expandability, paragraph IVC, ICP "B," points earned increased from 0 to 29. The data call response from ICP "B" was initially misinterpreted; thus a correction was made. Military Value rankings did not change as a result of these modifications.

C. Hardware ICP COBRA scenarios:

1. Scenarios 1, 2, and 3 are reruns based on updated personnel numbers.

2. It was the BRACEG consensus that scenario 1 should not be considered further as it was run since it closes the Defense General Supply Center (DGSC) only and not the total installation. Based on decision rules, they agreed that a closure of the entire base, including the Defense Distribution Depot Richmond, would be necessary to avoid further infrastructure costs.

3. In scenario 2 the personnel savings are larger since two ICPs are disestablished. Additionally, the Defense Personnel Support Center (DPSC) has a relatively large staff associated with general and administrative functions.

4. As in scenario 1, scenario 3 is not preferred because it does not consider closing the compound at DGSC.

5. Scenario 6 may be an acceptable option, if the risk associated with disestablishing two ICPs seems too high.

6. In scenario 5, personnel projections to manage the installation were reduced to match the current facility management capability at the Aviation Supply Office (ASO) compound. Also infrastructure projects at ASO for water and electric repairs will cost several million dollars. These projects have been put on hold by the Navy until after BRAC 95 decisions are finalized.

7. In considering these scenarios, the BRACEG was concerned about the obvious disruption of the workforce and the potential negative impact on ongoing process improvement initiatives. The increasing scope of responsibility in the scenarios associated with disestablishing two hardware centers was of even greater concern. Also the BRACEG agreed that discussions associated with the Defense Industrial Supply Center and DPSC would have to consider whether the Navy decided to realign or disestablish ASO since DLA would have to make a decision whether to take over operational responsibility of the ASO compound or remain in South Philadelphia at the DPSC compound. Both options would result in higher costs.

III. FOLLOW-UP ACTIONS:

A. Ask the Navy Base Structure Analysis Team to provide necessary certified data concerning ASO facility costs--CAAJ(BRAC).

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



CLOSE HOLD

REPLY
REFER TO
CAAJ(BRAC)

3 FEB 1995

MEMORANDUM OF MEETING

SUBJECT: Summary of Base Realignment and Closure (BRAC) Executive Group
(BRACEG) Meeting - 29 December 1994 (Afternoon Session)

I. PURPOSE: To provide the BRACEG with four closure/realignment options and several alternatives within the options (enclosure 2). A list of attendees is at enclosure 1.

II. BRIEF SUMMARY OF DISCUSSION:

A. Some closure/realignment options applicable to both Inventory Control Points (ICPs) and distribution depots have been developed. These include:

1. Realign both the Defense Distribution Depot Columbus (DDCO) and the Defense Distribution Depot Letterkenny (DDLK) if the Army does not close the base. Both storage operations will be retained, but on a limited scope. DDCO will provide storage capacity for primarily slow-moving stock. DDLK's primary mission will be support to the maintenance mission and storage of maintenance repairables and storage of slow-moving stock. Both locations will be reduced to site locations of the Defense Distribution Depot Susquehanna (DDSP). Command structure will be eliminated. This recommendation is consistent with the distribution concept of operations and will result in surcharge reductions for DLA customers.

2. Remain at the Defense Construction Supply Center (DCSC). The DCSC installation has a number of significant defense missions besides the ICP. These include the distribution depot mission, the DLA Data System Design Center, the Defense Accounting and Finance Service, and the Defense Information Systems Agency. DCSC has the highest hardware ICP Military Value and is also ranked highest in the DLA installation Military Value analysis.

3. If the Navy Maintenance Depot at Jacksonville closes, realign the Defense Distribution Depot Jacksonville (DDJF) as a site under the Defense Distribution Depot Warner Robins (DDWG) and eliminate the command structure. This realignment would be necessary to allow the Agency to continue to provide timely support to the ships at Mayport.

4. Remain at the Defense Distribution Depot San Joaquin (DDJC) and DDSP:

a. DDJC is our primary distribution site on the west coast for the Pacific Theater and is close to air and water ports of embarkation. It has the largest depot storage and throughput capacities in the west. DDJC scored the highest of all stand-alone depots in Military Value. Finally, although the Strategic Analysis of Integrated Systems (SAILS) model favors storing more at the East Coast depots, operations costs with DDJC are less than operations costs with the Defense Distribution Depot Ogden (DDOU).

b. DDSP is our primary distribution site on the east coast. It has a high Military Value and because it is close in proximity to both vendors and customers, is an attractive location for the SAILS model.

B. Nine BRAC options associated with ICPs and distribution depots were reviewed along with information relative to concepts of operations, risks, the SAILS model, and Military Value of installations, ICPs, and depots.

1. Option 1--eliminates the most facilities and is the best two depot savings option. It satisfies both Concepts of Operations. However, this is a high-risk scenario, especially for the ICPs because the disestablishment of two supply centers and the associated movement of item management responsibilities (troop and support item management to the Defense General Supply Center (DGSC); weapon systems item management to DCSC). Enclosure 3 identifies item management options. The personnel turmoil associated with a BRAC decision and the significant movement of item management responsibilities while attempting to implement many new item management initiatives/processes will be a challenge. A storage capacity shortfall of 28 million Attainable Cubic Feet (ACF) is projected. About 21 million ACF of the shortfall could possibly be accommodated by storing additional assets at Rough and Ready Island (if it is not on the Navy closure list), by converting warehouse operations space (and racking out) at DDCO and racking-out a hanger at Norfolk (potential transfer from the Navy to DLA).

2. Option 2a closes our installation with very good facilities and infrastructure (DGSC) and the Defense Distribution Depot Richmond (DDRV) that the SAILS model indicates is in a preferable location.

3. In option 2b we get a much higher payoff in closing Defense Distribution Depot Memphis (DDMT) than closing DDOU. The much larger staff at DDMT and resultant savings if both staffs were equally reduced, percentage wise, is the primary factor in this savings difference. Additionally, the large number of tenants at DDOU (1,400) drives one time costs considerably higher than those at Memphis who has fewer tenants.



DLA BRAC '95 Decision Rules

- Consistent with the Law, Base Decisions on the DoD Force Structure Plan and the DoD Selection Criteria
- Achieve an Infrastructure Consistent with the DLA Strategic Plan and Business Areas Concepts of Operations
 - Minimize Infrastructure by (Not in Rank Order):
 - Close as a Top Priority;
 - Eliminate Duplications;
 - Maximize Use of Shared Overhead;
 - Optimize Use of Remaining DLA Space;
 - Maximize Cross-Service Utilization of Bases and Support;
 - Get Out of Leased Space and onto DoD-owned Installations
- Military Judgment Will be the Overarching Criteria for All Decisions—Optimally Satisfy the 4 Military Value Criteria by Balancing Outputs of all Analyses to Achieve Maximum Military Benefit.

ACTIVITY: 00383

Table 5.4: Tenant Activities

| Tenant Name | Tenant UIC | Space Occupied (KSF) |
|---|------------|----------------------|
| Naval Air Technical Services Facility | 62767 | 50 |
| Navy International Logistics Command | 65916 | 87 |
| Naval Regional Contracting Center | 00140 | 26 |
| Naval Industrial Resources Support Activity | 63035 | 5 |
| Defense Industrial Supply Center | 63077 | 314 |
| Defense Personnel Support Center | 95699 | 536 |
| Defense Mapping Agency | 63580 | 291 |
| Defense Printing Service | 62576 | 57 |
| Navy Exchange | 00383 | 2 |
| Personal Property | 61189 | 3 |
| Naval Regional Medical Center | 32628 | 4 |
| Personnel Support Detachment | 43312 | 5 |
| Streamlined Automatic Logistics Transmission System | 00383 | 2 |
| Metropolitan Service Federal Credit Union | N/A | 2 |

740

610



6. Physical Space for Industrial Support

6.1 Identify in the table below the real estate resources which have the potential to facilitate future development and for which you are the plant account holder or into which, though a tenant, your activity could reasonably expect to expand. Complete a separate table for each individual site, i.e., main base, outlying airfields, special off-site areas, etc. The unit of measure is acres. Developed area is defined as land currently with buildings, roads, and utilities where further development is not possible without demolition of existing improvements. Include in "Restricted" areas that are restricted for future development due to environmental constraints (e.g. wetlands, landfills, archaeological sites), operational restrictions (e.g. ESQD arcs, HERO, HERP, HERF, AICUZ, ranges) or cultural resources restrictions. Identify the reason for the restriction when providing the acreage in the table. Specify any entry in "Other" (e.g. submerged lands).

Table 6.1: Real Estate Resources

Site Location: ASO Compound, Philadelphia, PA

| Land Use | Total Acres | Developed Acreage | Available for Development | |
|------------------------------------|-------------|-------------------|---------------------------|--------------|
| | | | Restricted | Unrestricted |
| Maintenance | 0 | 0 | 0 | 0 |
| Operational | 0 | 0 | 0 | 0 |
| Training | 0 | 0 | 0 | 0 |
| R & D | 0 | 0 | 0 | 0 |
| Supply & Storage | 16.3 * | 16.3 * | 0 | 0 |
| Admin | 0 | 0 | 0 | 0 |
| Housing | 0 | 0 | 0 | 0 |
| Recreational | 8 | 8 | 0 | 0 |
| Navy Forestry Program | 0 | 0 | 0 | 0 |
| Navy Agricultural Outlease Program | 0 | 0 | 0 | 0 |
| Hunting/Fishing Programs | 0 | 0 | 0 | 0 |
| Lawns | 6.7 | 6.7 | 0 | 0 |
| Total: | 31 | 31 | 0 | 0 |

* Includes 15.6 acres of warehouse space to be made available by the planned relocation of DMA (6.7 acres) to St. Louis, MO and the potential relocation of publications storage (8.9 acres) to New Cumberland, PA (DDRE).

Facility Conditions, continued

7.3 An activity's expansion capability includes its ability to reconfigure / rehab existing underutilized facilities to accept new or increased requirements. Identify in the Table below the space available for expansion, by building type and facility number.

Table 7.3: Space Available for Expansion

| Building Type | Facility Number | Installation Space (KSF) | | | Total KSF |
|------------------------------|-----------------|--------------------------|-------------|------------|-----------|
| | | Adequate | Substandard | Inadequate | |
| Warehouse/Admin ¹ | 27 | 221 | 0 | 0 | 221 |
| Warehouse ¹ | 9 | 0 | 70 | 0 | 70 |
| Warehouse ¹ | 6 | 210 | 0 | 0 | 210 |
| Warehouse/Admin ² | 5 | 135 | 0 | 0 | 135 |
| Warehouse ² | 8 | 44 | 0 | 0 | 44 |

*Excl
space
committed
for DASC*

¹ DMA's planned warehouse relocation to St. Louis, MO will make Buildings #27 and #9 available for expansion in FY98.

² Potential relocation of publications storage to New Cumberland, PA (DDRE) will make these buildings available.

7. Facility Condition (contd)

If you had expansion space and/or real estate available for expansion as identified in sections 6 or 7, answer the following questions in both qualitative and quantitative terms.

7.4 What are the appropriate expansion uses of the available space and/or real estate for performing inventory control point functions?

Available space could be utilized for the construction of administration buildings.

7.5 Are there any constraints such as electric power distribution, sewage disposal, HAZMAT disposal, parking, water, or other environmental concerns that limit the potential for using available space and/or real estate by adding or expanding functions at this site?

Present electrical upgrades are to accommodate an additional 2000 to 3000 personal over and above the projected FY97 baseloading. Parking is sufficient for an additional 2000 personnel over and above the projected FY97 baseloading.



7. Facility Conditions, continued

7.3 An activity's expansion capability includes its ability to reconfigure / rehab existing underutilized facilities to accept new or increased requirements. Identify in the Table below the space available for expansion, by building type and facility number.

Table 7.3: Space Available for Expansion

| Building Type | Facility Number | Installation Space (KSF) | | | Total KSF |
|------------------------------|-----------------|--------------------------|-------------|------------|-----------|
| | | Adequate | Substandard | Inadequate | |
| Warehouse/Admin ¹ | 27 | 221 | 0 | 0 | 221 |
| Warehouse ¹ | 9 | 0 | 70 | 0 | 70 |
| Warehouse ² | 6 | 210 | 0 | 0 | 210 |
| Warehouse/Admin ² | 5 | 135 | 0 | 0 | 135 |
| Warehouse ² | 8 | 38 | 0 | 0 | 38 |
| Warehouse/Admin ³ | 26 | 132 | 46 | 0 | 178 |
| Warehouse ³ | 7 | 198 | 0 | 0 | 198 |
| Admin ³ | 4 | 37 | 0 | 0 | 37 |
| Admin ³ | 2 | 26 | 0 | 0 | 26 |
| Warehouse ³ | 8 | 34 | 45 | 0 | 79 |
| Admin ⁴ | 2 | 26 | 0 | 0 | 26 |

¹ DMA's planned warehouse relocation to St. Louis, MO will make Buildings #27 and #9 available for expansion in FY98.

² Potential relocation of publications storage to New Cumberland, PA (DDRE) will make these buildings available.

³ As a result of BRAC 93 decisions, DPSC is being relocated onto the ASO Compound. DPSC will be located in Bldgs 26, 7, 8, 4 and 2 (approximately 518 KSF). Currently 397 KSF is warehouse space for ASO Publications and Forms, balance 121 KSF is existing Admin space, occupied by ASO, NATSF and DISC.

⁴ As a result of BRAC 91, NRCC-Philadelphia will be located in Building 2 (approximately 26 KSF), presently occupied by DISA. DISA-Philadelphia will be consolidated with DISA-Mechanicsburg in FY95.

TOTAL
= 1,218 MSF
@ 130 ft²/ft³
= 9369
@ 165 ft²/ft³
= 7382



OCT 1994

CLOSE HOLD

MEMORANDUM OF MEETING

SUBJECT: Summary of Base Realignment and Closure (BRAC) 95 Executive Group (BRACEG) Meeting - 13 September 1994

I. PURPOSE: To provide the BRACEG a facility condition briefing for depots, inventory control points (ICP), and distribution region headquarters (enclosure 2). A list of attendees is at enclosure 1.

II. BRIEF SUMMARY OF DISCUSSION:

A. Ms. McManamay asked that the Materiel Management leadership expedite their review of ICP/Distribution military value point recommendations. We will have to delay review of the ICP/Distribution data call responses until the military value points are approved.

B. The role of field activity Commanders in the BRAC 95 process was discussed. The Commanders have had a more participatory role in the data development/gathering process. There was general concern about including them in the deliberative process and agreement that it was not appropriate for them to be included in it. Finally, it was agreed that a procedure should be developed to let Commanders having activities involved in closure/realignment recommendations be notified before public release and to set up a meeting at the Headquarters soon to review the BRAC 95 process with them.

C. A facilities briefing was provided to acquire the BRACEG approval on facility condition evaluation techniques.

1. The source for most facility condition evaluations is the Navy Public Works Center (PWC)--a disinterested third party who has an established inspection system. Their evaluation includes a determination of cyclic maintenance requirements and the backlog of maintenance requirements.

2. We need to look at high priority projects identified by the PWC so they can be identified in a supplemental FY 96 (FY 95 is gone) budget submission if applicable.

3. The PWC effort to determine condition of DLA facilities is much more comprehensive than that being used by the Services. The concern about potential comparisons by OSD or the BRAC Commission of the DLA data on an unequal basis (with the source facilities) was raised.



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY
REFER TO

MWDIS/MILCON Team

22 MAR 1995

SUBJECT: DLA BRAC MILCON Project to Renovate Warehouse Space
at the ASO for DPSC Philadelphia, PA

TO: Commanding Officer
Northern Division
Naval Facilities Engineering Command
ATTN: Code 09TA (Barry Faust)

1. Request that the scheduled meeting of 23 Mar 95 for the design development comments review of this project be postponed. Please suspend the meeting and design effort until after 4 Apr 95 pending direction from the HQ DLA BRAC Executive Group. We will issue further direction after this date. The 1995 Base Closure and Realignment Recommendations (BRAC 95) have an impact on this project.
2. As discussed in our phonecon amongst Barry Faust, NORTHDIV, Tom Barba and Frank Manriquez, MWDIS/MILCON Team, on 20 Mar 95, please provide us the following information on design funds for this project:
 - a. Total design fund obligations to date.
 - b. Total design funds expended to date.
 - c. Cost to suspend design contract till 1 Oct 95.
 - d. What is the design cost (percentage rate) of a \$6 million project for moderate improvements to existing administrative facilities, i.e., buildings 3, 4, and 367. Please include NORTHDIV's costs.
3. Please respond by 27 Mar 95 as we need this information to advise management.
4. The project manager from this office is Frank Manriquez at DSN 284-6385 or commercial (703)274-6385 and facsimile at DSN 284-8650.

THOMAS P. BARBA, P.E.
Team Chief
Military Construction

CC:
NAVFAC Code 30 (Kline)
NORTHDIV Code 4012/DM (Miu)
DPSC-DX (Fitzgerald)
ASO Code 08 (LCDR Walbert)

OPTIONAL FORM NO. 10 (7-93)

11000
Code 09TA/BF
Ser 91-018
23 Mar 1995

From: Commanding Officer, Northern Division, Naval Facilities
Engineering Command
To: Director, Defense Logistics Agency (ATTN: Capt. Gordon)
Subj: DPSC RELOCATION TO ASO PHILADELPHIA
Ref: (a) PHONCON DLA (Code MMDIS/WILCON Team) Mr. Tom Barba
/NORNAVFAC (Code 09TA/BF) Mr. Barry Faust of 20 Mar 1995

1. The design of the subject project has been put on hold until further direction from Defense Logistics Agency Headquarters (DLA HQ). DLA requested this stoppage to provide time to review the new BRAC IV proposed requirements.

