

ANAL

A

ANALYSIS

NAVSEA RELOCATION

WHITE OAK V. WASHINGTON NAVY YARD

Prepared by:

White Oak Task Force
of Montgomery County

Honorable Douglas M. Duncan
County Executive

Honorable Michael L. Subin
Task Force Chairman

Karalekas & Noone
Washington Representatives
(202/466-7330)

June 19, 1995

June 18, 1995

NAVSEA RELOCATION

ONE-TIME COST

| | NAVY | MONTGOMERY COUNTY |
|---|---|---|
| NAVSEA TO WNY | \$150.0M Milcon <u>10.5M</u> Other \$160.5M | \$174.5M Milcon <u>10.5M</u> Other \$185.0M |
| NAVSEA TO WO | \$133.4M Milcon <u>24.5M</u> Other \$157.9M | \$100.3M Milcon <u>24.5M</u> Other \$124.8M |
| ADDITIONAL COST TO MOVE NAVSEA TO WNY | \$ 2.6M | \$ 60.2M |

EXPLANATIONS:

- | | |
|--|-------------------------------------|
| 1. COBRA does not include cost of NAVSEA pro-rata share of full implementation of WNY master plan. | \$ 9.8M |
| 2. COBRA does not include milcon for additional 752 parking spaces at WNY. | 9.0M |
| 3. COBRA fails to include \$5.7M for 500 parking spaces, as stated in certified data. | <u>5.7M</u> |
| | Additions to WNY milcon \$24.5M |
| 4. COBRA overstates milcon for NAVSEA at White Oak. | Reduction to WO milcon <u>33.1M</u> |
| | Total milcon difference \$57.6M |

June 18, 1995

NAVSEA RELOCATION

RECURRING COSTS/SAVINGS

| | NAVY | MONTGOMERY COUNTY |
|----------------|--|--|
| NAVSEA TO WNY | \$12,491K Misc. | \$12,491K Misc. |
| NAVSEA TO WO | \$18,423K Misc. \$ 4,117K Civilian Salaries | \$12,861K Misc. \$ 3,405K Civilian Salaries |
| SAVINGS AT WNY | \$10.1M | \$3.8M |

EXPLANATIONS:

1. Navy has given no justification for increase in civilian salary savings at WNY. \$.7M
 2. COBRA does not include WO income from tenant activities; amount is documented in "Economic Analysis of Headquarters Space for Naval Sea Systems Command," NAVFAC, April 25, 1994, cited as source document for WO recurring costs in scenario in BRAC 95 scenario development data call. 3.0M
 3. Misc. costs include \$1.7M for "daytime cleaning" at WO: \$29K at WNY; Navy explanation is not supported by facts. \$1.5M
 4. Navy used different approaches for calculating recurring costs: lease cost approach for WNY; cost-by-cost listing for WO. Using WNY lease cost numbers for WO reduces facilities maintenance/utilities/security costs by \$1,062K. \$1.1M
- Total \$6.3M
5. Calculations do not take into account savings at WO from operating efficiencies realized by collocating NAVSEA with key facilities and by collocating SEA 08 at Navy Annex.

June 18, 1995

SUMMARY NAVSEA RELOCATION

| | NAVY | MONTGOMERY COUNTY |
|--------------------------------|-----------|----------------------|
| ONE-TIME COST NAVSEA TO WNY | \$160.5M | \$185.0M |
| ONE TIME COST NAVSEA TO WO | \$157.9M | \$124.8M |
| ADDED COST FOR WNY | \$2.6M | \$60.2M |
| RECURRING SAVINGS AT WNY | \$10.1M | \$3.8M |
| ROI | IMMEDIATE | 16 YEARS |

OTHER WO ADVANTAGES:

- Quality of life
- Expansion room

KEY CONSIDERATION:

Moving NAVSEA to WO opens up WNY for SPAWAR, reducing SPAWAR moving costs by \$10-12M (vs. San Diego move).

Document Separator

**FULL IMPLEMENTATION OF MASTER PLAN
FOR WASHINGTON NAVY YARD**

Issue

Navy COBRA for moving NAVSEA to WNY includes no cost for full implementation of Master Plan for WNY. Community believes NAVSEA share of cost of such implementation is \$9.8 million.

Discussion

Planning/engineering consultant for community (Loiederman Associates, Inc.) has estimated NAVSEA share (42%) of full cost of implementation of Master Plan for WNY. The cost attributable to NAVSEA is \$9,831,504. Summary of costs is attached (Attachment A-1). Documentation was provided to BRAC staff on May 30, 1995.

Navy position is summarized in letter of June 14, 1995, to Senator Paul Sarbanes from Charles P. Nemfakos, vice chairman, Base Structure Evaluation Committee (Attachment A-2). Navy states that costs required by the Master Plan cannot be BRAC costs because (i) the Master Plan and related Environmental Assessment (EA) were developed before BRAC 93 and 95 and (ii) the listed initiatives are "get well projects."

Community Position

It is an artificial distinction to argue that since the Master Plan and related EA predate BRAC 93 and 95, they should have no cost impact on BRAC 95. The fact is that the Master Plan contains numerous items identified as deficiencies in providing a satisfactory quality of life for employees. While the Navy may belittle the importance of such initiatives, the Master Plan makes it clear that these improvements are necessary to provide a suitable quality of life for 10,000 employees.

Attachment A-3 lists the primary objectives of the Master Plan, among them (#3) the creation of additional retail services to meet the needs of 10,000 employees. Elsewhere, the Master Plan catalogues the current limitations of numerous services "which are necessary to the function of the base." Chief among these are retail services, food services, recreational facilities and special services such as child care (see Attachment A-4). The Master Plan clearly contemplates an upgrading of these facilities as an integral part of the WNY's ability to accommodate 10,000 employees.

In sum, the improvements called for in the Master Plan are not just "nice to have" items. The plan states that, "The present deficiency of some uses necessary to the function of the Yard, such as retail and recreational services, and the increased demand for parking associated with growth, form the program for future development." (Emphasis added). (Attachment A-5). These are required expenses triggered by the increase to 10,000 employees that would be caused by moving NAVSEA to the WNY.

**FULL COSTS FOR IMPLEMENTATION
OF MASTER PLAN FOR WASHINGTON NAVY YARD**

- All estimates based on NAVSEA share (42%) of total costs
- Estimates based on assumptions used by Navy in calculating WNY milcon

| | |
|---------------------------------|---------------|
| ● Retail Center (Bldg. 46) | 1,417,500 |
| ● Recreational Facilities | 2,551,500 |
| ● Childcare Center | 914,000 |
| ● Cafeteria | 2,541,000 |
| ● Other | |
| -- Street Improvements | 328,524 |
| -- Curb and Gutter | 272,160 |
| -- Sidewalk Improvements | 594,720 |
| -- Landscaping of Major Streets | 114,513 |
| -- Street Lighting | 762,048 |
| -- Park Lighting | 124,740 |
| -- Low Voltage Path Lights | 3,024 |
| -- Waterfront Park | 52,080 |
| -- Willard Park Redevelopment | 96,705 |
| -- Ornamental Fencing | <u>58,590</u> |
| | 9,831,504 |

Total \$9,831,504



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

LT-0833-F16
BSAT/MG
14 June 1995

The Honorable Paul S. Sarbanes
United States Senate
Washington, DC 20510

Dear Senator Sarbanes,

This is a response to your letter dated June 5, 1995 that you sent to Mr. Dixon, Chairman, Defense Base Closure and Realignment Commission, concerning the Naval Sea Systems Command (NAVSEA) relocation to the Washington Navy Yard. I am responding for Mr. Dixon, as he requested.

The MILCON cost used by the Navy for White Oak in the redirect of NAVSEA to the Washington Navy Yard is the budgeted MILCON for White Oak, which was based on an in-depth engineering analysis of the entire White Oak complex. This analysis revealed extensive renovation is required. To use MILCON other than the amounts currently devoted by the Department to this effort at the cost of other programs would not be appropriate.

A MILCON estimate of \$149.9 million was used by the Navy in the redirect of NAVSEA to the Washington Navy Yard. This MILCON estimate includes \$7.3 million to construct 760 new parking spaces east of Building 197.

The gross square footage required for the MILCON project at White Oak is greater than that required at the Washington Navy Yard because overall the building configuration at White Oak is less efficient. The building efficiency factor at White Oak is a result of the particular circumstances of the site. The White Oak project for NAVSEA includes new construction, which is quite efficient, and a conversion of the existing NSWC laboratory buildings to offices. The existing buildings are highly linear in configuration and therefore less efficient. At the Washington Navy Yard the projected efficiencies are based on reuse of a number of large highbay industrial buildings by constructing new floor space within the building shell. In such buildings the ratio of occupiable space to support space is higher than can be achieved in smaller or more linear buildings. The less efficient space at White Oak produces increased gross square feet requirements for similar net square feet requirements used at both sites.

Although we do not hold the Master Plan for the Washington Navy Yard and the Environmental Assessment for the Washington Navy Yard Master Plan in our certified data base, we note in the information provided by the community to the Commission that these plans were approved in 1990 and 1992, respectively. Accordingly, both documents were developed and approved prior to BRAC 93 and BRAC 95. The listed projects appear to be "get well projects" for the Washington Navy Yard to fully urbanize a prior industrial complex. Therefore, these projects and associated costs are not base closure and realignment issues.

The \$24.4 million moving costs used in the COBRA is the budget estimate to move

NAVSEA to White Oak as reported in certified scenario data. This figure includes the costs of moving equipment, establishing communications networks, office moving, planning costs, and Permanent Change of Station Costs. The moving costs used in the redirect to the Washington Navy Yard are similar, both in category of cost and costs for each category. The major difference in the costs is the move to the Washington Navy Yard does not incur any Permanent Change of Station costs which is estimated to be \$8.8 million for the move to White Oak.

I trust this information satisfactorily addresses your concerns. As always, if I can be of any further assistance, please let me know.

Sincerely,



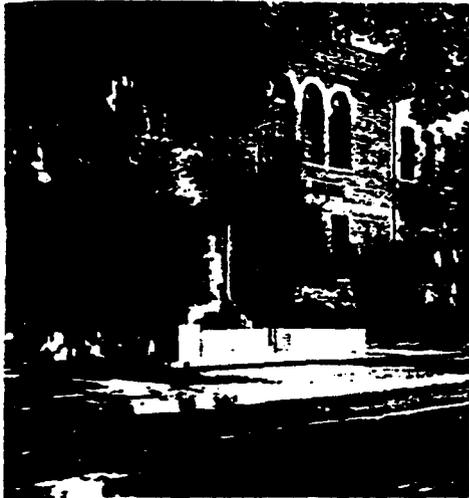
Charles P. Nemfakos
Vice Chairman,
Base Structure Evaluation Committee

1.3 Study Goals

The Washington Navy Yard Master Plan is intended to establish the framework for future development of the Yard. The primary objectives of the plan can be stated as follows:

- 1) To develop facilities to serve a maximum projected population of 10,000 administrative employees.
- 2) To reinforce the historic character of the Yard through adaptive use of existing buildings.
- 3) To create additional retail services for base employees, especially civilian personnel.
- 4) To develop an efficient vehicular circulation system with limited disruption to the existing road network or alteration of existing gates.
- 5) To provide parking to serve the projected population while limiting the impact of surface parking on the physical character of the Yard.
- 6) To enhance the public space throughout the Yard, especially along the waterfront.
- 7) To serve tourists visiting museums and displays on the base, with potential expansion of these facilities.
- 8) To respect the security requirements necessary for base operations.
- 9) To improve the overall character of the Yard consistent with its function as headquarters for Naval District Washington and the ceremonial center for the Navy.

These objectives reflect an overall goal to continue the transformation of the Navy Yard into an administrative office center while creating new amenities to serve the growing working population. The Navy has initiated this change in function through an on-going series of building renovation projects, but now has the opportunity to tie together individual projects into a comprehensive vision for the future of the Yard. This plan must define that vision and create a framework for its implementation.



3-2 Navy Credit Union

Services on base, such as the Navy Credit Union, are presently limited.

Despite this potential, several uses which are necessary to the function of the base are presently limited. Retail services for employees are now offered only within the Navy Exchange in Building 169. However, the Exchange is restricted to military employees, who currently account for approximately 15% of the total working population. Since employment projections are expected to continue at this ratio, the majority of employees will not be served by base facilities and therefore must go elsewhere for convenience shopping. These alternatives include the 8th Street retail area or possible future services within the Southeast Federal Center, both of which are removed from the center of the Yard. In addition to retail shopping, food services are also limited, with only two cafeterias and a carryout now serving the entire base. The lack of retail services on base and the physical isolation of the Yard therefore greatly restrict employees' retail opportunities and forces them to shop elsewhere for their needs. A primary goal of the Navy is to increase retail services for base personnel.

The balance of needs required to serve the Yard include expanded recreational facilities, additional parking and a continuation of several special services. Recreational facilities are presently scattered throughout the Yard and often do not include shower or changing rooms. In addition, the number of courts are not adequate for the projected population. Growth in the number of employees will also increase the number of parking spaces required on base. The Navy has initiated a program of parking garage construction to accommodate this increase, which will have the additional benefit of removing some surface parking spaces and improving the physical character of the Yard. Buildings currently designated for the Officers Club, Navy Band, Navy Credit Union, Chapel and CPO Club also serve the Yard and are not anticipated to change in function.

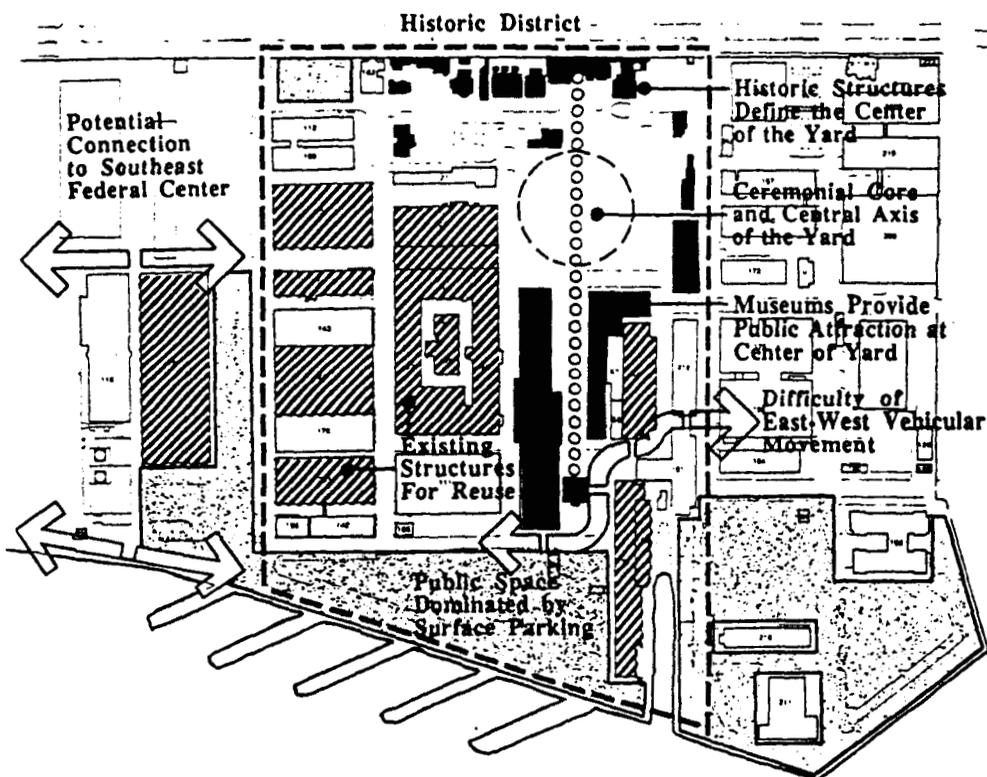
The employment level for the Washington Navy Yard has been set at a maximum development of 10,000 employees. This number has been established through past planning studies for the Yard, an analysis of the development potential of existing buildings to be converted, and regional considerations on the location of Navy personnel. The projected number is for employees located within the existing boundaries of the Yard between 6th and 11th Streets, and does not include the future conversion of Building 197. This property has recently been transferred to the Navy and a feasibility study is now underway to determine its potential reuse. Projections for retail services, parking, and recreation requirements are also based upon the 10,000 total employee population. A tabulation of existing building use, area and population is presented in the following table.

The opportunities and constraints which emerge from this analysis of existing conditions portray an area with a strong existing character and an exceptional opportunity to direct future growth which will enhance the use and design of the Navy Yard. The existing policy of renovation and reuse of historic structures is critical to the future of the Yard, but careful consideration must also be given to related improvements to the public space and allocation of uses throughout the base. The strategy of the master plan should be to reinforce the existing features of the Yard while directing growth to complement those features.

The forecast of 10,000 employees, up from the existing employment level of approximately 6,800 personnel, provides the Navy with an increase in employees which can contribute to the use and activity of the Yard but will not overextend the capacity of facilities on the base. The structures designated for conversion can accommodate this increase as their existing uses are relocated to Anacostia. The present deficiency of some uses necessary to the function of the Yard, such as retail and recreational services, and the increased demand for parking associated with growth, form the program for future development. The opportunity rests in their careful location and relationship within the overall development scheme of the Yard.

The physical character and natural features of the Navy Yard represent particularly strong assets upon which to build. The high-bay industrial buildings and other architecturally distinguished structures define a special sense of place, which is further recognized by its designation as an historic district. Open spaces such as Leutze Park and Willard Park, with their respective ceremonial and display functions, also contribute to the base character.

3.9 Opportunities and Constraints



3-27 Opportunities and Constraints

Document Separator

PARKING AT WASHINGTON NAVY YARD

Issue

COBRA fails to provide for 752 structured parking spaces that the certified data says are needed for NAVSEA at WNY. Cost: \$9,024,000. Further, COBRA should include an additional \$5,700,000 for parking as shown in the certified data.

Discussion

Certified data ("Answers to BSAT Questions NAVSEA HQ Scenarios") (Attachment B-1) clearly states that the "full parking requirement" for NAVSEA employees at WNY is based on one space for every two employees, or 2,082 spaces. However, the same document (Attachment B-2) shows milcon for only 1,330 spaces, leaving NAVSEA 752 spaces short. Using NAVSEA's FY97 cost assumptions of \$12K per structured parking space, this amounts to a cost of \$9,024,000.

Also, certified data shows a cost of \$5.7 million for "FY96 garage" (Attachment B-3). The certified data further indicates that the \$5.7 million is half the total cost. According to the Navy (C. Nemfakos letter to BRAC Chairman Dixon, May 22, 1995, Attachment B-4), the \$5.7 million is not included in the COBRA "since this is an existing requirement to support BRAC-93 relocations to WNY and must be completed regardless of whether NAVSEA moves to WNY."

Community Position

The Navy is engaging in slight-of-hand manipulations. Based on certified data, both the \$9 million for the 752 spaces and the omitted \$5.7 million must be included in the COBRA.

Regarding the 752 spaces, the Navy responded to questions from Maryland Members of Congress (Attachment B-5) by stating that 2,082 spaces is considered the maximum for NAVSEA regardless of location. The response then said a lower planning figure was used because of public transit and a "rich environment" for car pooling.

However, the 1992 EA for the WNY Master Plan showed that as of 1991, 65% of WNY employees commuted in single occupant autos (Attachment B-6). The EA and Master Plan project a lowering of this to 30%, but not until the year 2010. Thus, until 2010 and perhaps longer, a 1:2 ratio for NAVSEA will be required, not maximum. Also, the 1:2 ratio was cited in certified data in the context of a NAVSEA move to the WNY, where parking is a problem.

As for the omitted \$5.7 million for 500 spaces, the certified data specifically attributes that amount to NAVSEA. The certified data contradicts the Navy's assertion that this is a BRAC 93 requirement. The certified data shows NAVSEA and SPAWAR sharing the expense of a 1,000-space structure. Since SPAWAR is now relocating elsewhere, NAVSEA is the only reason for this parking.

ANSWERS TO BSAT QUESTIONS
NAVSEA HQ SCENARIOS
5-25-0535-070, 071, & 071A

I certify that the information contained herein is accurate and complete to the best of my knowledge and belief.

MAJOR CLAIMANT LEVEL

G. R. Sterner
Name

G. R. Sterner
Signature

Commander
Title

2-3-75 31695
Date

Naval Sea Systems Command
Activity

I certify that the information contained herein is accurate and complete to the best of my knowledge and belief.

DEPUTY CHIEF OF NAVAL OPERATIONS (LOGISTICS)
DEPUTY CHIEF OF STAFF (INSTALLATIONS & LOGISTICS)

W. A. EARNER

NAME (Please type or print)

W. A. Earner
Signature

Title

3/22/75
Date



DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND
2531 JEFFERSON DAVIS HIGHWAY
ARLINGTON VA 22242-5180

Attachment B-1, page 2

IN REPLY REFER TO

5000
Ser 09B/244
29 Nov 1994

Subj: MILCON ESTIMATES AND SPACE REQUIREMENTS TO NAVSEA
HEADQUARTERS RELOCATION SCENARIOS

Encl: (1) MILCON Cost Estimates
(2) NAVSEA Headquarters Space Requirements
(3) Certified NAVFAC Engineering Cost Estimates
(4) Certified NAVSEA 08 Engineering Estimates
(5) Point Paper on Engineering Cost Estimates (of 29 Nov)

1. This package provides you with the basic certified data that was used to calculate the MILCON estimates shown in each of the three NAVSEA Headquarters relocation scenarios:

ALT 1: 5-25-0535-070
ALT 2: 5-25-0535-071
ALT 3: 5-25-0535-071A

2. Enclosure (1) summarizes the buildup of the estimates shown in each scenario response. The certified data from both enclosures (3) and (4) was used in each case. Enclosure (2) summarizes the NAVSEA Headquarters space requirements for each of the scenarios. Again the certified data is found in enclosure (3) and (4).

3. Enclosure (5) provides you an explanation of the methods used by NAVFAC to calculate the various space requirements and costs.

4. My point of contact for this effort is Mr. William Bell on (703) 602-1195.

PETER F. BROWN

NAVSEA RELOCATION TO WASHINGTON NAVY YARD

Alternatives One and Two

Assumptions:

- o All BRACON costs are in FY98 dollars.
- o Personnel to be relocated:

| | |
|----------|--------------|
| NAVSEAHQ | 3752 persons |
| SEA 08 | 412 persons |
| | 4164 persons |

- o SEA 08 will occupy Navy Yard Buildings 219 and 220. Construction costs for these buildings are provided and certified by SEA 08.

- o Space requirements for NAVSEA without SEA 08:

| | | |
|-------------------------------|---|-------------|
| 3752 persons x 165 NSF/person | = | 619,080 NSF |
| Vending/cafeteria | | 8,000 NSF |
| Storage | | 6,000 NSF |

633,080 NSF

- o Storage space will be provided by the host (Naval District Washington) by incorporating that space requirement into a Supply facility to be built at Naval Station Anacostia. Requirement to be satisfied at the Navy Yard:

633,080 - 6,000 = 627,080 NSF

- o Net to gross conversion factors:

1.27 for Building 197, per 1980 Feasibility Study prepared by Cochran, Stephenson & Donkervoet, Inc., Architects. 78%

1.42 (70 percent efficient) for other office construction.

- o Full parking requirement for NAVSEA employees, based upon one space for every two employees:

| | | |
|----------|-------------|-------------|
| NAVSEAHQ | 3752 x .5 = | 1876 spaces |
| SEA 08 | 412 x .5 = | 206 spaces |

2082 spaces

FOOTNOTES for Alternative Two:

* Cost for Building 197 conversion includes:

| | |
|---|---------|
| Office construction (456,000 GSF x \$140) | \$63.8M |
| Demolition internal to building | 1.5 |
| Site development/surface parking | 1.7 |
| Unforeseen conditions | 1.0 |
| | <hr/> |
| Total without "basement option" | \$68.0M |
| | <hr/> |
| Basement option (which provides 29,500 NSF of space) | 9.0 |
| | <hr/> |
| | \$77.0M |

- ** FY96 Parking Garage = 1000 cars @ \$11.4M
 SPAWAR share = 50 percent of scope and cost, or 500 spaces
 and \$5.7M.