2. CURRENT DESIGN COSTS: As requested during ref (a), the following cost breakdowns are provided for the subject project to help with the BRAC IV evaluation.

A. The obligated Architectural/Engineer (A/E) total cost for contract is \$3,424,118.

B. The funds expended to date for the A/E contract are estimated at \$1,800,000. This is an estimate since the stoppage of the design at 35% would require negotiations with the A/E to determine the actual total fee expended to date.

C. In-House funds expended to date on this project is approaching \$200,000. These costs will increase due to negotiations in B above.

D. Also obligated and nearly completely expended is the \$75,000 provided for the Environmental Assessment report. This report will have to be reviewed and modified if the project is moved to other buildings resulting in additional costs..

3. DESIGN COSTS FOR \$6M PROJECT: Costs to design a \$6,000,000 project were also requested during ref (a). The cost breakdown for design of a project of this size composed of mainly minor office renovations (finishes only) is as follows:

\$900,000 for A/E fee and \$150,000 in-house costs

4. The \$6,000,000 appears extremely low for any project to relocate DPSC to ASO. Additional discussions with DPSC as to the proposed BRAC IV requirements indicates that the move would require approximately 575,000 SF of space, approximately 122,000 SF

for tenants and 453,00 SF for DPSC. Discussions with ASO Public Works personnel provided the following square footage available with the disestablishment of DISC:

| | |
|--------------|------------|
| Building #2 | 12,000 SF |
| Building #3 | 200,000 SF |
| Building #36 | 105,000 SF |
| Building #4 | 51,000 SF |
| Total | 368,000 SF |

To make up the additional space required of 200,000+ SF (122,000 tenants and 85,000 DPSC), warehouse building #7 would probably be renovated.

5. The space available in these four building, other than building #7, is mainly existing administration type space. To accomplish the DPSC relocation into these buildings would require as a minimum installation of new finishes; carpeting, painting, and ceiling tiles, no interior reconfigurations would occur. A project with moderate improvements such as these would cost \$20 per SF.

6. Area #4A was in our original scope and if this is representative of the other areas, we doubt that only providing new finishes will be acceptable to DPSC. When DPSC inspected the site they wanted the area totally renovated. Our past experience with projects of this type, is that most customers want to reconfigure existing walls and add windows which affects the HVAC and power distribution systems and lighting layouts. Northern Division's experience with space renovations such as these is \$50 per SF.

7. Building #7 warehouse conversion to admin and lab spaces is in the current scope and is estimated at \$85 per SF.

8. In addition to these costs, the cost of the fire protection main in the north end would be required at \$2,600,000. Using the unit costs from above along with this fire cost gives the estimated cost for the DPSC relocation to the north end of ASO compound is as follows:

A. Moderate Improvements (Finishes Only):

| | | |
|-----------------------------|-----------------------|--------------|
| Space renovations finishes | 368,000 SF @ \$20/SF= | \$ 7,360,000 |
| Warehouse space renovations | 200,000 SF @ \$85/SF= | \$17,000,000 |
| Fire protection mains | | \$ 2,600,000 |
| | Total ECC | \$26,960,000 |
| | Total Project Cost | \$30,500,000 |

B. Reconfigured space:

| | | |
|-----------------------------|-----------------------|--------------|
| Space Renovations | 368,000 SF @ \$50/SF= | \$18,400,000 |
| Warehouse Space Renovations | 200,000 SF @ \$85/SF= | \$17,000,000 |
| Fire protection mains | | \$ 2,600,000 |
| | Total ECC | \$38,000,000 |
| | Total Project Cost | \$43,000,000 |

9. The cost of redesign of these projects, over already expended costs, would be approximately \$3.5M and \$4.5M respectively since moving to different building would require complete redesign. The design would require an adjustment to the schedule of approximately one year to get back to 35% design stage. This slippage moves us closer to 1999 which is the 6 year period for funding closure of a base on the various BRAC(s). Any further slippage could jeopardize the closure by 1999.

10. Any additional clarification of the information required for this project can be obtained by contacting Mr. Barry Faust Com (610) 595-0519 DSN 443-0519.

31 Mar 95

The following information was received via Voice Mail message from DPSC on Friday afternoon (31 Mar 95):

DPSC OPERATING COST FIGURES

BOS

| | | | |
|--------|-----------------------------------|---|-----------------|
| FY-98: | BOS Payroll = 25.5M | } | - Total = 55.0M |
| | BOS Non-payroll = 8.3M | | |
| | Communications = 14.2 M | | |
| | RPM Costs (incl utilities) = 7.0M | | |
| FY-99: | BOS Payroll = 25.2M | } | - Total = 55.9M |
| | Non-Payroll = 8.6M | | |
| | Communications = 14.9M | | |
| | RPM Costs = 7.2M | | |

Average Cost = approx \$55-56M/year of continued operation!

Item Transfers - Based on Category of Items

05-Apr-95

DGSC=Gen

DGSC=WS

| Current Mgr | DLA Proposed Mgr | ALT Proposal I | ALT Proposal II | Cat | FSCs | NSNs | Proc W/L |
|------------------------|-------------------------|---------------------------|------------------------|-----|------|-----------|----------|
| GSA | DPSC | DGSC | DPSC | Gen | 61 | 1,438 | 277 |
| GSA | DPSC | DPSC | DPSC | Tr | 8 | 81 | 17 |
| DCSC | DPSC | DGSC | DPSC | Gen | 38 | 41,386 | 9,835 |
| DCSC | DPSC | DPSC | DPSC | Tr | 1 | 72 | 3 |
| DCSC | DCSC | DCSC | DCSC | WS | 65 | 615,637 | 74,423 |
| DESC | DCSC | DCSC | DCSC | WS | 90 | 1,049,665 | 67,835 |
| DGSC | DPSC | DGSC | DPSC | Gen | 78 | 224,739 | 81,049 |
| DGSC | DPSC | DPSC | DPSC | Tr | 2 | 3,091 | 11,223 |
| DGSC | DGSC | DGSC | DGSC | PE | 54 | 18,368 | 3,395 |
| DGSC | DGSC | DISC | DGSC | WS | 57 | 384,774 | 32,691 |
| DISC | DPSC | DGSC | DPSC | Gen | 21 | 17,877 | 4,885 |
| DISC | DGSC | DISC | DISC | WS | 26 | 1,068,981 | 105,232 |
| DPSC | DPSC | DPSC | DPSC | Tr | 42 | 100,640 | 41,474 |
| DPSC | DPSC | DGSC | DPSC | Gen | 16 | 6,307 | 0 |
| | | | | | 559 | 3,533,056 | 432,339 |
| | <u>DLA Proposed Mgr</u> | <u>Alternate Proposal</u> | <u>ALT Proposal II</u> | | | | |
| Items Transfers | 2,407,330 | 1,504,691 | 1,338,349 | | | | |
| (without DESC) | 1,357,665 | 455,026 | 288,684 | | | | |

Lotus:IT_TRANS.WK4

| Economic Area | BRAC 95 Installation | Military Dept. | BRAC 95 Jobs | | | BRAC 95 Percent of Area Jobs | Cumulative Total Jobs (1994 to 2001) | Cumulative Percent of Area Jobs |
|---------------------------------|---|----------------|--------------|----------|----------|------------------------------|--------------------------------------|---------------------------------|
| | | | Direct | Indirect | Total | | | |
| Harrisburg-Lebanon-Carlisle, PA | Defense Distribution Region East | DLA | 89 | 115 | 204 | 0.1% | | |
| | Defense Distribution Depot Susquehanna (New Cumberland Facility) | DLA | 297 | 163 | 460 | 0.1% | | |
| | Fort Indiantown Gap | Army | (521) | (268) | (789) | (0.2%) | | |
| | Total | | (135) | 10 | (125) | 0.0% | 591 | 0.2% |
| Los Angeles-Long Beach, CA | Defense Contract Mgmt District - West | DLA | 22 | 14 | 36 | 0.0% | | |
| | NRC Pomona | Navy | (10) | (5) | (15) | 0.0% | | |
| | NSY Long Beach | Navy | (4,126) | (9,467) | (13,593) | (0.3%) | | |
| | SUPSHIP Long Beach | Navy | (19) | (11) | (30) | 0.0% | | |
| Total | | (4,133) | (9,469) | (13,602) | (0.3%) | (20,298) | (0.4%) | |
| Memphis, TN-AR-MS | Defense Distribution Depot Memphis | DLA | (1,300) | (2,049) | (3,349) | (0.6%) | | |
| | Bureau of Personnel (IN) | Navy | 526 | 301 | 827 | 0.1% | | |
| | Total | | (774) | (1,748) | (2,522) | (0.4%) | (9,030) | (1.5%) |
| Philadelphia, PA-NJ | Defense Industrial Supply Center | DLA | (385) | (813) | (1,198) | 0.0% | | |
| | Fort Dix | Army | (739) | (425) | (1,164) | 0.0% | | |
| | NAESU Philadelphia | Navy | (90) | (55) | (145) | 0.0% | | |
| | Naval Air Technical Services Facility | Navy | (227) | (488) | (715) | 0.0% | | |
| | NAWCAD Warminster | Navy | (348) | (732) | (1,080) | 0.0% | | |
| | NSWC Philadelphia | Navy | 261 | 569 | 830 | 0.0% | | |
| | Total | | (1,528) | (1,944) | (3,472) | (0.1%) | (31,744) | (1.2%) |
| Richmond-Petersburg, VA | Defense General Supply Center | DLA | 359 | 558 | 917 | 0.2% | | |
| | Fort Lee | Army | (205) | (116) | (321) | (0.1%) | | |
| | Total | | 154 | 442 | 596 | 0.1% | 610 | 0.1% |
| Salt Lake City-Ogden, UT | Defense Distribution Depot Ogden | DLA | (1,113) | (1,834) | (2,947) | (0.4%) | | |
| | Hill AFB | Air Force | (336) | (263) | (599) | (0.1%) | | |
| | Total | | (1,449) | (2,097) | (3,546) | (0.5%) | (2,026) | (0.3%) |

Inter-Office Memorandum

114 MAR 1994

IN REPLY CAAJ (BRAC)

REFER TO

SUBJECT: BRAC Executive Group Meeting 15 March 1994.

To: BRACEG Members

1. One of the major topics of discussion at the subject meeting will be facilities support for the DLA BRAC 95 process. Copies of the charts which will be presented are at Enclosure 1. Comments or questions relative to these charts can be directed to Col McKenna, MMDI, at 46355.

2. The other major topic of discussion will be the identification of DLA activities which break threshold and determination of which DLA activities will be reviewed in the BRAC 95 process. Charts covering this area were provided at the last meeting and are at Enclosure 2. Comments or questions should be directed to Ms. McManamay at 47146.

3. The BRAC Working Group will be requesting decisions on both of these topics.

2 Encl

M. V. McManamay
M. V. McMANAMAY
Team Chief
DLA BRAC Team

LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



28 APR 1994

CAAJ(BRAC)

MEMORANDUM OF MEETING

SUBJECT: Summary of BRAC Issues Meeting - 19 April 1994

I. PURPOSE: A briefing was given to the Director on 19 April 1994 at 1430 on the current status of BRAC 95 (encl I) and to get approval for decisions made by the Executive Group. Attendees were VADM Straw, Maj Gen Farrell, CAPT Finley, Ms. McManamay, Col Reynolds, Ms. Kelleher, and LtCol Dillard.

II. BRIEF SUMMARY OF DISCUSSION:

A. The Director was briefed on the categories of activities to be included in the BRAC 95 process. He understood that the reason depots were split into two categories was because of the mission difference and also allowed for more indepth analysis. He approved the category split between the stand-alone depots and the collocated maintenance depots.

B. Under the BRAC 95 criteria, a question was asked as to how could the DRMS regions fit into the criteria. The DRMS regions could fit under "other activities identified regardless of threshold" or under "50 percent or more of the authorized civilians affected by relocation or realignment." The decision was made to include the DRMS regions in the BRAC 95 analysis.

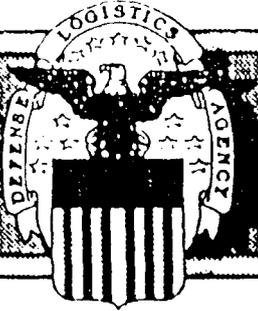
C. The discussion continued on which activities would be BRACed and which would be exempt. The rationale for each Executive Group decision was briefed to the Director.

D. The Director was briefed on the Concept of Operations process being conducted by the Business Offices. He approved of the process and will be briefed on the results at a later date.

E. The briefing ended with a summary of the role being played by the DoDIG and GAO in our BRAC 95 process.

III. DECISIONS REACHED: The following were the results of the discussion in paragraph C above--

- A. ICPs: Approved as recommended.
- B. DCMDs: Approved as recommended and added DCMCI for analysis.
- C. Depot Regional HQ: Included in the BRAC 95 analysis.
- D. Collocated Depots: Approved as recommended.
- E. Service/Support: Approved as recommended. Looking at combining DSAC, DAASO, and DLMSO under BRAC analysis was added. Although not considered in BRAC 95, DASC should continue to downsize before moving to Ft. Belvoir.
- F. Stand-Alone Depots: Approved as recommended. San Joaquin and Susquehanna were added.



Activities Recommended for BRAC 9 Study

ICPs

- DCSC
- DGSC
- DISC
- DPSC (as an activity)

DCMDs

- DCMDN
- DCMDS
- DCMDW

REGIONAL HQ

UNDECIDED

COLLOCATED DEPOTS

- LETTERKENNY
- TOBYHANNA
- NORFOLK
- ALBANY
- ANNISTON
- JACKSONVILLE
- WARNER ROBINS
- BARSTOW
- CORPUS CRISTI
- McCLELLAN
- OKLAHOMA CITY
- PUGET SOUND
- RED RIVER
- SAN ANTONIO
- SAN DIEGO
- CHERRY POINT
- HILL

SERVICE/SUPPORT

- DLSC
- DRMS
- DSAC
- DAASO

STAND-ALONE DEPOTS

- RICHMOND
- COLUMBUS
- MEMPHIS
- OGDEN

Activities Not Recommended by BRAC
for BRAC 95 Study/Review



ICPs

DFSC

DNSC

SERVICE/SUPPORT

DASC

STAND-ALONE DEPOTS

SAN JOAQUIN (TRACY/SHARPE)
SUSQUEHANNA (MECHANICSBURG/
NEW CUMBERLAND)

DCMDs

DCMDC

DCMDM

DCMCI

REGIONAL HQ

UNDECIDED

COLLOCATED DEPOTS

CHARLESTON

TOOELE

PENSACOLA

OAKLAND

SACRAMENTO

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



4 MAY 1994

(BRAC)

MEMORANDUM OF MEETING

SUBJECT: Summary of Base Realignments and Closure (BRAC) 95 Executive Group
(BRACEG) Meeting - 20 April 1994

I. PURPOSE: To provide current status of BRAC 95 efforts to the BRACEG (enclosure 1).

II. BRIEF SUMMARY OF DISCUSSION:

A. Director, DLA decisions regarding DLA activities to be considered in the BRAC 95 study process were briefed (enclosure 2). Activities to be studied are at enclosure 3. Activities which will not be studied are at enclosure 4.

B. An Administrative Support Center (ASC) concept of operation was briefed by the Commander of the DLA Administrative Support Center (enclosure 5). Key points were:

1. The goal of an ASC is to provide the same high quality administrative support to everyone at the lowest possible cost.
2. An ASC could include a wide variety of support functions. Costs would be reimbursed on a fee-for-service basis, either in-house (based on a reasonable cost) or by contract.
3. An ASC could be most useful and have a greater potential to reduce redundancies when several DLA activities are in geographic proximity to each other. The review of the potential for an ASC is a deliberate process. An area of review is determined, data is gathered and analyzed, and it's then decided whether it is more cost effective to do it ourselves, establish Interservice Support Agreements or contract out the function.
4. ASCs can provide more time for command focus on the mission, an explicit identification of support costs, standardization of technology, greater ADP compatibility, and significant savings.

C. The Military Value Point Allocation methodology used in BRAC 93 was reviewed (enclosure 2):

ACTIVITIES TO BE STUDIED IN BRAC

ICPs

DCSC

DGSC

DISC

DPSC(as an activity)

DCMDs

DCMDN

DCMDS

DCMDW

DCMCI

STAND ALONE DEPOTS

RICHMOND

COLUMBUS

MEMPHIS

OGDEN

SAN JOAQUIN (TRACY/SHARPE)

SUSQUEHANNA(MECHANICSBURG/
NEW CUMBERLAND)

SERVICE/SUPPORT

DLSC

DSAC

DAASC

DRMS

REGION HQ

DDRE

DDRW

DRMS Operations
East/West

COLLOCATED DEPOTS

LETTERKENNY

TOBYHANNA

NORFOLK

ALBANY

ANNISTON

JACKSONVILLE

WARNER ROBINS

BARSTOW

CORPUS CHRISTI

McCLELLAN

OKLAHOMA CITY

PUGET SOUND

RED RIVER

SAN ANTONIO

SAN DIEGO

CHERRY POINT

HILL

↓
ACTIVITIES NOT TO BE STUDIED IN BRAC

ICPs
DFSC
DNSC
DESC

SERVICE/SUPPORT
DASC

DCMDs
DCMDC
DCMDM

COLLOCATED DEPOTS
CHARLESTON
TOOELE
PENSACOLA
OAKLAND
SACRAMENTO



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY
REFER TO

CAAJ(BRAC)

27 DE. 1994

MEMORANDUM OF MEETING

SUBJECT: Summary of Base Realignment and Closure (BRAC) Executive Group
(BRACEG) Meeting - 8 Dec 94

I. PURPOSE: To provide the BRACEG DLA Systems Design Center (DSDC) Cost of Base Realignment Action (COBRA) results (enclosure 2), HQ DRMS, Operations East and West, and National Sales Office (NSO) Excess Capacity and Military Value, COBRA results initiatives relating to Operations East and West (enclosure 3), and Stand-Alone/ Collocated Depot Excess Capacity/Military Value (enclosure 4). A list of attendees is at enclosure 1.