Estimated parking available for NAVSEAHQ:

| | |
|---------------------------------------|-------------|
| New garage east of Building 197 | 760 spaces |
| FY96 garage east of Officers Club | 500 spaces |
| New surface parking near Building 197 | 70 spaces |
| | <hr/> |
| | 1330 spaces |
| | <hr/> |
| | <hr/> |

Estimate of BRACON Costs for Alternative Two
(SPAWAR relocates to site outside NCR) *

| | NSF | GSF | Cost |
|---|----------------|----------------|-----------------|
| Convert Bldg. 197 to offices | 388,500 | 493,400 | \$77.0M* |
| Convert Bldg. 104 to offices | 111,000 | 158,000 | 22.1 |
| Convert highbay portions of Bldgs. 176/28/143 to offices | 110,000 | 156,200 | 21.9 |
| Convert one floor, Bldg.143 to offices | 17,000 | 25,000 | 2.2 |
| | <u>626,500</u> | <u>832,600</u> | <u>\$123.2M</u> |

Construct parking garages

760 spaces, east of Bldg.197

500 spaces, share of FY96 garage.**

9.5M

5.7M

\$15.2MStorage/relocation of NDW Supply Department
(Lump sum)

\$ 4.0M

Tele/data systems - Cost provided elsewhere.

Total for relocation of NAVSEAHQ, not
including SEA 08

\$ 142.4M



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20350-1000

Attachment B-4
LT-0740-F15
BSAT/MG
22 May 1995

The Honorable Alan J. Dixon
Chairman, Defense Base Closure
and Realignment Commission
1700 North Moore Street
Suite 1425
Arlington, VA 22209

Dear Chairman Dixon:

Responses to the five questions asked by Mr. Yellin of your staff, on May 3, 1995, concerning the NAVSEA, White Oak, and Washington Navy Yard recommendations, are attached.

The information provided comprises certified data obtained from the reply to a data call we issued specifically to enable our response to his query. In accordance with Section 2903(c)(5) of the Defense Base Closure and Realignment Act, I certify that the information described in the attachment is accurate and complete to the best of my knowledge and belief.

I trust the information provided satisfactorily addresses your concerns. As always, if I can be of any further assistance, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles P. Nemfakos".

Charles P. Nemfakos
Vice Chairman,
Base Structure Evaluation Committee

Attachment

Q4. The MILCON for NAVSEA at the Washington Navy Yard does not appear to include the parking garage included in the scenario data call. Please explain the exclusion.

A4. Our original estimate of MILCON costs was developed using standard COBRA cost factors (which reflect the maximum allowable rate for rehabilitation of existing facilities). At your request, we have reviewed the MILCON dollar estimates provided in the final certified data call response, and have revised our COBRA analysis to reflect these certified dollar estimates. As a part of this review, we ensured both that we had included all costs reflected in the data call response which are required as a result of the NAVSEA relocation, and that we had not included any costs which would be incurred regardless of whether NAVSEA moved to WNY. As a result of this review, our estimate of MILCON costs has changed from \$149,255,213 to \$149,950,000.

In regard to parking, \$9.5 million for a parking garage east of Building 197 is included in this estimate. An additional \$5.7 million for parking shown in the data call response is not included in our estimate, since this is an existing requirement to support BRAC-93 relocations to WNY and must be completed regardless of whether NAVSEA moves to WNY (see certified "Answers to BSAT Questions on NAVSEA HQ Scenarios", page that shows "Estimate of BRACON Costs for Alternative Two").



Q5. CHESDIV has provided information that indicates the cost to convert highbay industrial space to admin space is the same as the cost of new construction. Navy's COBRA run calculated the conversion costs at .75 of new construction. Please comment on why Navy used the .75 figure to calculate MILCON costs.

A5. As noted in our response to question 4, our original estimate of MILCON costs was developed using standard COBRA cost factors (which reflect the maximum allowable rate for rehabilitation of existing facilities). At your request, we have reviewed the MILCON dollar estimates provided in the final certified data call response, and have revised our COBRA analysis to reflect these certified dollar estimates.

The cost estimate for administrative space at WNY, as shown in our revised COBRA analysis, is based on our experience regarding adaptive re-use that has been completed on historic buildings of a similar age and condition, in a congested urban environment. The estimate reflects the conversion of high bay open industrial space into modern office space, satisfying current code and accessibility requirements, as well as meeting historic preservation requirements for the building exterior. It should be noted that this cost estimate per square foot is lower than the default COBRA cost per square foot used in our initial analysis.

Finally, as a result of our review, we have excluded the \$4 million estimate for supply/storage MILCON since, as shown on page 7-1(R) of the Data Call 30 response for Naval District Washington, this project is required regardless of whether NAVSEA relocates to WNY.



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

Attachment B-5

1 June 1995

The Honorable Paul S. Sarbanes
United States Senate
Washington, DC 20510

Dear Senator Sarbanes:

This is to acknowledge receipt of your letter of May 15, 1995, concerning the Naval Surface Warfare Center (NSWC), White Oak, Maryland, and the Naval Sea Systems Command (NAVSEASYSKOM).

To be as responsive as possible, I am providing answers to thirteen of your nineteen questions based on certified information in our 1995 Base Structure Data Base. We have issued a separate data call to gather the information necessary to completely and substantively address your remaining questions. I will reply further as soon as possible.

In the interim, if you require further assistance or have additional information to provide, you may contact Mr. Charles Nemfakes, who is coordinating the response, at (703) 681-0450.

A similar response has been sent to each of your colleagues who also expressed their interest in the future of these activities.

Sincerely,

Richard Danzig
Under Secretary of the Navy

Attachment

Q9. The NAVSEA memo of November 29, 1994, referred to in Question 4, states as an assumption that 2,082 parking spaces would be required for NAVSEA at the WNY, based on one space for every two employees. However, the MILCON estimate of \$15.2 million for parking is based on only 1,260 parking spaces. "Footnotes for Alternate Two" in enclosure (3) of the memo states that a total of 1,330 spaces will be available for NAVSEA, including 70 surface parking spaces near Bldg. 197. (a) Is any cost included for the 70 surface parking spaces? (b) How does the Navy account for the missing 752 spaces? (c) What is the estimated cost for them and why wasn't it included in the MILCON estimate?

A9. The 2,082 parking spaces is considered the maximum planning figure for an organization the size of NAVSEA regardless of location. A planning estimate of fewer spaces than the maximum was used since the WNY is served by two Metro stations, public bus service, and the presence of a large employee population at the WNY provides a rich environment for car pooling. The cost of the 70 surface parking spaces is included in the cost estimates for the project. It is listed under "FOOTNOTES for Alternative Two : * Cost for Building 197 conversion includes: Site development/surface parking."



Q10. (a) How many parking spaces are currently available at the WNY for federal employees and visitors? (b) Assuming NAVSEA is relocated to the WNY, how many total spaces would be available? (c) Is the cost of all of these additional spaces covered in the MILCON estimate for relocating NAVSEA to the WNY?

A10. The Navy has issued a data call to collect these data. We will forward a response as soon as possible.

Q11. Do the current WNY MILCON estimates include any costs for compliance with (i) National Historic Landmark requirements or (ii) floodplain requirements?

A11. Current WNY MILCON estimates contain costs that "reflect work in historic buildings" and "adaptive re-use work that has been completed during the last four years on buildings of a similar age and condition in the Navy Yard as well as work currently under design."

Q12. (a) How many federal employees (military and civilian) are currently at the WNY? (b) How many additional positions are expected as a result of prior BRAC or other actions?

A12. (a) FY 1996 manpower data indicates 5,223 federal employees (military and civilian) will be at the WNY. (b) The Navy has issued a data call to collect these data. We will forward a response as soon as possible.

Environmental Assessment

**for
Washington Navy Yard
Master Plan**

Final

February, 1992

basis of the relative size of each facility within the same loop. The vehicles using the at-grade spaces are not included, as their number is relatively low compared to those travelling to and from the parking facilities. The *Traffic Impact Study/Transportation Management Plan* for the WNY Master Plan shows that during peak hour demand, 45 percent of the total parking capacity is used.

3.1.4 Transportation Management Plan (TMP)

The development of a useful transportation management plan for the WNY requires a clear set of achievable goals. These goals establish the basis for implementing the recommended plan. The success of the transportation management plan depends on how well the recommended plan is implemented.

Figure 3-6 shows the key elements of a transportation management program. This figure illustrates the interrelationship between demand management incentives and land use, transit, flexible work schedules, parking policies, and ride sharing. The proposed development of the WNY supports the benefits listed under the transit and ride sharing categories in Figure 3-6. The plan incorporates many of the options listed under the categories of land use, flexible work schedules, and parking policies. Additional measures could be adopted for implementation at the WNY that would increase ride sharing and the use of mass transit.

Table 3-7 summarizes the proposed mode split for the WNY, as compared to the existing mode split. The proposed mode split is required in order to achieve acceptable parking and traffic conditions. With the addition of the WNY Metrorail station and additional proposals for increased auto occupancy from ride sharing, the future mode split is a realistic forecast. Achieving the future mode split and the relationship among the elements cited above play an important part in the transportation management plan for the WNY. Specific incentive goals for ride sharing and using mass transit are described below.

| Mode | Percent Mode Split for Persons Trips Without TMP | Percent Mode Split for Person Trips with TMP |
|----------------------|---|---|
| | 1991 | Future (2010) with Added Employees |
| Auto Single Occupant | 65% | 30% |
| Car Pool or Van Pool | 29% | 35% |
| Metrobus/Metrorail | 5% | 34% |
| Walk/Bike | 1% | 1% |
| Total | 100% | 100% |

Source: Traffic Impact Study/Transportation Management Plan

Document Separator

MILCON FOR NAVSEA AT WHITE OAK

Issue

COBRA for NAVSEA move to WNY overstates milcon at WO by at least \$33.1 million.

Discussion

Despite early and repeated requests from community, Navy did not furnish plans and other detailed information on basis for WO milcon estimates until June 16, allowing insufficient time for analysis. However, earlier analysis done by engineering consultant (Loiederman Associates, Inc.) using same cost assumptions and efficiency factors utilized by Navy for WNY calculated milcon cost of \$110,329,720 for 1,020,000 GSF at WO. Cost assumptions were contained in certified data (Attachment C-1). Community presented supporting data to BRAC staff on May 30, 1995.

Further, community is troubled by fact that Navy milcon data shows considerably more GSF required at WO (1,020,000, not including SEA 08) than at WNY (951,880, including SEA 08), a difference of about 70,000 GSF. Using Navy cost assumptions for new construction, this equates to approximately \$10 million. Thus, in the interest of equal comparisons community estimate for WO milcon is \$100.3 million (110.3 minus 10).

Community Position

Based on above calculations, community position on one-time relocation costs for NAVSEA to WO are:

| | <u>Navy</u> | <u>Community</u> |
|--------|-----------------------------------|------------------|
| Milcon | 133.4 | 100.3 |
| Other | <u>24.5</u> | <u>24.5</u> |
| | \$157.9 | \$124.8 |
| | Difference: <u>\$33.1M</u> | |

Navy has not satisfactorily explained why milcon for WO is based on about 70,000 more GSF than WNY. The difference is particularly troubling since only 3,700 employees will be at WO (with the 400 from SEA 08 at the Navy Annex) compared to 4,100 at WNY. Navy has stated that it used a lower efficiency factor for WO (Attachments C-2, C-3). However, since two-thirds of the work at WO is new construction (653,000 GSF new, 367,000 GSF renovation) the efficiency factor should be higher.

Morover, despite Navy statements to the contrary, it appears actual work planned for WO covers an additional 45,000 GSF for a total of 1,065,000 GSF and includes non-office space such as auditorium. Copy of contract (Attachment C-4), received from Navy on June 16, clearly shows 1,065,000 GSF in work scope, including auditorium and lounge areas. Conclusion: Navy comparisons contemplate much more milcon at WO than WNY and are thus unfair.



DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND
2531 JEFFERSON DAVIS HIGHWAY
ARLINGTON VA 22242-5180

Attachment C-1

IN REPLY REFER TO

5000
Ser 09B/244
29 Nov 1994

Subj: MILCON ESTIMATES AND SPACE REQUIREMENTS TO NAVSEA
HEADQUARTERS RELOCATION SCENARIOS

Encl: (1) MILCON Cost Estimates
(2) NAVSEA Headquarters Space Requirements
(3) Certified NAVFAC Engineering Cost Estimates
(4) Certified NAVSEA 08 Engineering Estimates
(5) Point Paper on Engineering Cost Estimates (of 29 Nov)

1. This package provides you with the basic certified data that was used to calculate the MILCON estimates shown in each of the three NAVSEA Headquarters relocation scenarios:

ALT 1: 5-25-0535-070
ALT 2: 5-25-0535-071
ALT 3: 5-25-0535-071A

2. Enclosure (1) summarizes the buildup of the estimates shown in each scenario response. The certified data from both enclosures (3) and (4) was used in each case. Enclosure (2) summarizes the NAVSEA Headquarters space requirements for each of the scenarios. Again the certified data is found in enclosure (3) and (4).

3. Enclosure (5) provides you an explanation of the methods used by NAVFAC to calculate the various space requirements and costs.

4. My point of contact for this effort is Mr. William Bell on (703) 602-1195.

PETER F. BROWN

**ANSWERS TO BSAT QUESTIONS
NAVSEA HQ SCENARIOS
5-25-0535-070, 071, & 071A**

I certify that the information contained herein is accurate and complete to the best of my knowledge and belief.

MAJOR CLAIMANT LEVEL

G. R. Sterner

Name

G. R. Sterner

Signature

Commander

Title

23-95 314295

Date

Naval Sea Systems Command

Activity

I certify that the information contained herein is accurate and complete to the best of my knowledge and belief.

**DEPUTY CHIEF OF NAVAL OPERATIONS (LOGISTICS)
DEPUTY CHIEF OF STAFF (INSTALLATIONS & LOGISTICS)**

W. A. EARNER

NAME (Please type or print)

W. A. Earner

Signature

Title

7/22/75

Date

NAVSEA RELOCATION TO WASHINGTON NAVY YARD

Alternatives One and Two

Assumptions:

- o All BRACON costs are in FY98 dollars.
- o Personnel to be relocated:

| | |
|----------|--------------|
| NAVSEAHQ | 3752 persons |
| SEA 08 | 412 persons |

4164 persons

- o SEA 08 will occupy Navy Yard Buildings 219 and 220. Construction costs for these buildings are provided and certified by SEA 08.

- o Space requirements for NAVSEA without SEA 08:

| | | |
|-------------------------------|---|-------------|
| 3752 persons x 165 NSF/person | = | 619,080 NSF |
| Vending/cafeteria | | 8,000 NSF |
| Storage | | 6,000 NSF |

633,080 NSF

- o Storage space will be provided by the host (Naval District Washington) by incorporating that space requirement into a Supply facility to be built at Naval Station Anacostia. Requirement to be satisfied at the Navy Yard:

$633,080 - 6,000 = 627,080$ NSF

- o Net to gross conversion factors:

1.27 for Building 197, per 1980 Feasibility Study prepared by Cochran, Stephenson & Donkervoet, Inc., Architects. 78%

1.42 (70 percent efficient) for other office construction.

- o Full parking requirement for NAVSEA employees, based upon one space for every two employees:

| | | |
|----------|-------------|-------------|
| NAVSEAHQ | 3752 x .5 = | 1876 spaces |
| SEA 08 | 412 x .5 = | 206 spaces |

2082 spaces

Assumptions contd.

| o Unit costs: | FY97 | FY98 (FY94 x 1.04) |
|---|-------------|-----------------------|
| New construction of office space | \$135/GSF | \$140/GSF |
| Adaptive re-use of highbay industrial space | \$135/GSF | \$140/GSF |
| Conversion of standard (with floors) shops space to offices | \$85/GSF | \$88/GSF |
| Preparation of existing office space for new occupant | \$55/GSF | \$57/GSF |
| Structured parking | \$12K/space | \$12.5K/space |
| Tele/data systems | \$10/GSF | \$10.40/GSF |

o In addition to NAVSEA, the Washington Navy Yard must accommodate all previously planned BRAC realignments with the following exceptions:

- SPAWARHQ relocates to a site outside the National Capital Region (addressed as Alternative One).
- OGC and NISMC, previously planned for relocation to the Pentagon, will relocate instead to the Washington Navy Yard. The net effect of this change on Navy Yard space is zero, since OGC and NISMC would otherwise have displaced current Pentagon occupants who would move to the Navy Yard.



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

Attachment C-2

LT-0833-F16
BSAT/MG
14 June 1995

The Honorable Paul S. Sarbanes
United States Senate
Washington, DC 20510

Dear Senator Sarbanes,

This is a response to your letter dated June 5, 1995 that you sent to Mr. Dixon, Chairman, Defense Base Closure and Realignment Commission, concerning the Naval Sea Systems Command (NAVSEA) relocation to the Washington Navy Yard. I am responding for Mr. Dixon, as he requested.

The MILCON cost used by the Navy for White Oak in the redirect of NAVSEA to the Washington Navy Yard is the budgeted MILCON for White Oak, which was based on an in-depth engineering analysis of the entire White Oak complex. This analysis revealed extensive renovation is required. To use MILCON other than the amounts currently devoted by the Department to this effort at the cost of other programs would not be appropriate.

A MILCON estimate of \$149.9 million was used by the Navy in the redirect of NAVSEA to the Washington Navy Yard. This MILCON estimate includes \$7.3 million to construct 760 new parking spaces east of Building 197.

The gross square footage required for the MILCON project at White Oak is greater than that required at the Washington Navy Yard because overall the building configuration at White Oak is less efficient. The building efficiency factor at White Oak is a result of the particular circumstances of the site. The White Oak project for NAVSEA includes new construction, which is quite efficient, and a conversion of the existing NSWC laboratory buildings to offices. The existing buildings are highly linear in configuration and therefore less efficient. At the Washington Navy Yard the projected efficiencies are based on reuse of a number of large highbay industrial buildings by constructing new floor space within the building shell. In such buildings the ratio of occupiable space to support space is higher than can be achieved in smaller or more linear buildings. The less efficient space at White Oak produces increased gross square feet requirements for similar net square feet requirements used at both sites.

Although we do not hold the Master Plan for the Washington Navy Yard and the Environmental Assessment for the Washington Navy Yard Master Plan in our certified data base, we note in the information provided by the community to the Commission that these plans were approved in 1990 and 1992, respectively. Accordingly, both documents were developed and approved prior to BRAC 93 and BRAC 95. The listed projects appear to be "get well projects" for the Washington Navy Yard to fully urbanize a prior industrial complex. Therefore, these projects and associated costs are not base closure and realignment issues.

The \$24.4 million moving costs used in the COBRA is the budget estimate to move



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

Attachment C-3

1 June 1995

The Honorable Paul S. Sarbanes
United States Senate
Washington, DC 20510

Dear Senator Sarbanes:

This is to acknowledge receipt of your letter of May 15, 1995, concerning the Naval Surface Warfare Center (NSWC), White Oak, Maryland, and the Naval Sea Systems Command (NAVSEASYSKOM).

To be as responsive as possible, I am providing answers to thirteen of your nineteen questions based on certified information in our 1995 Base Structure Data Base. We have issued a separate data call to gather the information necessary to completely and substantively address your remaining questions. I will reply further as soon as possible.

In the interim, if you require further assistance or have additional information to provide, you may contact Mr. Charles Nemfakes, who is coordinating the response, at (703) 681-0450.

A similar response has been sent to each of your colleagues who also expressed their interest in the future of these activities.

Sincerely,

Richard Danzig
Under Secretary of the Navy

Attachment

Q5. Both the "Economic Analysis of Headquarters Office Space for Naval Sea Systems Command." April 29, 1994, by NAVFAC, and the "Draft Environmental Impact Statement for Naval Sea Systems Command Realignment to the White Oak Naval Laboratory," Preliminary Draft, undated, prepared by NAVFAC (Engineering Field Activity Chesapeake) indicate that 1,020,000 GSF of new construction and renovation will be required to accommodate NAVSEA at White Oak. Is this the square footage used as the basis for the \$124.5 million MILCON estimate for White Oak, as reflected in Project Numbers 001T and 098T? If not, please state the square footage used as the basis for the White Oak MILCON estimate.

A5. Neither the "Economic Analysis of Headquarters Office Space for Naval Sea Systems Command." April 29, 1994, by NAVFAC, nor the "Draft Environmental Impact Statement for Naval Sea Systems Command Realignment to the White Oak Naval Laboratory," Preliminary Draft, undated, prepared by NAVFAC (Engineering Field Activity Chesapeake) are part of the Navy's certified data base. Therefore, these studies were not considered or used by the Navy in its deliberations to develop closure recommendations. Certified data provided by NAVSEA on the White Oak MILCON projects indicates that the cost estimate is based on 1,020,000 GSF.

Q6. If the gross square foot requirements for the WNY and White Oak cited in the previous two questions are accurate, why is almost 200,000 more gross square feet required at White Oak than the WNY? This difference is particularly difficult to understand since there would be approximately 400 fewer employees (SEA 08) at White Oak.

A6. The net to gross conversion factor used to calculate space requirements at White Oak was less efficient than the factor used at the WNY. The use of this less efficient factor produces increased gross square feet requirements at White Oak for similar net square feet requirements. ||

Q7. What net to gross conversion factors were used for the MILCON estimates for White Oak and the Navy Annex?

A7. The net to gross conversion factor used for White Oak was 1.51 and that used for the Navy Annex was 1.45. ||

Q8. What are the GSF/NSF requirements used as the basis for the MILCON estimates to accommodate SEA 08 at the Navy Annex and WNY, respectively?

A8. The GSF/NSF to accommodate SEA 08 at Navy Annex is 98,600 GSF/68,000 NSF, and to accommodate SEA 08 at the WNY is 119,280 GSF/84,000 NSF.

NOTICE TO PROPOSERS

SOLICITATION NUMBER: N62477-94-C-0024

PROJECT: NAVAL SEA SYSTEMS COMMAND HEADQUARTERS
NAVAL SURFACE WARFARE CENTER,
WHITE OAK DETACHMENT
SILVER SPRING, MARYLAND

All inquiries concerning the technical aspects of attached specification or drawings accompanying this specification must be submitted in writing either by correspondence, telegram or by facsimile sufficiently in advance of the proposal due date as will permit a reply-in-kind.

It must be emphasized that telephone inquiries concerning technical aspects of the drawings and specifications cannot be accepted.

Correspondence requesting interpretation and/or clarification of technical data should be addressed to:

EFA, Chesapeake
Attention: Code 02
901 M Street, S. E., Building 212
Washington, D.C. 20374-5018

Facsimile requests should be addressed as above and must be followed by a "hard copy" of the technical inquiry sent via U.S. mail or otherwise (Facsimile machine telephone number: (202) 433-6900).

Estimated Cost Range: More than 50,000,000.

This project is unrestricted.

The project includes completion of design and construction of approximately 1,065,000 gsf of office building including demolition of existing facilities, renovation of the Main Building and construction of new office buildings as shown on accompanying documents along with associated site work, and utility and road improvements.

The Certification of Nonsegregated Facilities in this Solicitation: proposers are cautioned to note the "Certification of Nonsegregated Facilities" in the solicitation. Failure of an proposer to complete the certification may result in the proposer being determined nonresponsible with respect to the terms of the solicitation involving awards of contracts exceeding \$10,000.00 which are not exempt from the provisions of the Equal Opportunity Clause (Apr 1984).

Note the affirmative action requirements of the Equal Opportunity Clause which may apply to the Contract resulting from this Solicitation.