II. BRIEF SUMMARY OF DISCUSSION:

A. The meeting on 7 Dec 94 with the Director went well. First, the Director requested that the Military Value measure of merit--Mission Essentiality--be changed to "Mission Scope." Second, he asked that we evaluate continuing the DPSC operation at its current location (even though it was recommended for closure in BRAC 93) to include rehabilitation of the Clothing Factory for DISC. It is possible that the Navy will ask us to assume installation management of the Aviation Supply Office (ASO) compound. Finally, he approved the Storage Management Plan projections related to capacity and storage requirements as the baseline for BRAC 95 analysis.

B. DSDC COBRA scenarios:

1. Scenario 1 (move all satellite sites, except the Tracy site to Columbus). This scenario shows some limited savings but from a mission support point of view, it would move DSDC personnel away from their customers.

2. Scenario 2--Move all DSDC satellites having less than 50 people, except Tracy and Memphis, to the major parent organization. Tracy is the backup site for transaction routing (DAASC) and Memphis is located with a major customer, the DRMS National Sales Office (NSO). Projected savings are small, but it would eliminate some residual sites brought about by DMRDs 902/916. This realignment would be accomplished even without BRAC since it makes good business sense.

Hardware ICP's Military Value

In the BRAC 95 Detailed Analysis, Military Value Analysis, is a description of how Military Value was assessed in four areas: Mission Scope, Mission Suitability, Operational Efficiency, and Expandability. Points were assigned to the hardware centers based on certified data. The final scores are shown below :

| ICP | Mission Scope | Mission Suitability | Operational Efficiencies | Expandability | Total |
|------|---------------|---------------------|--------------------------|---------------|-------|
| DCSC | 267 | 159 | 183 | 131 | 740 |
| DGSC | 174 | 160 | 163 | 70 | 567 |
| DISC | 172 | 150 | 162 | 57 | 541 |

BRAC 95 Detailed Analysis states that the Executive Group did not consider the difference among the Military Value of the three ICP's significant enough, in itself, to point toward any obvious closure candidates. However, since DLA later refers to DISC as having the lowest score, we feel we should point out some apparent inconsistencies in arriving at the final scores.

Also in the BRAC 95 Detailed Analysis, Military Value Analysis, it states that certified data from each ICP identified the number of full-time Paid Equivalents managing each FSC. This was broken down further identify Direct and Indirect support while General & Administrations support was prorated accordingly.

In the BRAC 95 Detailed Analysis, Return on Investment analysis, it states that DISC has the lowest Military Value of the three hardware ICPs. Also that both Richmond and Columbus have high installation Military Value. Both have considerable expansion capability while DISC is a tenant on a Navy installation. Furthermore, disestablishing DISC and delaying the relocation of DPSC to the ASO (DPSC will be a tenant on a Navy installation) until 1999 allows the Agency to achieve a substantial cost avoidance by back filling the space already occupied by DISC and reducing conversion costs of warehouse space.

In the BRAC 95 Detailed Analysis, Summary, DLA concluded that disestablishing DISC and realigning the remaining ICPs to concentrate management of related FSCs is the best interest of the DoD. Also reducing the infrastructure cost within the Supply Management Business Are will ultimately reduce the surcharge on items supplied to the Military Services.

Discrepancy

Hardware ICP's Military Value was assessed in four categories, Mission Scope, Mission Suitability, Operational Efficiency, and Expandability. Each ICP's Data Call were supplied to DISC and were to include all certified data for each ICP. For this certified data, point values were assigned using mathematical models as described in the DLA BRAC 95 ICP Military Value, Point Distribution Methodology.

Enclosed, in Table 1, is a detailed chronological table of scores showing how the total Military Value point scores change between the period of 5 DEC, 29 DEC, 5 JAN and 22 FEB. Listed below in Table 2 is the ICP total scores changes in the same time frame.

| ICP | 5 DEC | 29 DEC | 5 JAN | 22 FEB |
|------|--------------|--------------|--------------|--------------|
| DCSC | 680 <i>1</i> | 701 <i>1</i> | 738 <i>1</i> | 740 <i>1</i> |
| DGSC | 500 <i>3</i> | 522 <i>3</i> | 566 <i>3</i> | 568 <i>2</i> |
| DISC | 543 <i>2</i> | 550 <i>2</i> | 541 <i>2</i> | 541 <i>3</i> |

Table 2 : Total scores of individual ICP's Military Values

These scores are directly from presentations made to Adm Straw on those dates. As shown DISC went from second place, 43 points ahead of DGSC, to third place, 27 points behind DGSC. DCSC, on the other hand, increased their score a total of 60 points.

Initial validation of scores was impossible due to insufficiency of published Data Call information. Some data required to duplicate values and scores were missing. Enclosed (included in General Flaws tab) is a Memo of Mark Vieth's meeting with DLA BRAC team, dtd 28 march 95. In this memo are tables of ICP personnel broken down into FSC (Weapon Systems and Troop Support). DCSC's and DISC's data can be obtained from the data calls while DGSC's cannot due to missing data from two different questions.

Enclosed is a fax, dtd 1 DEC, from the DLA BRAC Team to Paul Hoffmayer, Facilities Planning Branch, referencing a memo, dtd 27 SEP, stating that DISC must supply additional information regarding the installation existing infrastructure for the *entire* ASO compound. This resulted in an increase of \$7,256,611.00 to the maintenance costs. By contrast, when determining additional personnel accommodations, DLA BRAC used only DISC's current occupied space resulting to a very low score.

During the time frame listed in Table 2, DGSC was requested to submit changes for their overall costs (audit trail shows at least 4 discrete submissions requested by DLA is enclosed). This resulted into a total operational costs savings of \$173,153,821.00 in a

Check in data call
Data calls -
DGSC - to be broken down
FSC component to
through ICP

|||

five week period. Listed below in Table 3 is the tabular data showing DGSC's changes. Enclosed is a bar graph depicting these changes.

| | 23 NOV | 9 DEC | 15 DEC | 30 DEC |
|--|-----------------|-----------------|-----------------|-----------------|
| Total Obligation | \$1,085,682,057 | \$1,085,682,057 | \$1,085,682,057 | \$1,076,887,588 |
| Less Exclusions (non operational costs) | \$807,306,734 | \$907,835,200 | \$886,260,788 | \$971,666,086 |
| Total Operational Costs * | \$278,375,323 | \$177,846,857 | \$199,421,269 | \$105,221,502 |

* Note change from 23 NOV to 30 DEC

Table 3 : DGSC's Total operational Cost Changes.

DLA BRAC team requested all ICPs to include a list by FSC, the number of total items managed, active stocked items managed (with a least 1 requisition in the last 365 days), and inactive stocked items. Enclosed is excerpts from the ICP Data Calls showing that DCSC and DGSC supplied data for active items with 1 requisition in the last 2 years while DISC supplied data by DLA's rules for a 1 year period. Listed below in Table 4 is this FSC data and corresponding points for Military Value.

| | DCSC | DGSC | DISC |
|----------------------------|-----------|----------|-----------|
| Active | 1309771 | 217278 | 380659 |
| Total | 1801289 | 636010 | 1101205 |
| Total Active Points | 40 | 7 | 13 |

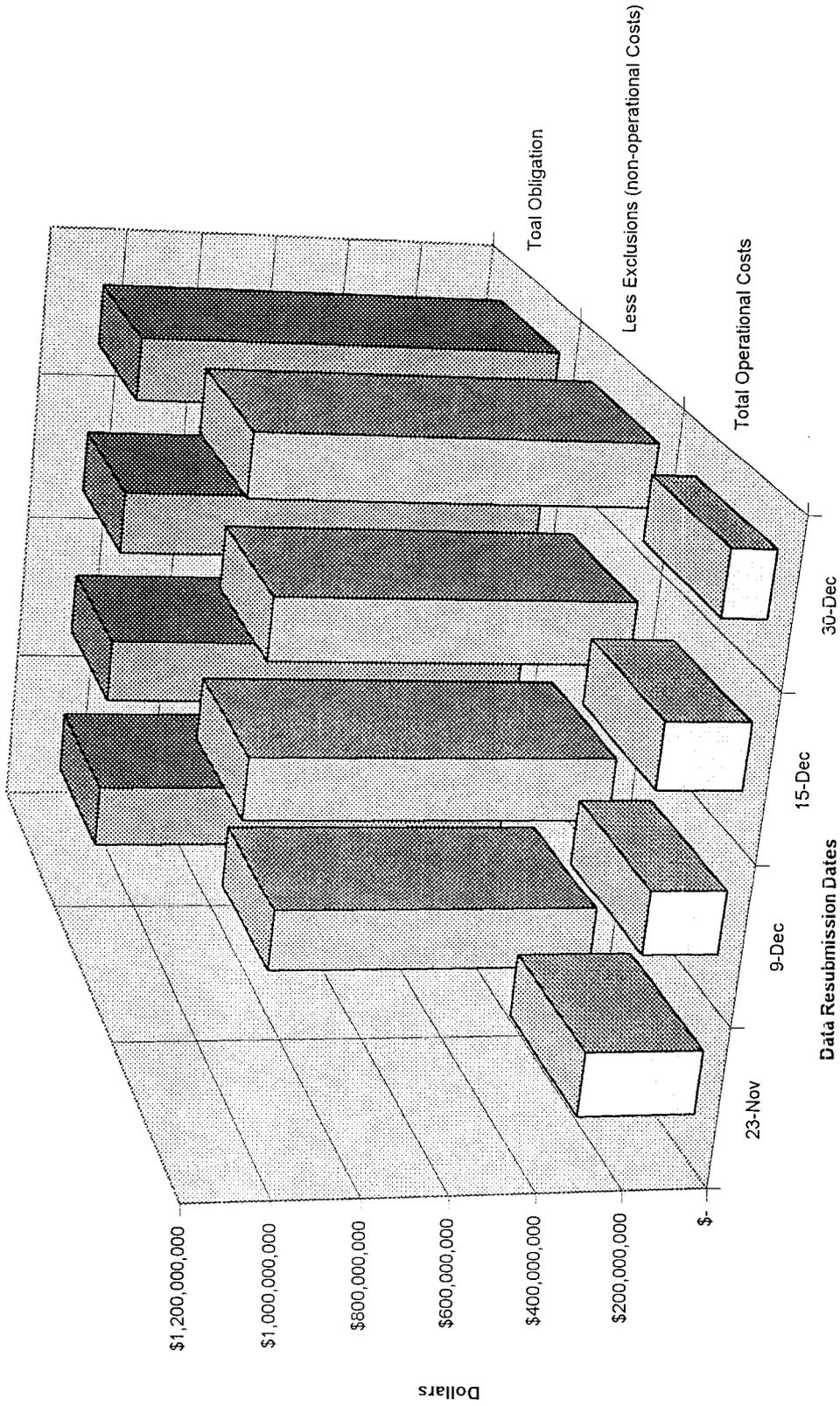
Table 4 : List of Active Items for each ICP

The results of all these inconsistencies, is a lower point score in Military Value for DISC.

Carmen Scandone
(215) 697-6819

| | Military Value | 5-Dec-94 | | | 29-Dec-94 | | | 5-Jan-95 | | | 22-Feb-95 | | |
|---|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | DCSC | DGSC | DISC |
| | | A | B | C | A | B | C | A | B | C | A | B | C |
| | | Points Earned |
| I. Mission Essentiality | | | | | | | | | | | | | |
| A. Current/Future Mission | | | | | | | | | | | | | |
| 1. DoD Essentiality | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 2. Same/Similar Mission | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUBTOTAL | 200 | 100 |
| B. Mission Scope | | | | | | | | | | | | | |
| 1. Field Activities Reporting Directly to this Activity | 10 | 0 | 10 | 0 | 0 | 10 | 0 | 0 | 10 | 0 | 0 | 10 | 0 |
| 2. % Paid Equivalents Directly Support Field Activities | 10 | 0 | 10 | 0 | 0 | 10 | 0 | 0 | 10 | 0 | 0 | 10 | 0 |
| 3. No. of NSN's Managed | | | | | | | | | | | | | |
| a. Active NSN's | 40 | 40 | 6.64 | 12.77 | 40 | 7 | 13 | 40 | 7 | 13 | 40 | 7 | 13 |
| b. Inactive NSN's | 10 | 7.2 | 6.28 | 10 | 7 | 6 | 10 | 7 | 6 | 10 | 7 | 6 | 10 |
| 4. \$ Value Inventory Managed | | | | | | | | | | | | | |
| a. Active Inventory (\$M) | 40 | 40 | 7.04 | 6.11 | 40 | 7 | 6 | 40 | 7 | 6 | 40 | 7 | 6 |
| b. Inactive Inventory (\$M) | 10 | 4.02 | 10 | 6.2 | 4 | 10 | 6 | 4 | 10 | 6 | 4 | 10 | 6 |
| 5. No. of PR'S Awarded | 15 | 15 | 6.28 | 6.37 | 15 | 6 | 6 | 15 | 6 | 6 | 15 | 6 | 6 |
| 6. \$ Value of Contracts Awarded | 15 | 15 | 10.15 | 5.85 | 15 | 10 | 6 | 15 | 10 | 6 | 15 | 10 | 6 |
| 7. % Business (\$ Value) Supporting Non-DoD | 25 | 20.98 | 3.75 | 25 | 21 | 4 | 25 | 21 | 4 | 25 | 21 | 4 | 25 |
| 8. % Paid Equivalent Supporting Non-DoD | 25 | 25 | 4.47 | 0 | 25 | 4 | 0 | 25 | 4 | 0 | 25 | 4 | 0 |
| SUBTOTAL | 200 | 167.2 | 74.61 | 72.3 | 167 | 75 | 72 | 167 | 75 | 72 | 167 | 75 | 72 |
| TOTAL MISSION ESSENTIALITY | 400 | 267.2 | 174.61 | 172.3 | 267 | 175 | 172 | 267 | 175 | 172 | 267 | 175 | 172 |
| II. Mission Suitability | | | | | | | | | | | | | |
| A. Current/Future Mission | | | | | | | | | | | | | |
| 1. Age of Buildings | 25 | 9 | 7 | 5 | 9 | 7 | 5 | 9 | 7 | 5 | 9 | 7 | 5 |
| 2. Current Condition of Buildings | 140 | 115 | 118 | 105 | 115 | 118 | 110 | 115 | 118 | 110 | 115 | 118 | 110 |
| 3. Infrastructure Suitable for Electronic Comms | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| 4. Access to Transportation | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| a. Air | | | | | | | | | | | | | |
| b. Bus | | | | | | | | | | | | | |
| c. Train | | | | | | | | | | | | | |
| TOTAL MISSION SUITABILITY | 200 | 159 | 160 | 145 | 159 | 160 | 150 | 159 | 160 | 150 | 159 | 160 | 150 |

DGSC FINANCIAL DATA





DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY
REFER TO

CAAJ(BRAC)

CLOSE HOLD

127 OCT 1994

S: 4 Nov 94

RIF RECEIVED
10-28-94

SUBJECT: Base Realignment and Closure (BRAC) 95 Data Call

TO: Commander, DISC

1. Reference is made to your letter, 13 Sep 94, subject: BRAC 95 Data Call Certification.

2. We have reviewed your initial data call response and have the following comments:

a. Part II:

(1) Paragraph IIA5 - Please reconcile the following discrepancies in IPU Customer Services (O) with the data in paragraphs IIA1, IIA2, IIA3, and IIA4, and submit a page replacement(s) that reflects accurate, consistent figures: officers - authorized, shows 9 vs. 10 in paragraphs IIA1, IIA2, IIA3, and IIA4 for this organization; Civilians-Permanent shows 117 vs. 118 in paragraphs IIA1, IIA2, IIA3, and IIA4 for this organization; Civilians - Temporary shows 2 vs. 1 in paragraphs IIA1, IIA2, IIA3, and IIA4 for this organization.

(2) Paragraph IIA3 - Military authorized number in listings do not agree with totals in summary. Summary totals agree with 30 Sep 94 Military On-line Personnel System (MOPS). Please correct discrepancy and resubmit with 30 Sep 94 MOPS.

b. Part IV:

(1) Confirm that DISC does not occupy space in Building 2. *ASO*

(2) Paragraph IVA5c - Building 4A is listed as excess in FY95. This does not match the comments under IVA24 for this building (FY97). Please reconcile.

(3) Paragraph IVA23 - Provide a list of space used by all of DISC's tenants. None are listed. Each tenant must be listed in this question.

(4) Paragraph IVA24 -

(a) Provide documentation supporting the return of building 5A to ASO for operations and maintenance responsibility.

127 OCT 1994

CAAJ(BRAC) PAGE 2 CLOSE HOLD
SUBJECT: Base Realignment and Closure (BRAC) 95 Data Call

(b) Provide copies of WR920086/94D047 for Building 36/1. See BRAC letter of 27 Sep 94 for "funded" projects. Revise the PLFA approval accordingly.

(c) Provide rationale for reducing the estimate on S/N 000014 (Building 3A), \$134K.

(d) Provide rationale for combining S/N 000008 and 000010 into ISC - 011, fire protection sprinkler repairs, \$952K.

(e) Provide rationale for reducing the estimate on S/N 00017 (Building 3A) to \$211K.