NOTE: A check for \$225.00 payable to EFA, Chesapeake, is required as a charge for each solicitation package.

SECTION 01010

GENERAL CONDITIONS

PART 1 GENERAL

1.1 REFERENCES

The publications listed below form a part of this specification to the extent referenced. The publications are referred to in the text by the basic designation only.

FEDERAL HIGHWAY ADMINISTRATION (FHWA)

FHWA MUTCD

1983 Manual on Uniform Traffic Control
Devices

1.2 WORK COVERED BY CONTRACT DOCUMENTS

1.2.1 Project Description

The work includes: completion of design and construction of approximately 1,065,000 gsf of office building including demolition of existing facilities, renovation of existing facilities, renovation of the Main Building and construction of new office buildings as shown on accompanying documents along with associated site work, and utility and road improvements, and incidental related work.

1.2.2 Location

The work shall be located at the White Oak, silver spring, Maryland as shown.

1.3 MINIMUM INSURANCE REQUIREMENTS

The Contractor shall procure and maintain during the entire period of performance under this contract the following minimum insurance coverage:

- a. Comprehensive general liability: \$500,000 per occurrence
- b. Automobile liability: \$200,000 per person, \$500,000 per occurrence, \$20,000 per occurrence for property damage
- c. Workmen's compensation: As required by Federal and State workers' compensation and occupational disease laws
- d. Employer's liability coverage: \$100,000, except in States where workers compensation may not be written by private carriers
- e. Others as required by State law.

1.3.1 Insurance--Work on a Government Installation (APR 1984)

- a. The Contractor shall, at its own expense, provide and maintain during the entire performance period of this contract at least the

SECTION 5A

GENERAL INFORMATION

- A. The project is located at the Naval Surface Warfare Center, White Oak Detachment in Silver Spring, Maryland.

An aerial photograph of the existing site along with a site map indicating building designation and proposed new site plan is included in this section for information.

The design parameters for the buildings are based on the following assumptions:

Population:

| | |
|------------------|-------|
| Employees | 4,100 |
| Visitors per Day | 2,200 |

Parking:

| | |
|-----------|-------|
| Employees | 2,400 |
| Visitors | 500 |

Approximate gross square footage of the project measured to outside face of the exterior wall is 1,065,000. This area is distributed approximately as:

| | |
|---------------|-----------|
| Main Building | _____ GSF |
| Quarterdeck | _____ GSF |
| East Wing | _____ GSF |
| North Wing | _____ GSF |

B. PROGRAM

The major work items include demolition of:

- Building 20 in its entirety;
- interior construction in Main Building (Buildings 1 through 5);
- existing utilities as indicated;
- removal of asbestos and other hazardous materials;

SECTION 5G

STRUCTURAL

A. SYSTEM DESCRIPTION

This building consists of four main components: the Main Building, Quarterdeck, East Wing, and North Wing.

The Quarterdeck structural system is a combination of demolition, reinforcement and maintaining parts of the existing auditorium building and new construction. In general, analyze the existing auditorium and lounge areas which are to remain. Validate that the existing foundations supporting the auditorium are adequate for the new layout without rework. This area encompasses Column Lines C to F and 4 to 12. Underpin and rework the existing footings at the lounge area as required. The area encompasses Column Lines C to F and 1 to 3. Reinforce the existing columns which are to remain as required for the new loads and unbraced lengths. In general, the lower portions of the column require reinforcement due to altered unbraced lengths. Validate that the columns on Line C and F, 6 to 10 do not require reinforcement.

In general, demolition consists of removing/filling existing vaults and pits, removal of the existing floor at Elevation 373', removal of the wings on three sides of the auditorium, removal of the roof over the lounge area, existing screen walls, cooling tower support, and fan room.

The new construction consists of a pair of perimeter "lally" columns at Quarterdeck, new roof framing, new cooling tower support and screen wall, new floor framing including a floating isolated slab system for the mechanical room, new slab-on-grade, and new foundations. Transfer girders are required for lally columns over exit corridor.

1. Foundations

Foundations are to be spread footings bearing on natural inorganic soil or compacted granular fill. A geotechnical investigation for this project was prepared by Haley & Aldrich, Inc. The report including soil borings is included for your use. Assume responsibility for interpretation of the borings and take additional borings as may be required.

2. Substructure

Basement walls and pits shall be of reinforced concrete construction. Walls shall be waterproofed. Perimeter drainage shall be provided. Slab-on-grade shall be reinforced concrete on granular subbase with a vapor barrier.

Document Separator

CIVILIAN SALARY SAVINGS AT WNY

Issue

Navy increased the number of NAVSEA Human Resources Office (HRO) jobs eliminated by move to WNY from 28 to 42, without providing explanation or rationale. Lacking such explanation, the resulting civilian salary increase in recurring costs for WO of \$712,000 should be deleted.

Discussion

Original COBRA dated March 24, 1995, reflected recurring civilian salary savings of \$3.4 million in move to WNY due to elimination of 67 civilian positions: 39 host support and 28 HRO positions.

On May 15, 1995, Navy prepared a revised COBRA that showed \$4.1 million in recurring civilian salary savings at WNY, an increase of \$712,000. The revised COBRA listed 42 HRO positions eliminated in a move to WNY, for a total of 81 civilian positions.

Community Position

The Navy has not satisfactorily explained the justification for eliminating 29 HRO positions in a move to WNY, let alone the increase to 42 positions. In responses provided to the BRAC (letter to Chairman Dixon May 22, 1995) (Attachment D-1) and to the Maryland congressional delegation (Attachment D-2), the Navy merely stated that it was planning to eliminate the 42 HRO positions in a move to WNY. In its letter to the BRAC, the Navy acknowledges that since implementation of the BRAC 93 recommendation to relocate to WO has not taken place, it cannot provide more detailed information on positions to be eliminated in a move to WNY. That being the case, the community would ask how it came up with the number of 42 HRO positions.

In the absence of a certified justification, the Navy should not be allowed to arbitrarily increase the number of HRO positions to be eliminated. Moreover, if NAVSEA moves to WO and the key facilities now operating there are kept open, certain operating efficiencies should be realized at WO that would result in elimination of some positions. Further, if NAVSEA moves to WO the 400+ employees of SEA 08 would be at the Navy Annex. Just as job-related economies can be realized at the WNY, the colocation of SEA 08 at the Annex should result in some economies.

In sum, the Navy has skewed the recurring savings in favor of WNY by (i) increasing the HRO positions to be eliminated without any justification and (ii) failing to recognize any eliminations in a move to WO despite the potential to achieve economies both at WO and the Navy Annex. At a minimum, \$.7 million should be deleted from the claimed recurring savings.



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20350-1000

Attachment D-1

LT-0740-F15
BSAT/MG
22 May 1995

The Honorable Alan J. Dixon
Chairman, Defense Base Closure
and Realignment Commission
1700 North Moore Street
Suite 1425
Arlington, VA 22209

Dear Chairman Dixon:

Responses to the five questions asked by Mr. Yellin of your staff, on May 3, 1995, concerning the NAVSEA, White Oak, and Washington Navy Yard recommendations, are attached.

The information provided comprises certified data obtained from the reply to a data call we issued specifically to enable our response to his query. In accordance with Section 2903(c)(5) of the Defense Base Closure and Realignment Act, I certify that the information described in the attachment is accurate and complete to the best of my knowledge and belief.

I trust the information provided satisfactorily addresses your concerns. As always, if I can be of any further assistance, please let me know.

Sincerely,



Charles P. Nemfakos
Vice Chairman,
Base Structure Evaluation Committee

Attachment

Q3. Data call information indicates that the elimination of 82 billets from NAVSEA is made possible by moving to WNY instead of to White Oak. COBRA was run with an elimination of 67 total billets.

Q3.a. Which figure is correct and how does the COBRA change as a result.

A3.a. As noted, the final certified data call response shows 82 billets/positions eliminated as a result of this action. Our original COBRA run underestimated the savings associated with this action. See attached revised COBRA run which incorporates this correction as well as addressing questions 4. and 5. This revised COBRA run increases steady-state savings from \$9.4 million to \$10.1 million and increases the 20 Year Net Present Value of Savings from \$144.0 million to \$153.6 million.

Q3.b. Request a detailed breakdown of the correct number by function. Specifically, which individual billets are eliminated by a move to WNY (but would be needed to carry out the host function at White Oak)?

A3.b. As shown in the final certified Scenario Development Data Call response for this action, 1 officer and 39 civilian positions which will perform general host support functions and 42 civilian positions associated with the Human Resources Office will be eliminated by relocating NAVSEA to the Washington Navy Yard (WNY). The 40 support billets/positions reflect NAVSEA's certified estimate of the proposed organization which would support NAVSEA at White Oak. However, since actual implementation of the BRAC-93 recommendation to relocate to White Oak has not yet taken place, more detailed information on the individual positions to be eliminated is not yet available.

Q3.c. Was the number of billets required to support the host function at White Oak sized to support just the forward third of White Oak, or is it based upon also maintaining the area occupied by the unique facilities proposed for closure under another DoD recommendation?

A3.c. Two separate and mutually exclusive scenarios were evaluated by DON, one to close the Naval Surface Warfare Center detachment at White Oak and one to relocate NAVSEA to WNY. Each scenario includes only those costs/savings associated with that portion of the action, i.e., savings specifically attributable to support of the technical center are shown in the NSWC White Oak scenario; NAVSEA-related savings, to include those savings resulting from NAVSEA not having to function as a "stand-alone" host activity, are included in the NAVSEA scenario. It should be noted, however, that if the new host (NAVSEA HQ) leaves White Oak but the technical functions at White Oak remain, then there would be some additional costs to support White Oak as a stand-alone technical facility. This would be in addition to the \$6.6 million figure shown in response to question 2, above.



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

Attachment D-2

1 June 1995

The Honorable Paul S. Sarbanes
United States Senate
Washington, DC 20510

Dear Senator Sarbanes:

This is to acknowledge receipt of your letter of May 15, 1995, concerning the Naval Surface Warfare Center (NSWC), White Oak, Maryland, and the Naval Sea Systems Command (NAVSEASYSKOM).

To be as responsive as possible, I am providing answers to thirteen of your nineteen questions based on certified information in our 1995 Base Structure Data Base. We have issued a separate data call to gather the information necessary to completely and substantively address your remaining questions. I will reply further as soon as possible.

In the interim, if you require further assistance or have additional information to provide, you may contact Mr. Charles Nemfakes, who is coordinating the response, at (703) 681-0450.

A similar response has been sent to each of your colleagues who also expressed their interest in the future of these activities.

Sincerely,

Richard Danzig
Under Secretary of the Navy

Attachment

Q13. In calculating recurring costs/savings for the NAVSEA relocation, the scenario development data call uses different methods for White Oak and the WNY. In calculating recurring costs at the WNY, the data call relies mainly on lease costs. In calculating recurring costs for White Oak, however, estimates are based on costs for specific functions such as maintenance, utilities and security. (a) Why were different approaches used? (b) Do the lease costs for the WNY include NAVSEA's pro-rata share of maintenance, utilities, security and other shared costs? (c) What would be the cost for White Oak using the same lease cost approach used for the WNY?

A13. NAVSEA at White Oak will be the host and responsible for the above listed costs and services. However, NAVSEA as a tenant in the WNY will pay usage costs for these types of services. These costs at the WNY are NAVSEA's pro-rata share of costs as a tenant of the WNY. Since NAVSEA is to be the host at White Oak, using WNY lease costs to calculate recurring costs at White Oak would not be appropriate.

Q14. The COBRA data shows a recurring cost of \$3.4 million more for civilian salaries at White Oak than at the WNY. Please explain the nature of these civilian salaries.

A14. The \$3.4 million is a recurring civilian salary savings realized by the elimination of 67 civilian positions (39 host support positions and 28 Human Resources Office positions) required at White Oak but not at the WNY. We have submitted a revised COBRA (File name: COBRA\BCRC\NAVSEA2Z.CBR) to the Base Closure and Realignment Commission that reflects an elimination of 81 civilian positions (39 host support positions and 42 Human Resources Office positions).