(5) Paragraph IVA26 - Confirm the current number of parking spaces. What is the average size used per car? ASO

(6) Paragraph IVA28 - Breakout the unrestricted land between ASO and DISC per the data call question. Is the 17.1 acres currently being used by ASO? Is ASO providing approval for use of this land? Provide a map showing the location. Using the category code description provided, what category code does this land currently have? Is there demolition involved? ASO

(7) Paragraph IVA31 - Provide a response based on the 17 acres identified. ASO

(8) Paragraph IVA32 - Does the estimated cost to convert include moving the current occupants? Does the cost include any required upgrades to utilities to convert from warehouse to administrative? If no, provide the best estimate. ASO

(9) Paragraph IVA35 - Provide the best estimate of cost to lease. Also estimate the value of any required upgrades per the data call question. ASO

(10) Paragraph IVA36 - Please reconfirm the answer per the recommended source and the Philadelphia area. ASO

c. Part VI - For paragraphs VIA4 and 7 provide workyears or an estimated reimbursement, if workyears is not available. "Not available" is not an acceptable answer. ASO

27 OCT 1994

CAAJ(BRAC) PAGE 3 CLOSE HOLD
 SUBJECT: Base Realignment and Closure (BRAC) 95 Data Call

d. Part VIII:

(1) Paragraph VIIIA1 - Please verify that your response is for a general obligation bond. Reference: BRAC95L009, page VIII-1. As may be necessary, please submit a page replacement to correctly answer this question. Questions concerning this requirement may be directed to Dr. Steven Patrick, DLA Headquarters, (DSN) 667-0173.

(2) Paragraph VIIIC4b - Please identify the source for your answer to this question.

(3) Paragraph VIIG17 - Please verify that Montgomery County Community College, Blue Bell, PA, grants bachelor degrees (or higher).

(4) Paragraph VIIM24 - The requirement for this question is for data for the county's metropolitan statistical area (MSA) or Primary Metropolitan Statistical Area (PMSA), in this case for the Philadelphia, PA/NJ PMSA. Reference: BRAC95L009, page VIII-9. Please resubmit answers to this question in its entirety.

(5) Paragraph VIIO29a and 29b - Please identify the source(s) for your answers to these questions.

(6) Paragraph VIIIQ32a and 32b - Please verify the per hour (VIIIQ32a) and the per annum (VIIIQ32b) rates for WG-5, step 2. Please refer to the preferred source for rates of pay for the Wage Grade (WG), Philadelphia, Pennsylvania wage area, issue date: 21 Dec 93.

(7) Paragraph VIIIQ33a - We believe the per hour rate for GS-8, step 4 is \$13.92, not \$13.91. Please verify.

(8) Paragraph VIIIQ33a and 33b - Please verify the per hour (VIIIQ33a) and the per annum (VIII33b) rates for WG-8, step 4. Please refer to the preferred source for rates of pay for the Wage Grade (WG), Philadelphia, Pennsylvania wage area, issue date: 21 Dec 93.

(9) Please submit a page replacement for VIIIQ.

* e. Part IX:

(1) DPSC and DISC submitted the same Environmental Data Call information. Recognizing that many questions will have similar answers since they will be located at the same installation, please ensure that questions that ask about the tenant area are specific to the area you are in. For example, the Underground Storage Tank (UST) and asbestos information provided is the same for both ICPs. This information should be provided only for the tenant area. Will DPSC and DISC be at the same location? If not, this information may not be accurate. Please review your responses and ensure that you are answering for your area when appropriate.

ASO

12.7 OCT 1994

CAAJ(BRAC) PAGE 4 CLOSE HOLD
SUBJECT: Base Realignment and Closure (BRAC) 95 Data Call

(2) Paragraphs A1 and A1a - These questions ask if the installation, not just the tenant facility, is in the installation restoration program (IRP). According to the DLA Headquarters - CAAE the installation is in the IRP. Please review these questions and clarify your responses.

} A50

(3) Paragraph A3 - If the installation has sites on the IRP that are located on or near the tenant facilities, identify those sites on a copy of the installation map and label it "CERCLA."

(4) Paragraphs B16a and B16b - Submit a map of the installation that identifies USTs that are located on the tenant area. Label the map "RCRA." Only provide UST information for those located on the tenant area.

(5) Paragraph D2a - Resubmit the table on asbestos. The last two columns are unclear in the copy we have on file.

} A50

(6) Paragraph D8a - For equipment that uses PCBs or that are PCB-contaminated, list the types of equipment, location, and schedule for removal. This is only for equipment located on the tenant area. The attachments provided are unclear.

(7) Paragraph D16a - The same buildings are listed for DPSC and DISC. Do they occupy the same building? If not, the answers provided may not be accurate. Provide a map that identifies the location of these buildings.

(8) Paragraph E4 - After reviewing Table 2-1, it appears that there may be some stationary sources that contribute to nonattainment on the installation. Examples include: paint booths, solvent cleaners, generator and fire pump, abrasive blasting, etc. Please review your data and verify your response. If there are stationary sources located on the installation, identify them on a map and label the map "Air Quality."

(9) Paragraph E5a - What does "E-Trip" stand for?

3. A response by 4 Nov 94 is appreciated.

Cathy Ann Kelleher
M. Y. McMANAMAY
Team Chief
DLA BRAC

Activity: DISC Installation Number: 00383

FACILITY DEFICIENCIES (BWAR) DATA

[PLFA APPROVED]

| FACILITY SERIAL NUMBER | DESCRIPTION | PLFA APPROVED | ACCOMPLISH YEAR | REPAIR MAINTENANCE COST | CONSTRUCTION COST | DESIGN COST | DEMOLITION COST | TOTAL COST | REMARKS |
|------------------------|-------------------------|---------------|-----------------|-------------------------|-------------------|-------------|-----------------|------------|--------------------|
| 36//1 0000020 | FIRE PROT SPRINKLER RPL | Y | 1997 | 890656 | 0 | 0 | 0 | 890656 | Norfolk PWC Report |
| 36//1 0000046 | CEILING RPL | Y | 2000 | 713873 | 0 | 0 | 0 | 713873 | Norfolk PWC Report |
| 36//1 0000043 | FLOOR TILE RPL | Y | 2002 | 9125 | 0 | 0 | 0 | 9125 | Norfolk PWC Report |
| 36//1 0000044 | FLOOR TILE RPL | Y | 2007 | 28920 | 0 | 0 | 0 | 28920 | Norfolk PWC Report |
| ** Subtotal ** | | | | 2476350 | 0 | 0 | 0 | 2476350 | |
| *** Total *** | | | | 8695669 | 0 | 62000 | 0 | 8757669 | |

CLOSE HOLD



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY
REFER TO

CAAJ(BRAC)

CLOSE HOLD

S: 12 Dec 94

9 - DEC 1994

SUBJECT: Base Realignment and Closure (BRAC) 95 Data Call

TO: Commander, DISC

1. Reference: DISC-RMB letter, 10 Nov 94, subject as above.

2. This documents numerous telephone calls between this office and your staff. An immediate response is requested.

a. Please provide certified data reflecting the responses to the following questions, telefaxed to this office earlier:

(1) Paragraph IVA24:

(a) Correct the difference between the Norfolk Public Works Center (PWC) report and the DISC response for this question. *COVERED IN 11-30-LTR.*

(b) Correct year of accomplishment between Norfolk PWC report and the DISC response for this question. *CHECK. DATA COMPLETED 12-9-94*

(c) Specify and justify any variation between the source document data call response per BRAC letter of 27 Sep 94. *COVERED IN 11-30-LTR.*

(d) Provide a new data disk reflecting any changes in addition to hard copy printouts.

(2) Paragraph IVA28 - Specify a breakout of the 10 acres of lawn on the north end of the base between the land surrounding Building 1 and the land southwest of Building 36. *MEASURE AREA.*

b. Paragraph IVA23 - Provide data base entries for the DISC tenants. Only the hard copy report shows the tenants. *DISK (UPDATED)*

© Please specify the total ASO building square footage (NAVFAC P-164; activity total for buildings). *HAVE SGA ATTACHED P-164*

CAAJ(BRAC) PAGE 2 CLOSE HOLD
SUBJECT: Base Realignment and Closure (BRAC) 95 Data Call

9 DEC 1994

3. Please provide the following certified data by 12 Dec 94:

a. Provide your comments concerning the results of the Norfolk PWC review of existing infrastructure at the Aviation Supply Office (ASO), as revised. Please provide your response in the format specified for question IVA24 of the original data call. Both a disk and certified hard copy response are required.

b. Part VI - The last three entries for questions VIA5, VIA6, and VIA7 refer to ADP Processing/ADP-Support, and involve substantial estimated reimbursements. We do need an estimate of what that translates to in workyears. Please use the average salary of individuals providing ADP services to estimate the number of workyears devoted to providing this support. Also, please indicate where the Defense Information Services Center (second from last entry) is located.

c. Question IVA25 requires that you list all building-related required asbestos abatement projects. No projects are listed. Your response to question LXD5 identified asbestos abatement projects. Please verify and reconcile your answers.

ASBESTOS ABATEMENT ONLY WHEN MAJOR RENOVATION - NO FIRE SAFETY PROJECTS.

M. V. McManamay
M. V. McMANAMAY
Team Chief
DLA BRAC

Activity: DISC Installation Number: 00383

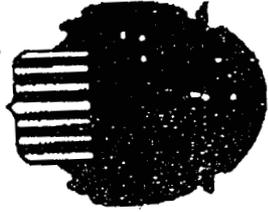
FACILITY DEFICIENCIES (EMAR) DATA

[ALL APPROVED AND NOT APPROVED ITEMS]
BRAC-95 (PART D)

| FACILITY SERIAL NUMBER | PROJECT NUMBER | DESCRIPTION | PLFA APPROVE | ACCOMP YEAR | REPAIR COST | MAINTENANCE COST | CONSTRUCTION COST | DESIGN COST | DEMOLITION COST | TOTAL COST | REMARKS |
|------------------------|----------------|----------------|--------------|-------------|-------------|------------------|-------------------|-------------|-----------------|------------|-------------------------|
| 36/1 | 0000044 | FLOOR TILE RPL | Y | 2007 | 28920 | 0 | 0 | 0 | 0 | 28920 | 2007 Norfolk PWC Report |
| ** Subtotal ** | | | | | 2497185 | 0 | 0 | 0 | 0 | 2497185 | |
| **** Total **** | | | | | 9956476 | 0 | 0 | 10000 | 0 | 9966476 | |

CLOSE HOLD

INFORMATION
COPY



THE DEFENSE LOGISTICS AGENCY
BASE REALIGNMENTS AND CLOSURES TEAM
FAX TRANSMITTAL SHEET

TO *Paul Hoffmayer* FROM *John Davis*

DEPT/AGENCY _____ PHONE # 703-274-7146

FAX # 205 697 1029 FAX # 703-274-3966

PHONE # _____ Auto von 284

TOTAL # OF PAGES INCLUDES HEADER 3

COMMENTS/REMARKS:

2nd copy of DR 27 Spd LTR

Memo enclosed next page



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY
REFER TO

CAAJ(BRAC)

S: 28 Nov 94

17 NOV 1994
1600

SUBJECT: Navy Public Works Center (PWC) Inspection of DISC at the Aviation Supply Office

TO: DISC

1. A recent decision by the BRAC Executive Group makes it imperative that the Navy PWC data obtained for our buildings at the ASO site be augmented with additional information on the installations existing infrastructure. Since, at ASO, these items were wholly a Navy responsibility, the initial PWC effort did not obtain any data on these systems.

2. Accordingly, the Navy PWC inspection team will arrive at the ASO site on 16 November 1994 to conduct a review of all relevant infrastructure systems. This review must be complete no later than 23 November 1994. Because of the extremely tight BRAC schedule, certified data based on this inspection must be received at this headquarters no later than 28 November 1994. No extension are possible so it is therefore, imperative you work closely with the team as it conducts it's review and that the results be evaluated and certified expeditiously.


M. V. McMANAMAY
Team Chief
DLA BRAC

cc:
ASO

FACILITY DEFICIENCIES (BMAR) DATA

[ALL APPROVED AND NOT APPROVED ITEMS]

BRAC-95 (PART B)

| FACILITY NUMBER | SERIAL NUMBER | PROJECT NUMBER | DESCRIPTION | PLFA APPROVE | ACCOMP YEAR | REPAIR COST | MAINTENANCE COST | CONSTRUCTION COST | DESIGN COST | DEMOLITION COST | TOTAL COST | REMARKS |
|-----------------------------|---------------|----------------|-------------------------|--------------|-------------|-------------|------------------|-------------------|-------------|-----------------|------------|---|
| ** Subtotal ** | | | | | | 2497185 | 0 | 0 | 0 | 0 | 2497185 | |
| ** FACILITY NUMBER....: ASO | | | | | | | | | | | | |
| ASO | 0000067 | | POWER CABLE REPLACEMENT | N | | 613425 | 0 | 0 | 0 | 0 | 613425 | PWC NORFOLK REPORT FOR ASO COMPOUND UTILITIES (NOT A COST TO DISC) ACCOMPLISH YEAR 1996 |
| ASO | 0000069 | | TRANSFORMER REPLACEMENT | N | | 188299 | 0 | 0 | 0 | 0 | 188299 | PWC NORFOLK REPORT FOR ASO COMPOUND UTILITIES (NOT A COST TO DISC) ACCOMPLISH YEAR 1997 |
| ASO | 0000072 | | STEAM DIST LINES RPL. | N | | 96411 | 0 | 0 | 0 | 0 | 96411 | PWC NORFOLK REPORT FOR ASO COMPOUND UTILITIES (NOT A COST TO DISC) ACCOMPLISH YEAR 1997 |
| ASO | 0000073 | | STEAM DIST LINES RPL. | N | | 136561 | 0 | 0 | 0 | 0 | 136561 | ACCOMPLISH YEAR 1999 |
| ASO | 0000074 | | STEAM DIST LINES RPL. | N | | 144965 | 0 | 0 | 0 | 0 | 144965 | ACCOMPLISH YEAR 2001 |
| ASO | 0000075 | | WATER DIST LINES RPL. | N | | 113931 | 0 | 0 | 0 | 0 | 113931 | PWC NORFOLK REPORT FOR ASO COMPOUND UTILITIES (NOT A COST TO DISC) ACCOMPLISH YEAR 1997 |
| ASO | 0000076 | | WATER DIST LINES RPL. | N | | 145160 | 0 | 0 | 0 | 0 | 145160 | ACCOMPLISH YEAR 1999 |
| ASO | 0000083 | | PAVEMENT OVERLAY | N | | 652824 | 0 | 0 | 0 | 0 | 652824 | PWC NORFOLK REPORT FOR ASO COMPOUND UTILITIES (NOT A COST TO DISC) ACC.YEAR 1995 |

Activity: DISC

Installation Number: 00383

CLOSE HOLD

FACILITY DEFICIENCIES (EMAR) DATA

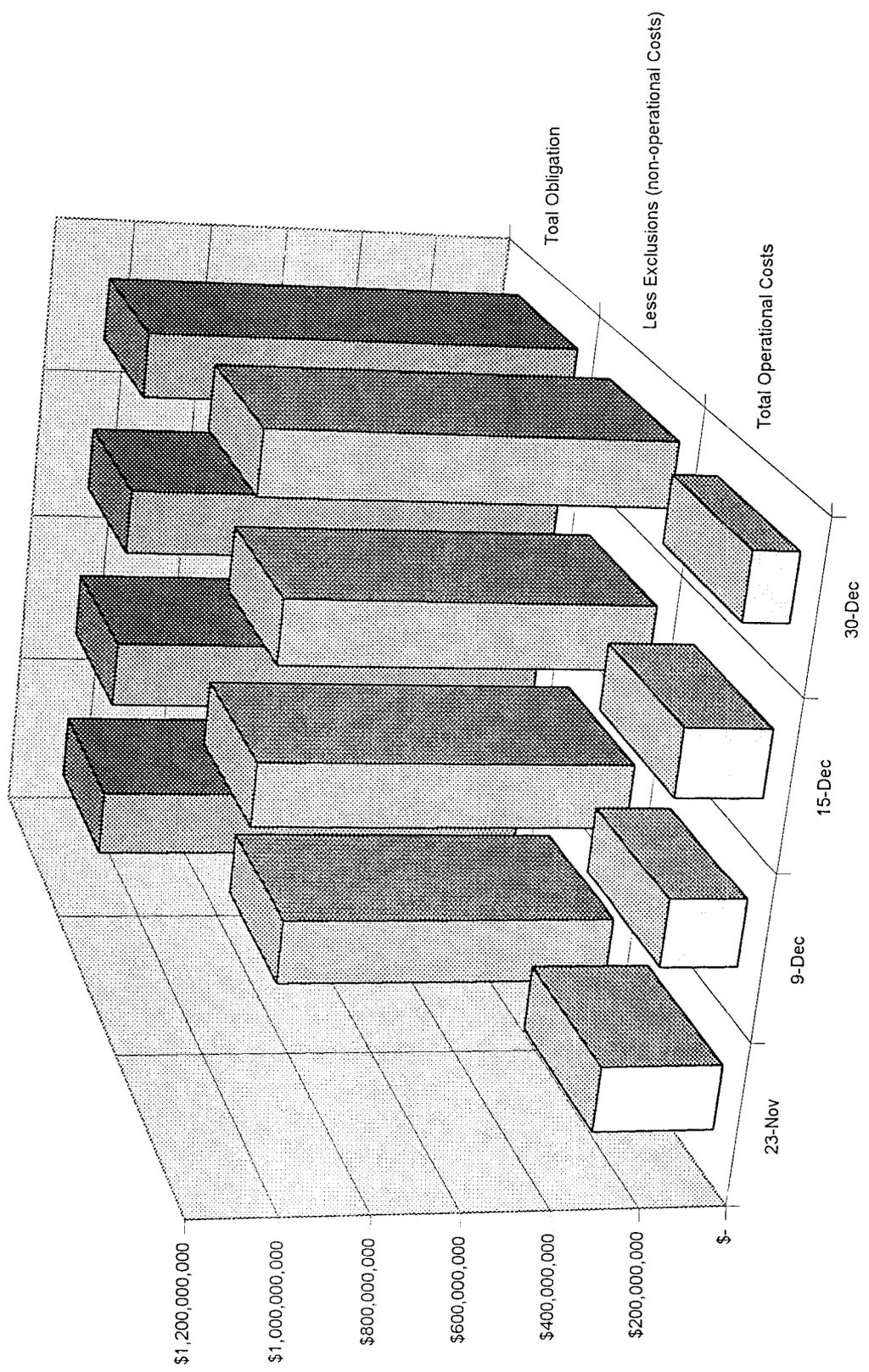
(ALL APPROVED AND NOT APPROVED ITEMS)
BRAC-95 (PART B)

| FACILITY SERIAL NUMBER | PROJECT NUMBER | DESCRIPTION | PLFA APPROVE YEAR | ACCOMP YEAR | REPAIR MAINTENANCE CONSTRUCTION COST | | | DESIGN DEMOLITION COST | | TOTAL COST | REMARKS |
|------------------------|----------------|--------------------|-------------------|-------------|--------------------------------------|------|------|------------------------|------|------------|---|
| | | | | | COST | COST | COST | COST | COST | | |
| ASO 0000084 | | PAVEMENT MAINT. | N | | 180092 | 0 | 0 | 0 | 0 | 180092 | ACCOMPLISH YEAR 1995 |
| ASO 0000086 | | PAVEMENT OVERLAY | N | | 407532 | 0 | 0 | 0 | 0 | 407532 | ACCOMPLISH YEAR 1997 |
| ASO 0000085 | | PAVEMENT OVERLAY | N | | 615563 | 0 | 0 | 0 | 0 | 615563 | ACCOMPLISH YEAR 1998 |
| ASO 0000080 | | SEWAGE SYSTEM RPL. | N | | 1795156 | 0 | 0 | 0 | 0 | 1795156 | PWC NORFOLK REPORT OF ASO COMPOUND (NOT A COST TO DISC) ACCOMPLISH YEAR 1997. |
| ASO 0000081 | | SEWAGE SYSTEM RPL. | N | | 456299 | 0 | 0 | 0 | 0 | 456299 | ACCOMPLISH YEAR 2001 |
| ASO 0000082 | | SEWAGE SYSTEM RPL. | N | | 1710393 | 0 | 0 | 0 | 0 | 1710393 | ACCOMPLISH YEAR 1999 |
| .. Subtotal .. | | | | | | | | | | | |
| ... Total ... | | | | | | | | | | | |
| | | | | | 7256611 | 0 | 0 | 0 | 0 | 7256611 | |
| | | | | | 17213087 | 0 | 0 | 16000 | 0 | 17223087 | |



 ASO
TOTALS

| DGSC | | | | | |
|---|------------------|------------------|------------------|------------------|-----------------|
| | 23-Nov | 9-Dec | 15-Dec | 30-Dec | DIFF |
| Toal Obligation | \$ 1,085,682,057 | \$ 1,085,682,057 | \$ 1,085,682,057 | \$ 1,076,887,588 | \$ 8,794,469 |
| Less Exclusions (non-operational Costs) | \$ 807,306,734 | \$ 907,835,200 | \$ 886,260,788 | \$ 971,666,086 | \$ (85,405,298) |
| Total Operational Costs | \$ 278,375,323 | \$ 177,846,857 | \$ 199,421,269 | \$ 105,221,502 | \$ 94,199,767 |





DEFENSE LOGISTICS AGENCY
DEFENSE GENERAL SUPPLY CENTER
8000 JEFFERSON DAVIS HIGHWAY
RICHMOND, VIRGINIA 23297-5100



REPLY
REFER TO DGSC-R

23 NOV 1994

SUBJECT: Base Realignment and Closure (BRAC) 95 Data Call

TO: CAAJ(BRAC)

1. References:

a. CAAJ(BRAC) letter, 8 Jul 94, subject: Base Realignment and Closure (BRAC) 95 Data Call (BRAC95L009).

b. CAAJ(BRAC) letter, 10 Nov 94, subject: Part III Data Call (Reimbursables).

2. The original submission for Part III, Financial Data Call was estimated costs thru Sep FY94. This resubmission is the **actual** costs thru Sep FY94 and identification of reimbursables (P900s) per reference 1.b. (Encl 1).

Submitted
Actual
DATA

3. Point of contact for questions regarding this submittal is Mr. Tom Brooks, (DSN) 695-3049.

4. I certify that the information contained herein is accurate and complete to the best of my knowledge and belief.

1 Encl

K. W. LIPPERT
Rear Admiral, SC, USN
Commander

CLOSE HOLD



IN REPLY
REFER TO

DGSC-R

DEFENSE LOGISTICS AGENCY
DEFENSE GENERAL SUPPLY CENTER
8000 JEFFERSON DAVIS HIGHWAY
RICHMOND, VIRGINIA 23297-5100

CLOSE HOLD



09 DEC 1994

SUBJECT: Base Realignment and Closure (BRAC) 95 Data Call

TO: CAAJ(BRAC)

1. References:

a. CAAJ(BRAC) Memorandum for Record, 28 Nov 94, subject: Question VII.A.5. of the BRAC Data Call.

b. CAAJ(BRAC) letter, 1 Dec 94, subject: Base Realignment and Closure (BRAC) 95 Data Call.

c. CAAJ(BRAC) letter, 5 Dec 94, subject: Base Realignment and Closure (BRAC) 95 Data Call.

d. PHONECON, 5 Dec 94, between [REDACTED] CAAJ(BRAC) and [REDACTED] DGSC-RRC, subject: Financial Data, Part III.

Note
Request

2. Reference 1.a. resulted in a change to our responses for both questions VII.A.4 and VII.A.5. Responses to Questions VII.A.4 and VII.A.5 are provided at Encl 1.

3. Responses for reference 1.b., Part IV, with disk, are provided at Encl 2.

4. Responses for reference 1.c. are provided as follows:

a. Part VII, Question VII.A.3 is provided at Encl 3.

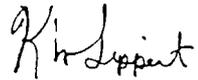
b. Part VIII, Questions VIII.K. and VIII.N.26.a. and b. are provided at Encl 4.

5. Response for reference 1.d., Part III, with disk, is provided at Encl 5.

6. Point of contact for questions regarding these submittals is [REDACTED] (DSN) 695-3049.

SUBJECT: Base Realignment and Closure (BRAC) 95 Data Call

7. I certify that the information contained herein is accurate and complete to the best of my knowledge and belief.



5 Encl

K. W. LIPPERT
Rear Admiral, SC, USN
Commander

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2



DEFENSE LOGISTICS AGENCY
DEFENSE GENERAL SUPPLY CENTER
8000 JEFFERSON DAVIS HIGHWAY
RICHMOND, VIRGINIA 23297-5100



REPLY
REFER TO DGSC-R

15 DEC 1994

SUBJECT: Base Realignment and Closure (BRAC) 95

TO: CAAJ(BRAC)

1. Reference: CAAJ(BRAC) letter, undated, subject: Base Realignment and Closure (BRAC) 95 Data Call.

2. Responses for reference above are provided as follows:

a. Response for Part II is provided at Encl 1.

b. Response for Part III with disk are provided at Encl 2.

> New
DATA

3. There was a change/correction to the original data call, Part VI, Question VI.A.8 based upon the DoDIG audit review. Resubmission of Part VI is provided at Encl 3.

4. Point of contact for questions regarding these submittals is [REDACTED]
(DSN) 695-3049.

5. I certify that the information contained herein is accurate and complete to the best of my knowledge and belief.

K. W. LIPPERT
Rear Admiral, SC, USN
Commander

3 Encl

①



DEFENSE LOGISTICS AGENCY
DEFENSE GENERAL SUPPLY CENTER
8000 JEFFERSON DAVIS HIGHWAY
RICHMOND, VIRGINIA 23297-5100



REPLY
FER TO DGSC-D

30 DEC 1994

SUBJECT: Base Realignment and Closure (BRAC) 95

TO: CAAJ(BRAC)

NEW DATA

1. Revisions have been made to the ~~Financial Cost Data~~ Financial Cost Data and are contained in the attached disks (Enclosure 1). Supporting documentation (Enclosure 2) and hard copies for Total Actual Cost for FY94 (Enclosure 3), Total Excluded Costs for FY94 (Enclosure 4), and Labor Hours (Enclosure 5) are also provided.

2. I certify that the information contained herein is accurate and complete to the best of my knowledge and belief.

5 Encl


Commander
SC, USN

CERTIFICATION STATEMENT

(BRAC 95)

"I certify that the information contained herein for all
Financial Part III is accurate and complete to the best of my
knowledge and belief."

for [REDACTED]

Operations Resource Mgmt Br.

[REDACTED]

, Operations Resource Mgmt Branch
Resource Management Division
Office of Planning and Resource Mgmt

[REDACTED]

Management
Office of Planning and Resource Mgmt

[REDACTED]

Office of Planning and Resource Mgmt

PART V

Supplemental Data Call for the Inventory Control Points
REVISIONS

V.6. List by Federal Supply Class the number of items managed at your ICP in the following categories as of 30 September 1994.

V.6.a Stocked

- V.6.a.(1) Number of active Items (items with at least 1 requisition in the last 365 days)
- V.6.a.(2) Number of inactive Items ← 1 YR.
- V.6.a.(3) Number of items with Economic Retention Stock and Potential Reutilization Stock.

V.6.b. Non-Stocked but centrally procured

- V.6.b.(1) Number of active Items
- V.6.b.(2) Number of inactive
- V.6.b.(3) Number of items with Economic Retention Stock and Potential Reutilization Stock.

V.6.c. Non-Stocked but locally procured

- V.6.c.(1) Number of Items
- V.6.c.(2) Items with Economic Retention Stock and Potential Reutilization.

V.6.d. Stocked Non-NSN

- V.6.d.(1) Number of Items

V.6.e. Non-Stocked Non-NSN

- V.6.e.(1) Number of Items

V.7. List by Federal Supply Class the total dollar value of the inventory managed at your ICP in the following categories as of 30 September 1994.

V.7.a. DLA owned and DLA managed materiel

V.7.a.(1) Acquisition Cost

- V.7.a (1) (a) Stocked - Active
- V.7.a (1) (b) Stocked - Inactive
- V.7.a (1) (c) Non-Stocked Centrally Procured
- V.7.a (1) (d) Non-Stocked Locally Procured

V.7.a.(2) Standard Cost

- V.7.a. (2) (a) Active - Stocked
- V.7.a. (2) (b) Inactive - Stocked
- V.7.a. (2) (c) Non-Stocked Centrally Procured
- V.7.a. (2) (d) Non-Stocked Locally Procured

V.6.

V.6.a. Active (stocked items with at least 1 requisition in the last 2 years).

| | 0 RQNS | >0 RQNS | |
|--------------------|----------------|----------------|------------------|
| REPLENISHMENT | 31,666 | 181,728 | 213,394 |
| NSO + | <u>821,391</u> | <u>334,986</u> | <u>1,156,377</u> |
| TOTAL STOCKED NSNs | 853,057 | 456,714 | 1,309,771 |

V.6.b. Inactive. In this category, we have included all of the NSNs managed and reduced that quantity by the stocked NSNs listed in V.6.a.

| | |
|------------------------------|-------------------|
| TOTAL MANAGED NSNs | 1,801,289 |
| TOTAL STOCKED NSNs | <u>-1,309,771</u> |
| TOTAL NONSTOCKED NSNs | 491,518 |
| NONSTOCKED NSNs WITH 0 RQNS | <u>448,924</u> |
| NONSTOCKED NSNs WITH >0 RQNS | 42,594 |

Source of Data: 1) DLA 26 Statistics (F-080A), EOP June 94
2) Fractionation Report (RF041), EOP Sep 94

Note: The source document used (the Fractionation Report) is issued monthly, but only provides the Active versus Inactive breakout twice per year in October and March.

ACTIVITY: DGSC
DUTY STATION: Defense General Supply Center
8000 Jefferson Davis Highway
Richmond, VA 23297

c. 25 PEs in Memphis, TN. (slated for closure 14 Dec 94)

Source: UPCC760A Report (Attachment 3)

d. Total DGSC PEs 2157 located in Richmond.

Source: Spreadsheet C:\SEPPE.wk4 available from Linda Harold, DGSC-RR0, X6026. (Attachment 4).

e. Percentage of total DGSC workforce (b+c+d) in support of the field activity is 8.0%. (184/2310).

f. Percentage of total DGSC workforce (located in Richmond) supporting the field activity is 1.4% (31/2157).

Paid Equivalents for the Repair/Rebuild functions are based on data extracted from the DLA Mass Database cumulative through 30 Sep 94. Actual codes and total hours for each output were calculated using spreadsheet BRAC.ssf. The allocation of the 25 indirect and G&A PEs was based upon percentages developed in the FY95 budget formulation (Attachment 2). This spreadsheet is available from Karen Gravely, DGSC-RR0, X4206.

V.6. Amount of items managed in the following categories (as of 30 Sep 94).

V.6.a. Active. 217,278 (demand in last 2 years)

V.6.b. All other. 428,732

Source of Data: Supply File ("C" File)

V.7. Total dollar value of inventory managed in the following categories (as of 30 Sep 94).

V.7.a. Acquisition Cost.

V.7.a.(1) Active. \$ 632.7M

V.7.a.(2) Inactive. \$1529.4M

V.7.b. Standard Cost.

V.7.b.(1) Active. \$ 871.2M

V.7.b.(2) Inactive. \$2106.0M

V.7.c. Revalued Cost.

408

13 DEC 1994

Enterprise Industrial Supply Center
Philadelphia, PA 19111-5096

Revised

| V.#. | Total NSNs |
|------|---------------|
| 1560 | 8 |
| 1680 | 2 |
| 1688 | 1 |
| 2040 | 2 |
| 2810 | 1,037 |
| 2835 | 5,561 |
| 2840 | 8,194 |
| 2845 | 11 |
| 2910 | 1 |
| 2915 | 9,956 |
| 2925 | 1,305 |
| 2935 | 369 |
| 2945 | 424 |
| 2950 | 288 |
| 2995 | 3,778 |
| 3110 | 37,950 |
| 3120 | 63,174 |
| 3129 | 1 |
| 3130 | 5,029 |
| 4010 | 6,698 |
| 4020 | 995 |
| 4030 | 3,315 |
| 4730 | 1 |
| 4820 | 1 |
| 5305 | 104,172 |
| 5308 | 54,399 |
| 5307 | 15,586 |
| 5310 | 108,700 |
| 5315 | 60,169 |
| 5320 | 33,964 |
| 5325 | 14,432 |
| 5330 | 198,495 |
| 5335 | 327 |
| 5340 | 161,705 |
| 5355 | 5 |
| 5360 | 63,629 |
| 5365 | 105,597 |
| 5841 | 1 |
| 5935 | 1 |
| 5995 | 1 |
| 6145 | 18,125 |
| 6150 | 1 |
| 6630 | 1 |
| 9340 | 1 |
| 9505 | 673 |
| 9510 | 2,767 |
| 9515 | 1,812 |
| 9520 | 513 |
| 9525 | 278 |
| 9530 | 2,070 |
| 9535 | 2,068 |
| 9540 | 3,226 |
| 9545 | 28 |
| 9620 | 27 |
| 9630 | 19 |
| 9640 | 33 |
| 9650 | 76 |
| 9680 | 7 |

1,101,205

CLOSE HOLD

Source: F-067 Report, 30 Sep 94
and F-041, Fractionation Report, 30 Sep 94

Defense Industrial Supply Center
Philadelphia, PA 19111-5098

Revised

V.6.a

| SC | Stocked Items |
|------|---------------|
| 1560 | 8 |
| 1680 | 2 |
| 1688 | 1 |
| 2040 | 2 |
| 2810 | 812 |
| 2835 | 3,855 |
| 2840 | 7,551 |
| 2845 | 7 |
| 2910 | 1 |
| 2915 | 9,288 |
| 2925 | 1,101 |
| 2935 | 284 |
| 2945 | 336 |
| 2950 | 152 |
| 2995 | 3,558 |
| 3110 | 24,173 |
| 3120 | 38,528 |
| 3129 | 1 |
| 3130 | 2,501 |
| 4010 | 4,948 |
| 4020 | 768 |
| 4030 | 2,349 |
| 4730 | 1 |
| 4820 | 1 |
| 5305 | 70,390 |
| 5306 | 38,981 |
| 5307 | 9,757 |
| 5310 | 72,008 |
| 5315 | 36,809 |
| 5320 | 25,275 |
| 5325 | 10,727 |
| 5330 | 126,877 |
| 5335 | 198 |
| 5340 | 99,768 |
| 5355 | 5 |
| 5360 | 36,520 |
| 5365 | 64,401 |
| 5841 | 1 |
| 5935 | 1 |
| 5995 | 1 |
| 6145 | 11,846 |
| 6150 | 1 |
| 6630 | 1 |
| 9340 | 1 |
| 9505 | 583 |
| 9510 | 2,387 |
| 9515 | 1,160 |
| 9520 | 372 |
| 9525 | 233 |
| 9530 | 1,658 |
| 9535 | 1,628 |
| 9540 | 2,128 |
| 9545 | 8 |
| 9620 | 14 |
| 9630 | 15 |
| 9640 | 26 |
| 9650 | 61 |
| 9660 | 6 |