Q15. In response to prior questions from Congress, the Navy said that the redirect of NAVSEA to the WNY allows for the elimination of 68 civilian jobs, many involved in base support functions. Presumably, the \$3.4 million referred to in Question 14 accounts for some or all of these base support functions. In calculating recurring costs at White Oak, the scenario development data call lists \$4.9 million annually for a 40-person unit to perform host functions. This seems like double counting for the same host functions. Please comment.

A15. To accurately reflect personnel movements at White Oak the costs of the 40-person unit (\$2.059 million) were not included in the Miscellaneous recurring savings shown on Screen 5 of the COBRA. These 40 positions were then shown as positions eliminated with COBRA algorithms calculating the costs of this action. The sum of lines 1 to 7 on page 2-21 of the scenario data call total \$18.442 million, the recurring savings for the closure of White Oak entered on Screen 5 was \$16.383 million (the total costs to operate White Oak minus the costs of 40 positions). This action prevents double counting personnel related costs for the host function.

Document Separator

INCOME FROM WHITE OAK TENANT ACTIVITIES

Issue

Navy calculation of recurring costs for WO fails to include approximately \$3 million in tenant income.

Discussion

COBRA recurring savings calculation shows \$18,423,000 in annual overhead costs at WO, or, savings realized by moving NAVSEA to WNY. Those costs are listed on page 2-21 of the Scenario Development Data Call (Attachment E-1). Note 1 states that the source for this information is "Economic Analysis of Headquarters Space for Naval Sea Systems Command," NAVFAC, April 25, 1994 (NAVFAC Analysis).

Page 4-11 of the NAVFAC Analysis (Attachment E-2) summarizes recurring costs identified for NAVSEA at WO. Among them is tenant income, \$2,840,329. This amount is broken down in Appendix D of the NAVFAC Analysis (Attachment E-3). The largest component is \$2.1 million from the Naval Surface Warfare Center, for the facilities remaining at WO. Smaller amounts are listed for other tenants.

Community Position

If BRAC 95 recommends that the remaining facilities at WO be kept open and that NAVSEA move there, tenant income would continue to be realized. The COBRA ignores this possibility. Asked about the failure to include tenant income, the Navy responded that two "separate and mutually exclusive" scenarios were prepared for (i) closing WO and (ii) relocating NAVSEA to WNY (Attachment E-4). The stated reason for this was "to prevent overstating costs/savings associated with any one action."

Not only is this approach unrealistic, but it prejudices the comparisons against WO. It allows for the recognition of operating efficiencies at the WNY but fails to recognize such efficiencies at WO. If the Navy is allowed to claim that NAVSEA's operating costs at WO will be higher because of its host status there, it must take into consideration both the added costs and the savings associated with such status. It has included the costs but ignored the tenant income offsets.

The NAVFAC Analysis is based on FY95 dollars. Adjusted to inflation to FY99, which is the base year for other recurring costs in the Scenario Development Data Call, the tenant income increases to \$3.3 million. However, it is possible that some tenants may be displaced by NAVSEA. Therefore, the community has lowered the amount to \$3 million

BRAC-95 SCENARIO DEVELOPMENT DATA CALL
Enclosure (2) - LOSING BASE QUESTIONS

Recurring costs for NSWC Det White Oak with NAVSEA as recommended in BRAC 93 are:

| | <u>Annual Savings</u> | <u>FY</u> | <u>Description</u> |
|----|-----------------------|-----------|---------------------------------|
| 1. | \$3,969K | 1999 | Facilities Maintenance (NOTE 2) |
| 2. | \$292K | 1999 | IDS Maintenance |
| 3. | \$1,716K | 1999 | Daytime Cleaning |
| 4. | \$43K | 1999 | Recycling |
| 5. | \$6,083K | 1999 | Utilities |
| 6. | \$1,770K | 1999 | Security |
| 7. | \$4,569K | 1999 | Host Costs (NOTE 3) |
| 8. | \$2,040K | 1999 | Annex Lease Costs for SEA 08 |

15,443,000

\$ 20,482,000

NOTE 1: DATA SOURCE IS THE REPORT TO CONGRESS ON THE ECONOMIC ANALYSIS OF HEADQUARTERS SPACE FOR NAVAL SEA SYSTEMS COMMAND DATED 25 APRIL, 1994

NOTE 2: REDUCED FACILITIES MAINTENANCE NUMBERS REFLECT NEW APPROACH TO ORGANIZATIONAL MOVES IN THE FUTURE. UTILIZING SYSTEMS FURNITURE AND REVISED PHILOSOPHIES OF MOVING PEOPLE VICE FURNITURE, SAVINGS WILL BE REALIZED IN OUR FACILITIES COSTS. THIS PHILOSOPHY WAS PRESENTED ELSEWHERE, BUT WAS OVERLOOKED IN THIS CATEGORY.

NOTE 3: HOST COSTS INCLUDE THE COSTS OF THE STAFF REQUIRED TO CONDUCT THE HOST FUNCTION AT WHITE OAK. THIS FUNCTION HAS NOT YET BEEN FORMALLY ASSIGNED TO AN ORGANIZATION AND THE MILITARY AND CIVILIAN BILLETS, FULL-TIME-EQUIVALENT (FTE) AND END STRENGTH ARE NOT CURRENTLY IN ANY OF THE NAVSEA HEADQUARTERS OR NSWC MANPOWER BUDGETS. GENERALLY, THE COMMAND'S CIVILIAN MANPOWER BUDGETS ARE RESOLVED THROUGH THE END OF FY97 IN THE RECENT FY96/97 OSD/OMB BUDGET SUBMITTAL. FOR THIS FY99 DATA CALL, THE COSTS WERE ESTIMATED BASED ON 1-MIL (OIC) AND 39 CIVILIANS.

ECONOMIC ANALYSIS OF UNSOLICITED PROPOSAL

**ECONOMIC ANALYSIS OF
HEADQUARTERS OFFICE SPACE
FOR NAVAL SEA SYSTEMS COMMAND**



This report has been Reviewed by a P.E.
25 April 1994

Source Selection Information - FAR-3.104 Procurement Sensitive

Security - Includes White Oak security costs while NAVSEA stays at NC 2 and 3.

Staff Civil Engineer - Includes operations costs for an additional 15 personnel to maintain White Oak while NAVSEA stays at NC 2 and 3.

TENANT INCOME (Negative Cost) - Includes income reimbursement from White Oak tenant activities.

| | WHITE OAK | NC 2 & 3 |
|-------------------------|---------------------|---------------------|
| | ALTERNATIVE 1 | ALTERNATIVE 2 |
| RECURRING COSTS: | \$26,704,043 | \$32,156,752 |
| Facilities Maintenance | \$5,517,005 | \$5,940,455 |
| Utilities | \$5,420,878 | \$1,864,624 |
| ADP & Teleconferencing | \$10,841,341 | \$11,418,864 |
| Security | \$1,837,205 | \$2,644,540 |
| Miscellaneous | \$5,927,943 | \$10,288,269 |
| → Tenant Income | (\$2,840,329) | |

TABLE 2: RECURRING COSTS

4.4.2 Building Assessment: The Team and GSA NCR decided that building assessments should be obtained for NC 2 and 3. Both ASN(I&E) and GSA NCR received numerous complaints over many years from NAVSEA on various deficiencies in these buildings. The Team was concerned that these buildings were being offered with original mechanical and structural components that were approaching the end of their useful lives. To establish a fair comparison, the Team believed that NC 2 and 3 renovation costs should be developed to meet design standards by the Federal Government (for replacement of the aging and inadequate building components). NC 2 and 3 would then be comparable to the new construction "quality" planned for White Oak. Report summaries of the building assessments are as follows:

4.4.2.1 The CEGG Study: The Team obtained an initial engineering review from CEGG Partnership for a facilities assessment of NC 2 and 3. A CEGG interdisciplinary team of architects and engineers conducted an extensive inspection of these buildings the week of February 7-11, 1994. CEGG staff met with NAVSEA facilities staff and Beacon Management Company personnel who manage the buildings. The purpose of the study was to identify building deficiencies and to estimate the cost of making improvements to bring NC 2 and 3 up to current minimum codes for office space.

Source Selection Information - FAR-3.104 Procurement Sensitive

Appendix D

COST ESTIMATE MATRIX

Source Selection Information - FAR-3.104 Procurement Sensitive

| | |
|--------------------------------------|----------------------|
| INITIAL COSTS: | \$218,008,613 |
| • Construction/Renovation | \$104,702,320 |
| Construction/Renovation | \$104,702,320 |
| • Move Costs/Swing Space | \$84,202,602 |
| Crystal City Lease: | |
| 1996 | \$23,460,193 |
| 1996 | \$24,163,997 |
| 1997 | \$22,621,260 |
| 1998 | \$13,957,152 |
| • Relocation & Reconfiguration | \$29,103,691 |
| Info & Comm Infrastructure | \$11,077,333 |
| Moving Offices | \$8,173,915 |
| Move Major Computers | \$1,362,478 |
| Civilian PCS Moves | \$6,736,487 |
| Teleconferencing | \$109,604 |
| Telephones | \$182,827 |
| Security | \$480,640 |
| Procurement | \$352,586 |
| Clean-Up | \$627,821 |
| RECURRING COSTS: | \$26,704,043 |
| • Facilities Maintenance | \$5,517,005 |
| Custodial/Janitorial | \$1,529,315 |
| Exter Clean/Pest Cntl | \$125,731 |
| Maint/Rep Bldg/Rds | \$802,963 |
| Preventive Maint | \$522,077 |
| Preventive Maint Insp | \$434,536 |
| Emerg Rprs/Service | \$727,743 |
| Misc Shops | \$912,316 |
| Moving Services | \$249,885 |
| Alterations/Improvements | \$212,439 |
| • Utilities | \$5,420,878 |
| Electricity | \$2,369,911 |
| Steam (Fuel Cost) | \$636,382 |
| Steam (Operating Cost) | \$1,974,001 |
| Water | \$161,369 |
| Sewage | \$227,815 |
| OT HVAC | \$51,400 |
| • ADP & Teleconferencing | \$10,841,341 |
| Video Teleconferencing | \$494,674 |
| Information Management | \$2,729,340 |
| Computers | \$925,701 |
| Telephones | \$6,691,626 |
| • Security | \$1,837,205 |
| Guards | \$1,047,317 |
| Vehicles | \$22,680 |
| ADT Alarm System | \$260,702 |
| Locks/Keys | \$68,805 |
| Pass Office | \$437,701 |
| • Miscellaneous | \$5,927,943 |
| Recycling Program | \$38,583 |
| Transportation - Shuttle Bus Service | \$329,699 |
| Personnel | \$2,151,588 |
| Administrative | \$1,481,906 |
| Environmental | \$108,149 |
| DOD Interservice Support | \$1,818,018 |
| • Tenant Income | (\$2,840,329) |
| Naval Reserve Recruiting Command | (\$45,366) |
| Cost Control Det (Code TC) | (\$107,806) |
| 10 Contractors | (\$71,870) |
| PSD Travel | (\$17,337) |
| Naval Medical Center | (\$3,701) |
| Defense Printing Service | (\$227,067) |
| NAVFACENGGCOM | (\$21,362) |
| WO Federal Credit Union | (\$100,619) |
| WO Golf Course | (\$7,187) |
| NSWC | (\$2,109,400) |
| Public Works Center | (\$45,713) |
| US Army Research Lab | (\$28,619) |
| Naval Reserve Center (Adelphi) | (\$53,262) |