718,081

CLOSE HOLD

Industrial Supply Center
Philadelphia, PA 19111-5098

Revised

V.8.a(1)

Active
Stk Items

| | |
|------|--------|
| 1560 | 0 |
| 1680 | 0 |
| 1888 | 0 |
| 2040 | 2 |
| 2810 | 143 |
| 2835 | 2,306 |
| 2840 | 4,978 |
| 2845 | 2 |
| 2910 | 1 |
| 2915 | 3,931 |
| 2925 | 403 |
| 2935 | 159 |
| 2945 | 211 |
| 2950 | 75 |
| 2995 | 2,406 |
| 3110 | 12,759 |
| 3120 | 18,787 |
| 3129 | 0 |
| 3130 | 1,081 |
| 4010 | 3,038 |
| 4020 | 560 |
| 4030 | 1,564 |
| 4730 | 0 |
| 4820 | 0 |
| 5305 | 37,077 |
| 5306 | 23,954 |
| 5307 | 4,645 |
| 5310 | 37,539 |
| 5315 | 20,874 |
| 5320 | 15,284 |
| 5325 | 6,339 |
| 5330 | 67,822 |
| 5335 | 108 |
| 5340 | 52,128 |
| 5355 | 0 |
| 5360 | 16,790 |
| 5365 | 31,541 |
| 5841 | 0 |
| 5935 | 0 |
| 5995 | 0 |
| 6145 | 6,640 |
| 6150 | 0 |
| 6630 | 0 |
| 9340 | 0 |
| 9505 | 420 |
| 9510 | 1,898 |
| 9515 | 865 |
| 9520 | 317 |
| 9525 | 163 |
| 9530 | 1,251 |
| 9535 | 1,258 |
| 9540 | 1,249 |
| 9545 | 4 |
| 9620 | 13 |
| 9630 | 8 |
| 9640 | 12 |
| 9650 | 52 |
| 9660 | 4 |

Total 380,659

CLOSE HOLD

Industrial Supply Center
Philadelphia, PA 19111-5098

Revised

(2)

Inactive
Stk Items

| | |
|-------|---------|
| 1550 | 8 |
| 1680 | 2 |
| 1688 | 1 |
| 2040 | 0 |
| 2810 | 669 |
| 2835 | 1,549 |
| 2840 | 2,575 |
| 2845 | 5 |
| 2910 | 0 |
| 2915 | 5,357 |
| 2925 | 698 |
| 2935 | 135 |
| 2945 | 125 |
| 2950 | 77 |
| 2965 | 1,152 |
| 3110 | 11,414 |
| 3120 | 19,741 |
| 3129 | 1 |
| 3130 | 1,420 |
| 4010 | 1,810 |
| 4020 | 206 |
| 4030 | 785 |
| 4730 | 1 |
| 4820 | 1 |
| 5305 | 33,313 |
| 5308 | 15,027 |
| 5307 | 5,112 |
| 5310 | 34,467 |
| 5320 | 17,935 |
| 5325 | 9,991 |
| 5330 | 4,388 |
| 5335 | 59,055 |
| 5340 | 90 |
| 5355 | 47,640 |
| 5360 | 5 |
| 5365 | 19,730 |
| 5365 | 32,860 |
| 5841 | 1 |
| 5935 | 1 |
| 5995 | 1 |
| 6145 | 5,208 |
| 6150 | 1 |
| 6630 | 1 |
| 8340 | 1 |
| 9505 | 163 |
| 9510 | 469 |
| 9515 | 295 |
| 9520 | 55 |
| 9525 | 70 |
| 9530 | 407 |
| 9535 | 370 |
| 9540 | 879 |
| 9545 | 4 |
| 9620 | 1 |
| 9630 | 7 |
| 9640 | 14 |
| 9650 | 9 |
| 9650 | 2 |
| Total | 335,402 |

CLOSE HOLD



December 1994

AEROSPACE GUIDANCE AND METROLOGY CENTER

Cost Growth and Other Factors Affect Closure and Privatization



*Marilyn -
While this GAO study was
done for a different activity,
we feel that many of the
conclusions would be valid
under proposal Disestablishment
of DISC. See highlighted
sections.*

National Security and
International Affairs Division

B-259135

December 9, 1994

The Honorable Earl Hutto
Chairman
The Honorable John R. Kasich
Ranking Minority Member
Subcommittee on Readiness
Committee on Armed Services
House of Representatives

At your request, we reviewed selected issues related to the implementation of maintenance depot closures and realignments resulting from prior Defense Base Closure and Realignment Commission (BRAC) decisions (see app. I for issues being reviewed). The Aerospace Guidance and Metrology Center (AGMC) at Newark Air Force Base (AFB), Ohio, is one of the activities being covered by this review.¹ Unlike other depot closures, the Newark AFB/AGMC implementation plan provides for continuing to perform the same missions at this facility after closure—largely as a privatized operation, although the Air Force would retain ownership of mission-related equipment valued at about \$326 million.

Recently, we briefed your office on (1) the cost and savings issue related to the Newark AFB/AGMC facility closure and privatization and (2) other closure and privatization issues. As you asked, we are providing this report on the areas discussed at that briefing and will report later on findings related to the closure of all maintenance depots.

Background

The sole purpose of Newark AFB is to house and support the large industrial complex comprising the AGMC. Supporting two Air Force missions—depot maintenance² and metrology and calibration—AGMC provides depot level maintenance of inertial guidance and navigation systems and components and displacement gyroscopes for the Minuteman and Peacekeeper intercontinental ballistic missiles and most of the Air

¹The following maintenance depots have been identified for closure: Lexington/Bluegrass Army Depot, Sacramento Army Depot, Tooele Army Depot, Pensacola Naval Aviation Depot, Alameda Naval Aviation Depot, Norfolk Naval Aviation Depot, Philadelphia Naval Shipyard, Mare Island Naval Shipyard, and Aerospace Guidance and Metrology Center.

²Depot maintenance requires extensive shop facilities, specialized equipment, and highly skilled technical and engineering personnel to perform major overhaul of parts; completely rebuilt parts, and end items; modify systems and equipment by applying new or improved components; manufacture parts unavailable from the private sector that are needed for performing depot maintenance activities; and provide technical assistance by field teams at operational units.

Force's aircraft.³ In fiscal year 1994, AGMC's depot maintenance workload consisted of about 900,000 hours; almost 10,500 items were produced to support repair requirements for 66 Air Force, Navy, and Army systems and components. This work was accomplished by about 500 maintenance and engineering personnel and 325 management and support personnel.

AGMC is different from the Air Force air logistics centers (ALC) in that it does not have weapon system and item management responsibility collocated at the same base.⁴ For Air Force systems repaired at AGMC, weapon system and item management functions are performed primarily at the Ogden or Oklahoma City ALCs.⁵ However, some of the engineering support normally provided by the system program management offices at ALCs is performed at AGMC for systems it repairs.

In its second Air Force mission, metrology and calibration, AGMC performs overall technical direction and management of the Air Force Metrology and Calibration Program and operates the Air Force Measurement Standards Laboratory. About 200 personnel are involved in the metrology and calibration mission—109 in generating technical orders, certification of calibration equipment, and management operations and 89 in the standards laboratory. As the single manager for the Air Force Metrology and Calibration Program, AGMC provides all metrology engineering services for the Air Force. The standards laboratory complex, consisting of 47 laboratories, serves as the primary laboratory for calibrating and certifying measurement standards used worldwide in all Air Force precision measurement equipment laboratories. In fiscal year 1994, the standards laboratory produced about 11,500 calibrated items.

The Department of Defense (DOD) considered AGMC's work conducive to conversion to the private sector and recommended closing Newark AFB/AGMC through privatization and/or transferring the workload to other depots. DOD justified the closure by (1) identifying at least 8.7 million hours of excess Air Force depot maintenance capacity, with the closure of AGMC

³Other AGMC workloads include control display units; periscopic sextants; cesium beam clocks; fuel savings advisory systems; fiber optic borescopes; and a variety of test, measurement, and diagnostic equipment.

⁴Neither the Army nor the Navy collocates its weapon system and item management functions at locations having depot maintenance activities. AGMC is substantially smaller than the other five Air Force depot activities in number of items supported, production hours, workforce size, and number and size of maintenance facility buildings.

⁵The other ALCs are Sacramento ALC, McClellan AFB, California; San Antonio ALC, Kelly AFB, Texas; and Warner Robins ALC, Robins AFB, Georgia.

expected to reduce this excess by 1.7 million hours,⁶ and (2) applying the eight base closure criteria to Air Force bases having depots and ranking Newark AFB low relative to the others (see app. II for base closure criteria). DOD assigned a low military value to Newark AFB primarily because it was a single mission base with no airfield.

DOD estimated that implementing its recommendation on Newark AFB/AGMC would cost \$31.3 million, result in an annual savings of \$3.8 million, and have an 8-year payback period for closure and relocation expenses. In our report on the base closure and realignment recommendations and selection process, we estimated that the Newark AFB/AGMC closure costs would be \$38.29 million, with a 13-year payback period.⁷ BRAC determined that the AGMC workload could either be contracted out or privatized-in-place at the same location, although the BRAC noted that industry interest in privatization-in-place was limited. The BRAC recommended closing Newark AFB/AGMC—noting that some workload will move to other depot maintenance activities, including the private sector. The President agreed with the overall BRAC recommendations dealing with maintenance depots, including the closure of AGMC. The Congress did not challenge the overall BRAC recommendations. The Air Force has begun the implementation of the closure and privatization of Newark AFB/AGMC.

Results in Brief

The justification of closing Newark AFB/AGMC is not clear. To date, the closure of Newark AFB/AGMC is the only depot closure where almost all of the work may be privatized-in-place. As such, we believe it merits careful consideration before implementation proceeds. There are a number of issues associated with this privatization that are barriers to its implementation. Also, some projected costs are rising, while others are yet to be determined. One-time closure costs have doubled in the past year and may still be underestimated. As a result, the payback period has increased to at least 17 years and as much as over 100 years—depending on the assumptions used. Moreover, projected costs of conducting post-privatization operations could exceed the cost of current Air Force operations and reduce or eliminate projected savings.

Other closure and privatization matters create uncertainty about the viability of the Air Force's planned action: (1) the disposition of equipment

⁶The 1.7 million hours come from historical figures for direct product actual hours for the depot maintenance industrial fund activity at AGMC. AGMC downsized in fiscal years 1991 and 1993 to a 1.0 million hour capacity based on changes in the force structure.

⁷Military Bases: Analysis of DOD's Recommendations and Selection Process for Closure and Realignments (GAO/NSIAD-93-173, Apr. 15, 1993).

manufacturers' proprietary data claims, which are a potential barrier to privatization and could significantly increase closure costs and/or post-closure operation costs; (2) the failure of the closure/privatization to reduce excess depot maintenance capacity by the 1.7 million hours previously estimated; (3) the incongruity of privatizing workload that the Air Force has defined as "core" capability that generally should be retained in the DOD depot system; (4) the practicability or cost-effectiveness of privatizing parts of the metrology and calibration mission while retaining the management function as a government activity; and (5) the delay in reaching agreement regarding the transfer of property and facilities to the local reuse commission.

Air Force Implementation of Newark AFB/AGMC Closure

Implementation of the Newark AFB/AGMC closure through privatization is still in the early phases, with many details yet to be worked out. In general, the Air Force has developed a three-pronged approach to implementing BRAC's decision. First, four systems, representing about 3 percent of AGMC's existing depot maintenance workload, will be transferred to other Air Force depots.⁸ Second, ownership of the Newark AFB/AGMC property and facilities will be transferred to a local reuse commission. The commission is to lease space to one prime guidance system repair contractor that will provide depot maintenance work, one prime metrology contractor that will perform calibrations and author calibration manuals, and the remaining organic metrology program management contingent. While privatization-in-place is the goal, based on a strategy option announced in the Commerce Business Daily, contractors may elect to move workload to other facilities. Hypothetically, this option could result in all workload moving to other contractor locations—should the winning contractor(s) demonstrate that moving workload to other locations would provide the best value to the government. Third, the metrology and calibration mission will be continued at AGMC, with some functions privatized and another continued as an Air Force activity reporting to AFMC Headquarters or one of the ALCS.

The Air Force originally planned to privatize all activities related to the metrology and calibration mission, but it later determined that the Air Force Metrology and Calibration Program's materiel group manager function could not be privatized because it is a function considered to be

⁸The Air Force determined that relocation was practicable and cost-effective for sextants, ARC-200 radios, clocks, and some test measurement and diagnostic equipment.

“inherently governmental.”⁹ In performing this function, AGMC civilian and military employees provide policy and direction for all precision measurement equipment laboratories Air Force wide, inspect these laboratories for compliance with required policies and procedures, and procure calibration standards¹⁰ used in calibration laboratories.

Current plans for the metrology and calibration program provide for (1) retaining about 130 government employees to provide the metrology and calibration management function—with the Air Force leasing space at AGMC from the local reuse commission and (2) contracting out the primary standards laboratory and technical order preparation, which will also remain at AGMC, with the contractor leasing space from the reuse commission.

The Air Force plans to retain ownership of mission-related maintenance and metrology and calibration equipment, which will be provided to the winning contractor(s) as government-furnished equipment. AGMC accountable records indicate the value of the depot maintenance equipment is \$297.5 million and the value of the metrology and calibration equipment \$28.5 million. Details such as the cost of the lease arrangement, allocation of utility and support costs between the Air Force and contractor(s), and the determination of whether the government or the contractor will be responsible for maintaining the equipment are not yet known.

To manage the AGMC privatization, the Air Force established a program management office at Hill AFB. This office is responsible for developing the statement of work, request for proposal, acquisition plan, source selection plan, and related documents. The award is scheduled for September 29, 1995. Several key milestones leading up to contract award have slipped, compressing the schedule for the remaining tasks in the pre-contract-award period. Air Force officials describe this schedule as optimistic. After contract award, the Air Force plans to initiate a phased process for transitioning individual maintenance workloads to the contractor. Air Force officials stated that this 12-month transition period reduces the risk of interrupting ongoing operations and allows the contractor(s) an opportunity to build up an infrastructure and trained workforce. However, according to the program management office, a

⁹Office of Management and Budget Policy Letter 92-1, Sept. 23, 1992, provides that an inherently governmental function is “. . . so intimately related to the public interest as to mandate performance by Government employees. These functions include those activities which require either the exercise of discretion in applying Government authority or the making of value judgements in making decisions for the Government.”

¹⁰The acquisition cost of this equipment is about \$10 million per year.

- 1) The same could be true of DISC
- 2) The projected savings are also not likely to be realized
- 3) The payback period might exceed stated time frame and closing costs might not be contained.



is fully responsible for
erred strategy of the ALC

Analysis of Cost and Savings Raises Concerns

Our work has identified several concerns regarding the cost, savings, and payback period for the Air Force's implementation of the AGMC BRAC decision. These include concerns that (1) the projected cost of closing AGMC has doubled and may increase further; (2) the \$3.8 million annual savings projected to result from AGMC's closure is not likely to be realized because of potentially higher costs for contract administration, contractor profit, possible recurring proprietary data costs, and other factors that have not been considered in the cost computation; and (3) the payback period could be extended to over 100 years or never, depending upon the Air Force's ability to contain one-time closure costs and recurring costs of performing the AGMC mission after privatization.

Recognizing that projected closure costs have increased, in August 1994, the Air Force base closure group validated a Newark AFB/AGMC closure budget of \$62.2 million.¹¹ This amount is \$30.9 million more than the original projection of \$31.3 million. Almost all of the increase is attributable to the estimated \$30.5 million transition cost to convert from Air Force to contractor operation. According to Air Force officials, the original cost estimate only included costs associated with transferring and separating personnel under the base closure process and for transferring a limited amount of workload to other Air Force depots. They noted that DOD has no prior experience with privatizing a large, complex depot maintenance facility. Additionally, since the development of the closure and privatization option for AGMC was done quickly, the time available to identify all the factors and costs associated with this option at the time of the 1993 BRAC was limited.

We recomputed the payback period using DOD's 1993 Cost of Base Realignment Actions (COBRA) model.¹² We used the estimated nonrecurring costs validated by the Air Force in August 1994 (adjusted for inflation) and assumed that post-closure operations would result in \$3.8 million annual

¹¹The Air Force considered a range of closure costs from \$47 million to \$76 million before validating the \$62.2 million estimate.

¹²DOD uses the COBRA model to estimate the return on investment of its closure and realignment decisions. The cost model consists of a set of formulas or algorithms that use standard factors and base-specific data in its calculations. Each DOD component had its own set of standard cost factors derived from readily available information. Some factors are identical for each component because they are mandated by regulation or law or prescribed by policy.

savings as DOD originally projected in 1993. The model indicated that, with these costs and assumptions, the payback period would be over 100 years rather than 8 years as originally projected by DOD. However, DOD approved discount rate used in the COBRA model has been reduced from 7 percent in the 1993 BRAC process to 2.75 percent in 1995.¹³ Consequently, we adjusted the COBRA model to the revised discount factor—holding all other variables constant—and found the revised payback period to be 17 years. Achieving a 17-year payback is dependent on no further increase in one-time closure costs and achieving the \$3.8 million annual post-closure operational cost savings originally projected by DOD. Our work has determined that neither of these assumptions is likely because of significant cost uncertainties.

While the Air Force has recognized that an estimated \$62.2 million will be required as BRAC funded costs of closure, it also recognizes there will be additional one-time closure costs not funded by BRAC. For example, an estimated \$4.86 million will be needed to cover costs such as interim health benefits for personnel separating from government employment. Also, there will be environmental cleanup costs of some undetermined amount. Thus far, \$3.62 million has been identified for environmental cleanup.

As already indicated, we have also identified other potential closure costs that the Air Force has not included. One is the cost to acquire the right to provide data some equipment manufacturers consider proprietary to contractors expecting to bid on the AGMC maintenance workload. Proprietary rights involve the claim of ownership by equipment manufacturers of some unique information, such as technical data, drawings, and repair processes, to protect the manufacturer's market position by prohibiting disclosure outside the government. An Air Force official said cost estimates were submitted by four equipment manufacturers claiming proprietary rights, and these estimates were "absurdly high." While we cannot identify what these additional one-time costs will be, any unidentified costs push the payback period even further.

At the time AGMC was identified for closure and privatization, DOD estimated \$68.09 million annual cost for contractor operations and \$71.84 million in net annual savings in personnel and overhead

¹³COBRA algorithms incorporate a discount rate to calculate both the number of years required to obtain a return on investment and a 20-year net present value analysis. The source of identifying the appropriate discount rate is Office of Management and Budget Circular A-94, "Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs." In the 1993 BRAC, a discount rate of 7 percent was used, under the assumption that COBRA analyses were "base-case" benefit-cost analyses as defined by the circular. DOD determined that the approved discount rate associated with "cost-effectiveness" analyses should be used for the 1995 BRAC.

costs—resulting in an estimated annual savings of \$3.8 million. Recurring costs after AGMC closure and privatization probably cannot be determined with any degree of assurance until after contract negotiation and award. However, some Air Force officials have estimated that rather than achieving savings, annual recurring costs could actually exceed current costs of operations. For example, an Air Force Materiel Command (AFMC) memorandum noted that prevailing labor rates and private sector charges for similar items¹⁴ suggest that it will be difficult to keep the annual contract value the same as the current annual civilian salary—a key assumption in achieving the originally projected \$3.8 million annual savings.

An AFMC analysis determined that, assuming these costs are comparable, additional costs for profit and contract administration could result in post-closure operation costs exceeding the current operation costs by at least \$1.8 million. Additional costs for proprietary data and taxes could increase the post-closure operation costs by \$3.8 million annually.

A November 1994 AFMC memorandum informed system managers of increased funding requirements for AGMC workloads to cover anticipated increases in costs of operation under privatization-in-place. A December 1994 meeting of the Acquisition Strategy Panel confirmed the projected increases. For example, the projected fiscal year 1997 costs after privatization-in-place were about 107 percent higher than projected costs under government operation. Additionally, the projected costs of contractor operations for the 5-year period between fiscal years 1996 and 2000 were estimated to be over \$456 million more than previously estimated costs of government operations over that period.

Other Closure and Privatization Issues

Other privatization issues relate to (1) proprietary data claims, (2) the effect of the closure on excess depot maintenance capacity, (3) the impact of privatizing core workload, (4) the segmentation of the metrology and calibration mission, and (5) the transfer of AGMC property and facilities to the local reuse commission.

Proprietary Data Claims

The proprietary rights to technical data is unresolved for some workloads to be contracted out and could greatly increase the costs of privatization. In this case, when contractors have a legitimate claim of ownership, the

¹⁴Analysis by the transition program management office determined that for 230 Air Force items currently repaired at AGMC that also have repair history in the private sector, the contractor costs were generally 1.5 to 3 times higher than the AGMC cost.

government cannot make this information available to other private sector firms that compete for the AGMC maintenance workload. The amount of depot maintenance workload at AGMC that involves proprietary data, the extent to which owners of proprietary rights are willing to sell these rights to the government, or the potential cost of this acquisition have not been determined. Air Force officials noted they are investigating possible methods for the prospective bidders to gain the necessary data rights as part of their proposal. However, proprietary data problems have already contributed to the delay of several key program milestones, including preparation of the statement of work and acquisition and source selection plans, and are a potential barrier to the AGMC privatization.

Effect on Excess Capacity

The privatization of AGMC will not reduce excess capacity by the 1.7 million hours previously estimated if privatization-in-place is completed as currently planned. Since many of the systems and components currently repaired at AGMC are not repaired elsewhere, the AGMC depot maintenance capability does not generally duplicate repair capability found elsewhere. Where duplicate capability exists, consolidating like repair workloads and eliminating redundancies would be expected to generate economies and efficiencies. Currently, it is planned that almost all the AGMC capability will be retained in place for use by private contractors. The Air Force will retain ownership of depot plant equipment and the standards laboratory equipment, which AGMC accountable records indicate are valued at about \$326 million. With this arrangement, it is difficult to understand how DOD projects the elimination of 1.7 million hours of excess capacity.

Privatization of Core Workload

All of AGMC's maintenance workload has been identified as core work to be retained in government facilities. Since 1993, when the Air Force recommended that AGMC be closed and privatized, each of the services identified depot maintenance capability for which it was considered essential that this capability be retained as organic DOD capability—referred to as core capability.¹⁵ According to Office of the Secretary of Defense guidance, core exists to minimize operational risks and to guarantee required readiness for critical weapon systems. The Air Force determined that 100 percent of the AGMC depot maintenance workload is core. AGMC is the only Air Force depot activity having all its

¹⁵Core is defined by DOD as the capability maintained within organic Defense depots to meet readiness and sustainability requirements of the weapon systems that support the Joint Chiefs of Staff contingency scenario. Core depot maintenance capabilities are intended to comprise only the minimum facilities, equipment and skilled personnel necessary to ensure a ready and controlled source of required technical competence.

repair workload defined as core—with other depots' core capability ranging from 59 percent at Sacramento ALC to 84 percent at Warner Robins ALC. An AFMC memorandum noted some inconsistency in planning to contract out workload defined as 100 percent core, while continuing to support the need for retaining core capability in DOD facilities. However, the memorandum noted that the inherent risk of contracting out can be minimized if the workload is retained at AGMC as a result of privatization-in-place. Air Force officials stated that retaining government ownership of the mission-related equipment at AGMC is essential to controlling the risk of privatizing this critical core workload.

Segmentation of the Metrology and Calibration Mission

The current plan to retain part of the metrology and calibration mission to be performed by Air Force personnel while privatizing the standards laboratory function may be neither practicable nor cost-effective. We found that the standards laboratory function is generally the training ground where Air Force civilian personnel develop the skills they need to perform the other metrology and calibration functions that will be continued at AGMC as a government operation. We discussed this issue with personnel from both the Army and the Navy who maintain similar organic capabilities to support service metrology and calibration management functions. They noted that from their perspective, contracting part of this work while maintaining most of it as a government activity would not be desirable. Navy officials noted that 100 percent of their metrology and calibration program management personnel were formerly employed in the primary standards laboratory. Army and Navy officials stated that the experience and training gained from their prior work in laboratories was essential to performance of program management responsibilities.

We questioned the viability of having the Air Force interservice its metrology and calibration activities to the Army and/or the Navy, which have similar activities. Army and Navy officials said they believe it would be possible to combine the Air Force metrology and calibration function with that of one or both of the other services. Air Force officials said they considered interservicing but determined that neither the Army nor the Navy facilities meet the tolerances required for calibrating some Air Force equipment or have the capacity to assume the Air Force workload. Army and Navy officials stated that an existing memorandum of agreement among the three military departments provides that if one of the primary standards laboratories loses its capability, the remaining laboratories would assist in meeting calibration requirements. These officials said they

believe that interservicing or joint operations should be further considered by the Air Force.

Transfer of Property and Facilities to Local Reuse Commission

The AGMC privatization-in-place approach is based on transferring ownership of the Newark AFB/AGMC property and facilities, which the Air Force estimates to be worth about \$331 million,¹⁶ to the local reuse commission. To make this approach work, the Air Force must transfer ownership of the property and facilities at no cost or less than fair market value. Whether this transfer will take place is unclear since (1) the fair market value has not been determined and (2) agreements as to the cost of the property or means of payment and as to whether the reuse commission is willing to assume responsibility for operating the property and facilities have not been reached. To effect property transfer at below estimated fair market value, the Secretary of the Air Force must explain the cost and approve the transfer. Air Force officials noted that, pending results of the environmental impact analysis, they expect to convey the property through an economic development conveyance with very favorable terms to the local reuse commission.

A local reuse commission official told us that until recently the commission believed the Newark AFB/AGMC property would be transferred to the commission at no cost. The official noted that it is questionable whether the commission will be interested in acquiring the property under other conditions.

Recommendation

DOD historically has encountered difficulties in trying to close military bases. This makes us reluctant—absent very compelling reasons—to recommend that DOD revisit prior BRAC decisions. However, we believe that the problems being faced in implementing this decision are of such an unusual nature to warrant revisiting the planned closure and privatization of AGMC. Therefore, we recommend that the Secretaries of the Air Force and Defense reevaluate, as a part of the ongoing BRAC 1995 process, both DOD's 1993 recommendation to close Newark AFB/AGMC and the Air Force's approach to implementing the closure decision through privatization-in-place.

¹⁶This amount does not include the value of the mission-related depot plant equipment and the standards laboratory equipment, which will be retained as government-owned equipment.

Scope and Methodology

Part of the work on this assignment resulted from our ongoing effort to review various depot maintenance issues, including an analysis of the status of DOD's efforts to implement depot closures resulting from prior BRAC decisions. We completed work for this report in December 1994. Our work was performed in accordance with generally accepted government auditing standards. We discussed a draft of this report with agency officials and have included their comments where appropriate. Our scope and methodology are discussed in greater detail in appendix I.

We are sending copies of this report to the Director, Office of Management and Budget; the Secretaries of Defense and the Air Force; and other interested parties. We will make copies available to others upon request.

(Please contact me at (202) 512-8412 if you or your staff have any questions concerning this report. Major contributors to this report were Julia Denman, Assistant Director and Project Director, and Frank Lawson, Deputy Project Director.



Donna M. Heivilin
Director, Defense Management
and NASA Issues

Scope and Methodology

You asked us to review how the Department of Defense (DOD) is managing various issues related to the closure of depot maintenance activities, including (1) the allocation of workload that is currently being performed at these activities, either to DOD activities or to the commercial sector; (2) policies and procedures for the disposition of equipment at these activities; (3) policies and procedures to provide the existing workforce opportunities for employment; (4) the potential for conversion of these activities into commercial repair activities; and (5) an update of DOD's estimates for closure costs and savings as a result of implementing prior Defense Base Closure and Realignment Commission (BRAC) decisions for depot closures.

We discussed the Newark Air Force Base closure and privatization of the Aerospace Guidance and Metrology Center (AGMC) with Air Force officials responsible for implementing the BRAC decision at AGMC, Air Force Materiel Command (AFMC), and Air Force headquarters. We also (1) discussed estimated closure costs and savings with Air Force officials at various locations and (2) toured the AGMC facility, conducting interviews with center personnel and reviewing historical and evolving documentation. In addition, we contacted Defense Contract Management Command, Defense Contract Audit Agency, and AFMC contracting personnel for contract-related information and Army and Navy metrology officials responsible for the primary standards laboratories to obtain information on their capability to maintain the AGMC metrology workload and their views on privatizing part of the metrology functions while continuing to keep the management function as a government operation.

We analyzed laws, policies, and regulations governing core capability and Office of Management and Budget Circular A-76 and Policy Letter 92-1 for information on inherently governmental functions. To assess the impact of the increase in the estimated cost of closing Newark AFB/AGMC, we used the 1993 Cost of Base Realignment Actions model to calculate the closure and relocation cost payback period.

In conducting this review, we used the same reports and statistics the Air Force uses to monitor the cost of closure and estimate the recurring costs associated with AGMC privatization. We did not independently determine their reliability.

DOD Criteria for Selecting Bases for Closure or Realignment

| Category | Criteria |
|----------------------|---|
| Military value | The current and future mission requirements and the impact of operational readiness of DOD's total force. |
| | The availability and condition of land, facilities, and associated airspace at both the existing and potential receiving locations. |
| | The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations. |
| | The cost and manpower implications. |
| Return on investment | The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment. |
| Impacts | The economic impact on communities. |
| | The ability of both the existing and potential receiving communities' infrastructure to support forces, missions and personnel. |
| | The environmental impact. |

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



CLOSE HOLD

8 AUG 1994

(BRAC)
MEMORANDUM OF MEETING

SUBJECT: Summary of Meeting with the Director - 18 and 19 July 1994

I. PURPOSE: To gain the Director's approval of the Defense Contract Management District (DCMD) Concept of Operations previously accepted by the Base Realignment and Closure (BRAC) Executive Group. Enclosure 1 is a list of attendees. The briefing charts are at enclosure 2.

II. BACKGROUND: DLA is not directly identified in the DoD Force Structure Plan. Therefore, Concepts of Operations for each of the major business elements are used to translate between the DoD Force Structure Plan and DLA's operations. Each Business Area Concept of Operations is the basis of Military Value analysis.

III. BRIEF SUMMARY OF DISCUSSION:

A. The meeting was interrupted by a teleconference in which the Director had to participate. The meeting resumed at 1600 on 19 July 1994.

B. The DCMD Concept of Operations focuses on the value the DCMDs add to Contract Management operations. While the DCMDs provide many types of centralized support to the Area and Plant Representative Offices, their main function is command and control. The number and geographical dispersion of Area and Plant Representative Offices require some sort of intermediate oversight.

C. Several structural options were discussed at length. The emphasis must be on core functions. Support service can be "bought" in whatever manner makes the most sense. The BRAC analysis process will evaluate actual capacity and allow objective exploration of options.

IV. CONCLUSIONS: Some span of control mechanism is necessary for such a dispersed operation. Efforts to identify and concentrate on core command and control functions must

CLOSE HOLD

106033

DLA STAFF SUMMARY SHEET

| | |
|--|-----------------------------------|
| SIGNATURE (Grade, Surname, and Date) | DATE |
| Coord 4/12/94 | |
| Coord 4/12/94 | ORIGINATOR (Office Symbol) |
| Coord 5/20/94 | MMSB |
| Coord 5/28/94 | TELEPHONE EXTENSION |
| LAWRENCE P. FARRELL, JR. Major General, USAF Principal Deputy Director | 47975 |
| | ACTION OFFICER (Include Initials) |
| | CAPT W.D. Orr, SC, USN |
| | ESO CONTROL NO./SUSP. DATE |
| | None |
| | 9 AUG 1994 |

SUBJECT
Concept of Operations for Supply Management

SUMMARY

1. PURPOSE. To obtain approval of the Supply Management concept of operations for the Defense Supply Centers (DSCs) for use in the Base Realignment and Closure (BRAC) 95 process.

2. FACTS.

a. The DLA BRAC Office has requested a concept of operations for the DLA activity categories (e.g., DSCs) being reviewed for BRAC 95.

b. The concept of operations will be used as a "model" for evaluating potential DSC realignment(s) and/or closure(s).

c. The concept of operations was presented at the 18 Mar 94 BRAC Executive Group (BRACEG) meeting and subsequent recommended changes were re-briefed on 12 Apr 94 to the BRACEG. The concept of operations was briefed again to DLA-D on 20 May 94.

3. DISCUSSION.

a. The DSCs mission and business functions will not radically change from what they are today. In view of a reduced Force Structure Plan and a greatly reduced funding environment, the way these functions will be performed will significantly change. This will ensure efficient and effective flexible peacetime and combat service support for readiness and sustainability. It will also ensure that DLA is the continued provider of choice by providing readiness at reduced costs to help offset programmatic cuts.

b. Information technology will be utilized to electronically link geographically separated DSCs/functions, so that some/many/all functions may operate as a single "logical" organization. This will facilitate evolutionary opportunities for interactive workload transferring for surge or backlog workload capability, consolidation or centralization of command and control for functions, and/or executive agent performance of functions. Functional business process improvements and benchmarking will be continuously applied to reduce operating costs and redundant or inefficient overhead operations, as a strategy to accommodate personnel reductions, as well as minimize risks of a changing dynamic DoD environment.

c. A quality of life environment attracting logistics expertise, use of multifunctional teams, rightsizing, and performance measurement will be emphasized as some of the strategies for meeting customer requirements at reduced cost.

4. RECOMMENDATIONS. That the Director approve/sign the enclosed concept of operations for Supply Management (TAB A).

1 Encl
- 1 - Concept of Operations (TAB A)

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



CLOSE HOLD

9 AUG 1994

MEMORANDUM OF MEETING

SUBJECT: Summary of Meeting with the Director - 7 and 8 July 1994

I. PURPOSE: To gain the Director's approval of the Defense Supply Center Concept of Operations previously accepted by the BRAC Executive Group. A list of attendees is enclosure 1. Briefing Charts are at enclosure 2. The revised narrative Concept of Operations is enclosure 3.

II. BACKGROUND: DLA is not directly identified in the DoD Force Structure Plan. Therefore, Concepts of Operations for each of the major business elements are used to translate between the DoD Force Structure Plan and DLA's operations. Each Business Area Concept of Operations is the basis of Military Value analysis.

III. BRIEF SUMMARY OF DISCUSSION:

A. Wide-ranging discussion of the organizing concept which should frame the Agency's approach to item management into the twenty-first century exceeded the time available on 7 July. The meeting resumed at 1400 on 8 July 1994.

B. It was agreed that whatever organizing principles the Agency adopted should, first of all, make sense to the customer. From the customer's perspective, structuring material management around the intended use (i.e., weapon systems support and troop/general support) of the item would make more intuitive sense than structuring around the processes by which the various items were managed. Commodity Business Units are the basic building blocks of the organization, continuing the Agency's focus on weapon system support while positioning the Agency to adapt rapidly to changing workload and requirements.