| | |
|--|----------------------|
| INITIAL COSTS: | \$297,581,289 |
| • Construction/Renovation | \$49,509,214 |
| Construction/Renovation | \$48,889,951 |
| Garage Security | \$460,951 |
| Computer Space | \$158,312 |
| • Purchase/SIOH | \$86,334,779 |
| Purchase | \$81,447,905 |
| SIOH | \$4,886,874 |
| • Move Costs/Swing Space | \$143,830,864 |
| Move Costs (in & out) | \$9,743,384 |
| Security (1-time cost) | \$162,748 |
| Security (per year) | \$2,572,187 |
| Crystal City Lease: | |
| 1996 | \$23,460,193 |
| 1996 | \$24,163,997 |
| 1997 | \$24,888,917 |
| 1998 | \$25,635,586 |
| 1999 (During Renovation) | \$26,404,653 |
| 2000 (First Quarter) | \$6,799,199 |
| • Relocation & Reconfiguration | \$17,906,402 |
| Info & Comm Infrastructure | \$11,069,907 |
| Moving Offices | \$4,739,110 |
| Move Major Computers | \$1,362,478 |
| Teleconferencing | \$120,236 |
| Telephones | \$167,581 |
| Security | \$350,458 |
| Clean-Up | \$96,632 |
| RECURRING COSTS: | \$30,696,739 |
| • Facilities Maintenance | \$5,940,455 |
| Custodial/Janitorial | \$2,104,071 |
| Maint/Rep Bldg/Rds | \$1,117,030 |
| Preventive Maint | \$597,227 |
| Preventive Maint Insp | \$497,051 |
| Emerg Rprs/Service | \$831,064 |
| Moving Services | \$454,309 |
| Alterations/Improvements | \$339,703 |
| • Utilities | \$1,864,624 |
| Electricity | \$1,740,255 |
| Water | \$28,371 |
| Sewage | \$50,309 |
| OT HVAC | \$45,689 |
| • ADP & Teleconferencing | \$11,418,864 |
| Video Teleconferencing | \$471,830 |
| Information Management | \$2,715,062 |
| Computers | \$925,702 |
| Telephones | \$7,306,270 |
| • Security | \$2,644,540 |
| Guards | \$1,849,372 |
| ADT Alarm System | \$259,237 |
| Locks/Keys | \$68,191 |
| Pass Office | \$426,620 |
| Maintenance of TV Cameras in Parking Area | \$41,120 |
| • Miscellaneous | \$8,828,256 |
| Recycling Program | \$35,705 |
| Personnel | \$806,846 |
| Administrative | \$1,481,906 |
| Costs of Maintaining White Oak | \$4,887,783 |
| DOD Interservice Support | \$1,616,016 |
| NOTE: All Costs are in 1995 Base Year Dollars | |



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

Attachment E-4

1 June 1995

The Honorable Paul S. Sarbanes
United States Senate
Washington, DC 20510

Dear Senator Sarbanes:

This is to acknowledge receipt of your letter of May 15, 1995, concerning the Naval Surface Warfare Center (NSWC), White Oak, Maryland, and the Naval Sea Systems Command (NAVSEASYSKOM).

To be as responsive as possible, I am providing answers to thirteen of your nineteen questions based on certified information in our 1995 Base Structure Data Base. We have issued a separate data call to gather the information necessary to completely and substantively address your remaining questions. I will reply further as soon as possible.

In the interim, if you require further assistance or have additional information to provide, you may contact Mr. Charles Nemfakes, who is coordinating the response, at (703) 681-0450.

A similar response has been sent to each of your colleagues who also expressed their interest in the future of these activities.

Sincerely,

Richard Danzig
Under Secretary of the Navy

Attachment

Q19. In calculating recurring costs at White Oak, NAVFAC's April 1994 report lists \$2.8 million in tenant income, including \$2.1 million from the Naval Surface Warfare Center. However, in the COBRA and other BRAC 95 documents, it does not appear that tenant income was used to offset any of the projected recurring costs at White Oak. Please state whether any tenant income was taken into account in the BRAC recurring cost calculations for White Oak.

A19. Two separate and mutually exclusive scenarios were evaluated by DON, one to close the Naval Surface Warfare Center detachment and one to relocate NAVSEA to WNY. Each scenario includes only those costs/savings associated with that portion of the action, i.e. savings specifically attributable to support of the technical center are shown in the NSWC White Oak scenario; savings resulting from NAVSEA not having to function as a "stand-alone" host activity are included in the NAVSEA scenario. This was done to prevent overstating costs/savings associated with any one action.

Document Separator

DAYTIME CLEANING

Issue

Data call response lists \$1.7 million for "daytime cleaning" at WO and \$29,000 at WNY. Navy did not satisfactorily explain the huge imbalance. Although there may be some difference, it should not be of this magnitude: \$1.5 million should be deleted from WO recurring costs.

Discussion

Page 2-21 of Scenario Development Data Call lists \$1,716K for daytime cleaning at WO (Attachment F-1). Page 3-3 lists \$29K for daytime cleaning at WNY (Attachment F-2).

Community Position

There are two problems with this comparison:

1. The WO number appears to duplicate the \$3,969K amount shown for facilities maintenance. Note 1 on page 2-21 of the Data Call identifies the source for the recurring cost numbers as "Economic Analysis of Headquarters Space for Naval Sea Systems Command," NAVFAC, April 25, 1994 (NAVFAC Analysis). Page 4-11 of the NAVFAC Analysis lists facilities maintenance of \$5.5 million (Attachment F-3). The difference between that amount and the amount shown in the Data Call is explained in Note 2 on page 2-21 of the Data Call, which attributes the decrease to "new approach to organizational moves." Appendix D of the NAVFAC analysis itemizes facilities maintenance expenses, which include "custodial/janitorial" (Attachment F-4). This would seem to include daytime cleaning; the amount (\$1.5 million), adjusted for inflation, is about the same as the Data Call amount for daytime cleaning.

The Navy has stated that the NAVFAC Analysis was "not considered or used" in its BRAC deliberations (Attachment F-5). However, this assertion is contradicted by Note 1 on page 2-21 of the Scenario Development Data Call.

2. The Navy used different approaches, to the detriment of WO. In a June 16, 1995, letter to Senator Paul Sarbanes, the Navy said the source of the WO number was base operating cost in 1993 adjusted for inflation and escalated to reflect new construction (Attachment F-6). The Navy further said regular daytime cleaning costs are included in WNY Inter-Service Agreements (ISA), and that the \$29K was for specialized cleaning. Since this was a separate cost item for WO, the Navy should have identified the amount or percentage of an ISA at WNY attributable to daytime cleaning for the 951,880 GSF of space to be occupied by NAVSEA at WNY.

For the reasons stated above, the daytime cleaning amounts should be roughly the same. Since there may be some economies at WNY, the difference should be reduced by \$1.5 million.

BRAC-95 SCENARIO DEVELOPMENT DATA CALL
Enclosure (2) - LOSING BASE QUESTIONS

Recurring costs for NSWC Det White Oak with NAVSEA as recommended in BRAC 93 are:

| | <u>Annual Savings</u> | <u>FY</u> | <u>Description</u> |
|----|-----------------------|-----------|---------------------------------|
| 1. | \$3,969K | 1999 | Facilities Maintenance (NOTE 2) |
| 2. | \$292K | 1999 | IDS Maintenance |
| 3. | \$1,716K | 1999 | <u>Daytime Cleaning</u> ← |
| 4. | \$43K | 1999 | Recycling |
| 5. | \$6,083K | 1999 | Utilities |
| 6. | \$1,770K | 1999 | Security |
| 7. | <u>\$4,569K</u> | 1999 | Host Costs (NOTE 3) |
| 8. | <u>\$2,040K</u> | 1999 | Annex Lease Costs for SEA 08 |
| | <u>20,482,000</u> | | |

18,492,000

NOTE 1: DATA SOURCE IS THE REPORT TO CONGRESS ON THE ECONOMIC ANALYSIS OF HEADQUARTERS SPACE FOR NAVAL SEA SYSTEMS COMMAND DATED 25 APRIL, 1994

NOTE 2: REDUCED FACILITIES MAINTENANCE NUMBERS REFLECT NEW APPROACH TO ORGANIZATIONAL MOVES IN THE FUTURE. UTILIZING SYSTEMS FURNITURE AND REVISED PHILOSOPHIES OF MOVING PEOPLE VICE FURNITURE, SAVINGS WILL BE REALIZED IN OUR FACILITIES COSTS. THIS PHILOSOPHY WAS PRESENTED ELSEWHERE, BUT WAS OVERLOOKED IN THIS CATEGORY.

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**BRAC-95 SCENARIO DEVELOPMENT DATA CALL
ENCLOSURE (3) - GAINING BASE QUESTIONS**

c. **Environmental Mitigation.** Environmental cleanup costs at closing bases are not considered in COBRA, since these costs will be incurred regardless of whether the activity is closed or remains opened. If, however, additional environmental costs are incurred at gaining bases as the result of a transfer of functions or personnel, these costs should be identified, e.g., wetland mitigation, environmental impact statements at gaining bases, new permits, etc. Identify below any non-Military Construction environmental mitigation costs which will be incurred as a result of this closure/realignment action. (Note: Military Construction Costs for environmental mitigation are identified in Table 3-B). For each cost, identify the amount, year in which the cost will be incurred and a brief description of the cost.

Gaining Base: _____

| | <u>Cost</u> | <u>FY</u> | <u>Description</u> |
|----|-------------|-----------|--------------------|
| 1. | | | |

NOT APPLICABLE

d. **Miscellaneous Recurring Costs.** Identify any other recurring costs associated with the closure/realignment action at the gaining base which will not be calculated automatically by the COBRA algorithms (as noted in the Introduction section), e.g., new leases of facilities or equipment, etc. For each cost, identify the year in which the cost will begin and describe the nature of the cost. Only costs directly attributable to the closure/realignment action should be identified. (Do not include changes in non-payroll BOS, Family Housing Operations, housing allowances or CHAMPUS costs, all of which are calculated by other COBRA algorithms.). Do not double count any costs identified on Losing Base tables (Enclosure (2)).

Gaining Base: NDW at WNY, Washington, D.C.

| | <u>Annual Cost</u> | <u>FY</u> | <u>Description</u> |
|---------|--------------------|-----------|---|
| 1460/50 | 1. \$88K | 1998 | Lease 6000 SF Warehouse Space \$13/SF NDW rate (FY 94) |
| 1585/50 | 2. \$12,084 | 2000 | Lease 717,000 SF Admin Space \$14/SF NDW rate (FY 94) |
| | 3. \$282K | 2000 | IDS Maintenance |
| | 4. \$29K | 2000 | <u>Daytime Cleaning</u> ← |
| | 5. \$8K | 2000 | Recycling |
| | <u>12,491</u> | | |

ECONOMIC ANALYSIS OF UNSOLICITED PROPOSAL

**ECONOMIC ANALYSIS OF
HEADQUARTERS OFFICE SPACE
FOR NAVAL SEA SYSTEMS COMMAND**



This report has been Reviewed by a P.E.
25 April 1994

Source Selection Information - FAR-3.104 Procurement Sensitive

Security - Includes White Oak security costs while NAVSEA stays at NC 2 and 3.

Staff Civil Engineer - Includes operations costs for an additional 15 personnel to maintain White Oak while NAVSEA stays at NC 2 and 3.