IV. CONCLUSION: The Director concluded that the Defense Supply Center Concept of Operations, as revised, made management sense and was likely to increase the efficiency of

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9 AUG 1994

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SUBJECT: Summary of Meeting with the Director - 7 and 8 July 1994

operations regardless of the outcome of the BRAC analysis process. The Concept is also broad enough to allow future/follow-on decisions based on what makes sound business sense. Therefore, the Concept of Operations was approved as revised.

3 Encl


Cathy Ann Kelleher
M. V. McMANAMAY
Team Chief
DLA BRAC


GARY S. THURBER
Deputy Director
(Corporate Administration)


LAWRENCE P. FARRELL, JR.
Major General, USAF
Principal Deputy Director

CLOSE HOLD



Federal Managers Association

CHAPTER 208
DEFENSE INDUSTRIAL SUPPLY CENTER
700 ROBBINS AVENUE
PHILADELPHIA, PA. 19111

24 MAR 1995

Mr. Barry Holman
General Accounting Office

Dear Mr. Holman:

Representing the Defense Industrial Supply Center Federal Managers Association, it was a pleasure speaking to you Tuesday, 22 March 95. Having read your report GAO/NSIAD-95-60 Cost Growth and Other Factors Affect Closure and Privatization, combined with our experience with your analysis in BRAC 93, we felt that your objective, analytical assessment of the DLA proposal would provide a much needed sanity check to their recommendation.

Similar to the findings in subject report, we believe the current DLA BRAC analysis is suspect for a variety of reasons.

The justification to close DISC is not clear while the implementation scenario grossly understates the cost and readiness impact of such an action. In BRAC 93 DLA concluded that mass migration of items was too risky and imprudent (see attached), yet two years later the implementation scenario recommends moving approximately 2.4 million items among DLA Centers. Add to that volume of movement a Consumable Item Transfer (CIT II) of approximately 280K items from the Military Services to DLA, we would find ourselves with a logistics transfer of almost 2.7 million stock numbers (See attached chart). Moving items is not simply an electronic process. Physical labor is required of the losing activity to package historical hard copy data, technical drawings and ancillary records. The receiving activities will also incur costs to re-establish the management records and build technical expertise. Continued human communication and interaction between functional experts in all disciplines, will still be required even after the transfer. This continued dialogue is a mandatory element to come up to full operational capability. This post transfer effort we believe, is not included in the cost estimates.

Based on actual service ICP cost data, the cost of migrating items using the total number of items placed in motion under the plan, could exceed \$313 (excluding Consumable Item Transfer from services). This migration process cost does not include the negative impact on material availability and readiness incurred in such a mass migration even if it is spread out over several years. Our previous history with CIT Phase I and migrating Federal Stock Classes 1560/1680 to Defense General shows a degradation in service support.

We concur with DLA's 1993 position that this is simply a bad idea!

Another cost discrepancy apparently overlooked is the fact that under this plan DLA will maintain the Defense Personnel Supply Center compound for a period of 2 years to offset military construction costs to move DPSC to the DISC facility as decided in BRAC 93. The cost of keeping DPSC open for an additional 2 years seems not to have been included in the cost evaluation. The estimated cost of extending the facility over this period is approximately \$154M (FY-94 dollars).

The major factor in the DOD decision for closure and realignment is military value. The primary criteria for evaluating such decisions is what impact they have on operational readiness of DoD's total force. Based on BRAC disclosure documents, DLA ran their proposed realignment model on three separate occasions: 5 Dec 94, 29 Dec 94 and 5 Jan 95. In the DLA spreadsheet analysis of military value (attached) some interesting observations are evident.

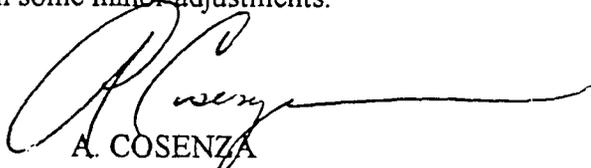
In the 5 Dec 94 computation, DISC scored second to DCSC in total points. In the 29 Dec 94 computation, once again DISC scored second but with significant changes to the scores of DGSC, the largest being a 29 point increase in the category of additional mission but without taking into consideration additional personnel. The 5 January computation saw a substantial increase in scores for both DGSC and DCSC but a scoring decrease to DISC. The big change occurred in the area of base operating costs and personnel costs. Under the revised computations, DISC's score, however, decreased from 171 to 162 points. This change resulted in a 25 point deficit placing DISC with the lowest military value rating.

Aside from the point changes, however, significant dollar changes were also obvious. As an example, DGSC's total operational costs decreased \$94M between 15 Dec and 30 Dec. The cause was not explained. An interesting audit trail exists which documents at least seven letters and phone calls to DGSC requesting additional data to reach this final conclusion. DISC, on the other hand, was apparently never provided the same opportunity. In looking at the comparative center data now, DISC questions the calculation of the % of non-DoD paid equivalents. How did the other centers come up with their numbers? DISC may have misinterpreted what was being asked. There is also an indication that the number of people forecasted to accept an additional 1.068 million items to DGSC is grossly understated.

Another major area not addressed is comparative center performance relative to readiness. Although DISC manages the largest percentage of weapons systems items, provides the single largest source of supply for major industrial customers, provides the highest level of support to those military sensitive items and gains weapons management synergy by being collocated with a Navy secondary spares manager (ASO), none of these elements appears in the computation of military value. Some relevant data is enclosed. This appears to be in direct conflict with DoD readiness criteria cited above. This synergy

between DISC and ASO was highlighted in BRAC 93 and is pivotal in our customer support. For example we currently have joint contracts in place with ASO covering more than 200 items and \$30M dollars. Proximity and a similar weapons orientation between ASO and DISC has accrued savings in both readiness and investment dollars and is prominently cited in attachment of the BRAC 95 Navy analysis yet omitted from DLA considerations. This type of synergy between a Service ICP and a DLA ICP does not occur between a DLA ICP and a Distribution Depot. The real logistics savings are in integrated acquisition and planning between ICP's. In fact, both DLA's Corporate Strategic Plan and performance plan emphasize a decrease in depot inventory and cost due to Buy Response Vice Inventory efforts, obviating any special synergy between ICP and Depot,

Overall, there appears to be numerous discrepancies that are evident in the analysis, both quantitative and qualitative. Under military value criteria the bottom line to any BRAC movement is the impact to total force readiness. The scenario created by DLA is highly susceptible to negative readiness impacts. DLA itself recognized this in BRAC 93 and wisely chose to avoid this radical movement of items. The net result of risking this potential support impact is a suspect MILCON savings and 408 jobs that are taken as benefit to this scenario. It is unclear however, how these 408 savings occur since the majority come from Columbus and may be commingled with BRAC 93 savings of the DCSC/DESC merger. We hope you can add a rational, objective assessment to a recommendation which in our opinion was a poor business solution to an economic problem which can be solved with a much less destabilizing process not the least of which is sustaining the BRAC 93 scenario with some minor adjustments.


A. COSENZA
Federal Managers Association

ROBERT A. BORSKI
13 DISTRICT, PENNSYLVANIA

COMMITTEES:
TRANSPORTATION
AND INFRASTRUCTURE
CONGRESS OF THE UNITED STATES
STEERING COMMITTEE ON
DEFENSE RESOURCES AND ENVIRONMENT

STEERING COMMITTEE
REGIONAL WHIP

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March 23, 1995

Honorable Alan Dixon
Chairman
Defense Base Closure and Realignment Commission
1700 North Moore Street, Suite 1425
Arlington, VA 22209

Dear Mr. Chairman:

I am writing to express my deep concern about the future of the employees at the Defense Industrial Supply Center (DISC) in Philadelphia under the Defense Logistics Agency's (DLA) recommendation to "disestablish" the activity in the 1995 round of defense base closures.

In its recommendation, DLA claims that the action will result in a loss of only 385 direct jobs at DISC. However, upon further investigation of this matter, I have discovered that the jobs of all of the more than 1800 people currently employed at DISC are in jeopardy. It is my understanding that, after DISC is disestablished, the current employees at DISC will have no right of placement or transfer of function entitlement in any job within the DLA's Inventory Control Points (ICPs).

In 1993, the Base Closure Commission overturned the Department of Defense's recommendation to close DISC, as well as the Aviation Supply Office (ASO) and the Defense Personnel Support Center (DPSOC). The Commission recognized that the true military value of these facilities was the people and their skills and experience that maintain our nation's readiness. Despite this decision, the DLA has once again recommended an action that jeopardizes the entire workforce at DISC.

The arguments we made two years ago -- and the Commission ultimately accepted -- certainly still apply today. The disruption of the DISC workforce would have a serious impact on their ability to provide our armed forces with the highest level of service at the lowest level of cost. These employees have been "reinventing government" long before Vice President Al Gore began implementing his reforms, and have been recognized with numerous awards and citations. Instead of disestablishing DISC and its workforce, DLA should hold them up as a model of efficiency for other government agencies to replicate.

I am puzzled as to why DLA chose to disestablish DISC among the four DLA ICPs. DISC manages 34.5 percent of all DLA hardware ICP items used on one or multiple weapon systems, and processes 40 percent of all military customer requisitions forwarded to the four DLA hardware ICPs. Yet DLA recommended relocating DISC's weapons-coded workload to the Defense General Supply Center (DGSC), which currently manages the lowest amount of weapons-

March 23, 1995

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coded workload of the DLA hardware ICPs. Instead, DLA should seek to consolidate its weapons-coded workload at the ICPs that are currently managing the highest amount of weapons-coded workload in the most efficient manner. DISC is also collocated with a Navy weapons management ICP and a weapons engineering facility, combining for an impressive on-compound logistics pool of expertise and people.

DISC currently has proportionally the highest number of requisitions from military customers, yet provides the highest level of support of all hardware centers. DISC currently has the lowest number of chronic below goal systems and provides much better availability to weapon systems items than the other hardware ICPs.

DISC has also achieved synergies with ASO that would be permanently lost through "disestablishment." These multi-service interests are due to the direct relationship between DISC commodities managed and the ASO mission.

In short, any savings DLA hopes to achieve by disestablishing DISC will be more than lost in the reduced efficiencies that will result from the dismantlement of this skilled workforce. Their skills and experience are critical not only to the readiness of our armed services, but also to our efforts to downsize government and save the taxpayer money.

Since the DLA announced its recommendation, I have been working with Mayor Ed Rendell and representatives of DISC employee organizations to develop a more cost-effective alternative that preserves DISC as a weapons-system ICP and maintains most of its current skilled workforce. We believe that such an alternative would allow DLA to achieve its concept of operations without disrupting a major segment of its ICP workforce.

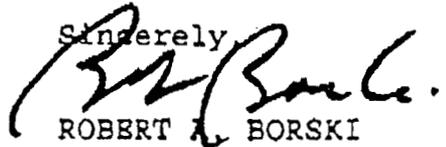
The alternative we are developing would transfer DISC's general support activities to DGSC and DGSC's weapons systems activities to DISC. This would allow DLA to maintain two weapons systems ICPs (DISC and the Defense Construction Supply Center in Columbus, OH), one General Support ICP (DGSC) and one Troop Support ICP (DPSC). To achieve further savings, DISC, DPSC and ASO could be consolidated under one base operating support structure in order to maximize synergies among the three facilities. This alternative would save money with minimal disruption of DLA's ICP workforce and limited customer impact.

Once our alternative is fully developed, we will provide the Base Closure Commission with more detail and supporting data. In the meantime, please do not hesitate to contact me or my staff with any questions you may have.

March 23, 1995
Page 3

Thank you in advance for your attention to these important matters. I look forward to hearing from you in the near future.

Sincerely,



ROBERT A. BORSKI
Member of Congress



LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY
REFER TO MMSX

March 31, 1995

Honorable Robert A. Borski
House of Representatives
Washington, DC 20515

*Carefully worded -
Attempt to "disarm"
the politicians.*

Dear Congressman Borski:

I share your concerns for the DLA workforce in Philadelphia. I am also deeply troubled by the inaccurate perceptions that characterize the DLA BRAC recommendation as resulting in a total loss of jobs for the people of DISC. That will definitely not be the result, nor has it ever been our intention. My staff recently met with your staff to clarify our BRAC recommendations and the potential impact on the Philadelphia workforce. I hope the information contained in this letter ameliorates your concerns and helps to further clarify our intentions for the Philadelphia workforce. You have my personal assurance that these loyal and skilled men and women will not be forgotten or set aside in our planning.

Our concept of Inventory Control Point (ICP) operations separates the management of weapon system-type items and commercial items. Several options were analyzed, with one of the highest pay-off options being the establishment of a single weapon system ICP in Columbus, OH and a single commercial support ICP in Richmond, VA. This option was not chosen because of the inordinate risk associated with concentrating management of over 70% of the almost 4 million items we're responsible for in one location. Instead we opted for a less risky, lower pay-off alternative: the recommendation the Secretary of Defense forwarded to the BRAC Commission. That recommendation creates two weapon systems support ICPs, one in Richmond VA and the other in Columbus OH, and a single troop and general support ICP in Philadelphia, PA. Philadelphia was selected as our commercial center because, among other things, it has developed outstanding expertise in executing commercial practices and support arrangements over the last five years. The result is a worst case net loss of 385 military and civilian jobs in Philadelphia.

Our ICP business is on a steep decline as military force structure is being radically cutback due to budgetary constraints. Both DPSC and DISC will shrink in size at approximately 4% per year through 1999. This reduction is simply a reflection of the dwindling workload and as such is totally unrelated to BRAC. In 1999 we expect the Philadelphia workforces of both DISC and DPSC to be about 1500 each; with the reduction being attained, to the maximum extent possible, through workforce buyouts and normal retirement / attrition.

Due to the enormity of the effort involved in implementing our recommendation we have always intended that the workload transfers be phased over several years. We have also determined that we can gain some advantages by initially transferring the general support items to DISC because

MMSX PAGE 2
Honorable Robert A. Borski

of operating and computer system similarities. Although these items will eventually migrate to the Troop and General Support ICP, the workload being transferred into Philadelphia is expected to generate approximately 1100 job opportunities for the DISC workforce. In addition, the ICPs at Richmond and Columbus will be seeking to hire some of the inventory management and procurement professionals from DISC. The vacancies created by those Richmond and Columbus job offers, coupled with the vacancies created by anyone in DPSC who decides to retire or resign rather than move from South Philadelphia to North Philadelphia should provide job opportunities for many, if not all, of the remaining 300 to 400 DISC employees. It also stands to reason that the population of items managed by the Troop and General Support ICP, and thus the employment opportunity, will most likely grow over time as acquisition reform moves us further and further away from military unique specifications.

*not
the
same
#*

I am personally committed to taking care of our highly valued ICP workforce. My recent experience with other DLA ICP consolidations suggests that we will be able to accommodate all those employees desiring to transfer. While the situation is not exactly the same as Philadelphia, the analogy is still valid. I intend to manage the personnel situation in Philadelphia in the same manner; concerned with, and sensitive to, the impact of BRAC decisions on all DLA employees.

I am available to answer any additional questions you may have.

Sincerely,

and with my respect,

Ed Straw

EDWARD M. STRAW
Vice Admiral, SC, USN
Director

4/5/70

PROPOSED CONSOLIDATION OF COMPOUND ADMINISTRATIVE SUPPORT FUNCTIONS

BY CONSOLIDATION OF THE THREE LARGER COMPOUND ACTIVITIES (DISC/DPSC/ASO), WE ESTIMATE A 2/3 REDUCTION IN SUPERVISORY/HIGH GRADE POSITIONS AND AN ADDITIONAL 10% REDUCTION IN OVERALL STAFFING - AMOUNTING TO A SAVINGS OF APPROXIMATELY 114 POSITIONS - OR 4.4 MILLION.

IF OTHER COMPOUND ACTIVITIES JOIN IN THIS CONSOLIDATION, SAVINGS WOULD INCREASE ACCORDINGLY.

400 -
DPSC DPSC - 100
ASO - 200
8 350
DPSC 100
450

CONSOLIDATION OF COMPOUND ADMIN/SUPPORT FUNCTIONS

| FUNCTIONS | PRESENT ORGANIZATION | | | END OF FY-99 | END OF FY-99 | END OF FY-99 | OPI | PROPOSED ORGANIZATION | SAVINGS | |
|-----------------|----------------------|-------------|-------------|-----------------|-----------------|-----------------|-----|--------------------------|---------|---------|
| | DISC | DPSC | ASO | DISC | DPSC | ASO | | | SPACES | DOLLARS |
| HUMAN RES | | 103 | 51 | | | | DLA | | | |
| OTIS | 84 | 125 | 156 | | | | DLA | | | |
| CORP COMM | 6 | 9 | 8 | | | | ASO | | | |
| EEO | 6 | 8 | 6 | | | | ASO | | | |
| SECURITY | 8 | 35 | 12 | | | | ASO | | | |
| H & S | | 17 | 6 | | | | ASO | | | |
| FACILITY | 42 | *157 | 150 | | | | ASO | | | |
| RES MGT | 83 | 71 | | | | | DLA | | | |
| ACCTG/FIN | 21 | 33 | | | | | DLA | | | |
| LEGAL | 16 | 34 | | | | | OGC | | | |
| SMALL BUS | 7 | 11 | | | | | S B | | | |
| TOTAL | 273 | 603 | 389 | **223 | **397 | **318 | | | | |
| AMOUNT | | | | | | | | | | |
| CIVILIAN | 1825 | 2424 | 1871 | 1488 | 1589 | 1589 | | | | |

*DPSC facilities includes contract distribution as well as mail

**Ratio of present support functions applied to total DISC/DPSC complement for FY-99 (DISC-15%) (DPSC-25%) (ASO-20%)

Note: FY-99 Staffing based on assumption that all activities take a 4% reduction thru end of FY-99