TENANT INCOME (Negative Cost) - Includes income reimbursement from White Oak tenant activities.

| | WHITE OAK | NC 2 & 3 |
|-------------------------|---------------------|---------------------|
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| Security | \$1,837,205 | \$2,644,540 |
| Miscellaneous | \$5,927,943 | \$10,288,269 |
| Tenant Income | (\$2,840,329) | |

TABLE 2: RECURRING COSTS

4.4.2 Building Assessment: The Team and GSA NCR decided that building assessments should be obtained for NC 2 and 3. Both ASN(I&E) and GSA NCR received numerous complaints over many years from NAVSEA on various deficiencies in these buildings. The Team was concerned that these buildings were being offered with original mechanical and structural components that were approaching the end of their useful lives. To establish a fair comparison, the Team believed that NC 2 and 3 renovation costs should be developed to meet design standards by the Federal Government (for replacement of the aging and inadequate building components). NC 2 and 3 would then be comparable to the new construction "quality" planned for White Oak. Report summaries of the building assessments are as follows:

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Appendix D

COST ESTIMATE MATRIX

Source Selection Information - FAR-3.104 Procurement Sensitive

ALTERNATIVE 1 - WHITE OAK

| | |
|--------------------------------------|----------------------|
| INITIAL COSTS: | \$218,008,613 |
| • Construction/Renovation | \$104,702,320 |
| Construction/Renovation | \$104,702,320 |
| • Move Costs/Swing Space | \$84,202,602 |
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| Procurement | \$352,586 |
| Clean-Up | \$627,821 |
| RECURRING COSTS: | \$26,704,043 |
| • Facilities Maintenance | \$5,517,005 |
| Custodial/Janitorial | \$1,529,315 |
| Exter Clean/Pest Ctrl | \$125,731 |
| Maint/Rep Bldg/Rds | \$802,963 |
| Preventive Maint | \$522,077 |
| Preventive Maint Insp | \$434,536 |
| Emerg Rprs/Service | \$727,743 |
| Misc Shops | \$912,316 |
| Moving Services | \$249,885 |
| Alterations/Improvements | \$212,439 |
| • Utilities | \$5,420,878 |
| Electricity | \$2,369,911 |
| Steam (Fuel Cost) | \$636,382 |
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| Sewage | \$227,815 |
| OT HVAC | \$61,400 |
| • ADP & Teleconferencing | \$10,841,341 |
| Video Teleconferencing | \$494,674 |
| Information Management | \$2,729,340 |
| Computers | \$925,701 |
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| • Security | \$1,837,205 |
| Guards | \$1,047,317 |
| Vehicles | \$22,680 |
| ADT Alarm System | \$260,702 |
| Locks/Keys | \$68,805 |
| Pass Office | \$437,701 |
| • Miscellaneous | \$5,927,943 |
| Recycling Program | \$38,583 |
| Transportation - Shuttle Bus Service | \$329,699 |
| Personnel | \$2,151,588 |
| Administrative | \$1,481,906 |
| Environmental | \$108,149 |
| DOD Interservice Support | \$1,818,018 |
| • Tenant Income | (\$2,840,329) |
| Naval Reserve Recruiting Command | (\$46,386) |
| Cost Control Det (Code TC) | (\$107,806) |
| 10 Contractors | (\$71,870) |
| PSD Travel | (\$17,337) |
| Naval Medical Center | (\$3,701) |
| Defense Printing Service | (\$227,067) |
| NAVFACENGC0M | (\$21,362) |
| WO Federal Credit Union | (\$100,619) |
| WO Golf Course | (\$7,187) |
| NSWC | (\$2,109,400) |
| Public Works Center | (\$45,713) |
| US Army Research Lab | (\$28,619) |
| Naval Reserve Center (Adelphi) | (\$53,262) |

ALTERNATIVE 2 - NC 2 AND 3

| | |
|---|----------------------|
| INITIAL COSTS: | \$297,581,259 |
| • Construction/Renovation | \$49,509,214 |
| Construction/Renovation | \$48,889,951 |
| Garage Security | \$460,951 |
| Computer Space | \$158,312 |
| • Purchase/SIOH | \$86,334,779 |
| Purchase | \$81,447,905 |
| SIOH | \$4,886,874 |
| • Move Costs/Swing Space | \$143,830,864 |
| Move Costs (In & out) | \$9,743,384 |
| Security (1-time cost) | \$162,748 |
| Security (per year) | \$2,572,187 |
| Crystal City Lease: | |
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| 1998 | \$25,635,586 |
| 1999 (During Renovation) | \$26,404,653 |
| 2000 (First Quarter) | \$6,799,199 |
| • Relocation & Reconfiguration | \$17,906,402 |
| Info & Comm Infrastructure | \$11,069,907 |
| Moving Offices | \$4,739,110 |
| Move Major Computers | \$1,362,478 |
| Teleconferencing | \$120,236 |
| Telephones | \$167,581 |
| Security | \$350,458 |
| Clean-Up | \$96,632 |
| RECURRING COSTS: | \$30,696,739 |
| • Facilities Maintenance | \$5,940,455 |
| Custodial/Janitorial | \$2,104,071 |
| Maint/Rep Bldg/Rds | \$1,117,030 |
| Preventive Maint | \$597,227 |
| Preventive Maint Insp | \$497,051 |
| Emerg Rprs/Service | \$831,064 |
| Moving Services | \$454,309 |
| Alterations/Improvements | \$339,703 |
| • Utilities | \$1,864,624 |
| Electricity | \$1,740,255 |
| Water | \$28,371 |
| Sewage | \$50,309 |
| OT HVAC | \$45,689 |
| • ADP & Teleconferencing | \$11,418,864 |
| Video Teleconferencing | \$471,830 |
| Information Management | \$2,715,062 |
| Computers | \$925,702 |
| Telephones | \$7,306,270 |
| • Security | \$2,644,540 |
| Guards | \$1,849,372 |
| ADT Alarm System | \$259,237 |
| Locks/Keys | \$68,191 |
| Pass Office | \$426,620 |
| Maintenance of TV Cameras in Parking Area | \$41,120 |
| • Miscellaneous | \$8,828,256 |
| Recycling Program | \$35,705 |
| Personnel | \$806,846 |
| Administrative | \$1,481,906 |
| Costs of Maintaining White Oak | \$4,887,783 |
| DOD Interservice Support | \$1,616,016 |

NOTE: All Costs are in 1996 Base Year Dollars



DEPARTMENT OF THE NAVY
 OFFICE OF THE SECRETARY
 1000 NAVY PENTAGON
 WASHINGTON, D.C. 20350-1000

1 June 1995

The Honorable Paul S. Sarbanes
 United States Senate
 Washington, DC 20510

Dear Senator Sarbanes:

This is to acknowledge receipt of your letter of May 15, 1995, concerning the Naval Surface Warfare Center (NSWC), White Oak, Maryland, and the Naval Sea Systems Command (NAVSEASYSKOM).

To be as responsive as possible, I am providing answers to thirteen of your nineteen questions based on certified information in our 1995 Base Structure Data Base. We have issued a separate data call to gather the information necessary to completely and substantively address your remaining questions. I will reply further as soon as possible.

In the interim, if you require further assistance or have additional information to provide, you may contact Mr. Charles Nemfakes, who is coordinating the response, at (703) 681-0450.

A similar response has been sent to each of your colleagues who also expressed their interest in the future of these activities.

Sincerely,

Richard Danzig
 Under Secretary of the Navy

Attachment

08/01/95 17:22

703 614 7089

OLA/CAPT BECKER

007/008

Q16. The scenario development data call identifies the source of the White Oak recurring cost estimates as NAVFAC's April 1994 report, "Economic Analysis for Headquarters Office Space for Naval Sea Systems Command," referred to in Question 5 above. That study shows host support costs as being part of an overall miscellaneous personnel expense of \$2.1 million. In view of this estimate, why does the scenario development data call show more than twice as much (\$4.5 million) for host costs?

Q16. As previously noted, the "Economic Analysis for Headquarters Office Space for Naval Sea Systems Command" is not part of the Navy's certified data base. Therefore, this study was not considered or used by the Navy in its deliberations to develop closure recommendations. The \$4.5 million listed as host costs (line 7 page 2-21 of scenario data call) provided in the certified scenario data call by NAVSEA includes both personnel costs (\$2.1 million) plus additional unspecified host costs.

Q17. One of the items in the miscellaneous recurring costs is "daytime cleaning." In the scenario development data call, \$1.7 million is estimated for this purpose for White Oak, compared to only \$29,000 for the WNY. Please explain how these estimates could differ so greatly, particularly since there would be 400 fewer employees at White Oak.

A17. The Navy has issued a data call to collect these data. We will forward a response as soon as possible.

Q18. As part of the White Oak recurring costs, \$2.04 million is listed as the annual cost at the Navy Annex for SEA 08. Please state the unit square footage cost by which the total was calculated.

A18. The Navy has issued a data call to collect these data. We will forward a response as soon as possible.



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
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WASHINGTON, D.C. 20350-1000

Attachment F-6

16 June 1995

The Honorable Paul S. Sarbanes
United States Senate
Washington, D.C. 20510

Dear Senator Sarbanes:

This is in further response to your letter of May 15, 1995, concerning the Naval Surface Warfare Center (NSWC), White Oak, Maryland, and the Naval Sea Systems Command (NAVSEASYSKOM).

I am providing answers to the remaining six of your questions. The answers are based on information provided in data calls to specifically answer your questions. I trust this information satisfactorily addresses your concerns.

A similar response has been sent to each of your colleagues who also expressed their interest in the future of these activities.

As always, if I can be of any further assistance, please let me know.

Sincerely,

A handwritten signature in cursive script, reading "Richard Danzig", is written over the typed name and title.

Richard Danzig
Under Secretary of the Navy

Enclosure

Q17. One of the items in the miscellaneous recurring costs is "daytime cleaning." In the scenario development data call, \$1.7 million is estimated for this purpose for White Oak, compared to only \$29,000 for the WNY. Please explain how these estimates could differ so greatly, particularly since there would be 400 fewer employees at White Oak.

A17. Base operating costs received from NSWC White Oak in June of 1993 showed \$1,332,701 for daytime cleaning at the existing facility. Based on NAVCOMPTNOTE 7111 NCGB-1 NCB 4-94 of 29 Mar 94, this figure was escalated and rounded at \$1,716K. The original White Oak figure was retained and escalated assuming NAVSEA would pick up host responsibility for the facility. Considerations for this analysis included: existing structures to remain, total number of occupants, and new construction. Additionally, this estimate included the purchase of supplies to stock restrooms, etc.

Regular daytime cleaning services at the Washington Navy Yard are included in the Inter-Service Agreement for tenants. It is not a separate cost. The \$29K figure reported provides specialized cleaning that would be required in special use spaces such as computer rooms. The estimate included approximately 10K square feet of special use space with an average price of \$2.50 per square foot. This figure was escalated to \$29K using the NAVCOMPT guidance as previously stated.

Q18. As part of the White Oak recurring costs, \$2.04 million is listed as the annual cost at the Navy Annex for SEA 08. Please state the unit square footage cost by which the total was calculated.

A18. The following Washington Headquarters Service (WHS) annual unit costs by square footage were used to calculate the annual cost at the Navy Annex (FOB 2) for SEA 08:

| | <u>FY95\$</u> |
|-----------------|---------------|
| Office | \$15.12 |
| General Storage | \$11.66 |
| ADP | \$24.60 |
| Conf-Training | \$17.91 |
| Outside Parking | \$ 2.28 |

Document Separator

CALCULATION OF MISCELLANEOUS RECURRING COSTS

Issue

Navy used different methods for calculating miscellaneous recurring costs for WNY vs. WO, to the clear disadvantage of WO. Using same approach for both reduces the difference by \$1,062,000.

Discussion

Under miscellaneous recurring costs for WO, the Scenario Development Data Call itemizes costs for facilities maintenance, utilities and security (Attachment G-1). Combined cost for these items is \$11,822K. To this is added \$4,569K in host costs.

In calculating the same costs for WNY, the Scenario Development Data Call uses a lease cost approach. Based on 717,000 SF at \$14/SF (FY94 rate), it shows an annual cost of \$12,084K (Attachment G-2). Presumably, this includes NAVSEA's pro-rata share for facilities maintenance/utilities/security at WNY, plus additional functions for which WO is being charged host costs.

Community Position

1. The lease cost approach used in the Data Call results in an unrealistically low operating cost for NAVSEA at WNY. The Navy, in response to questions, has said that NAVSEA as a tenant at WNY would pay "usage costs" for overhead services on a pro-rata basis (Attachment G-3). Since NAVSEA will occupy 42% of WNY, it would be responsible for paying almost half of all overhead costs at WNY. Yet, NAVSEA's pro-rata overhead share cannot possibly be reflected in the FY94 figure of \$14/SF used by the Navy for 717K SF. (Based on the annual cost of \$12,084, the SF cost is \$16.85, which apparently reflects an inflation adjustment to FY2000.)

2. But assuming the Navy calculations are accurate, WO is still disadvantaged by the difference in approaches. Since the community has no way of calculating NAVSEA's pro-rata share of overhead costs at WNY, the only way to compare similar costs is to apply the lease cost method to WO. Without knowing exactly how the Navy arrived at 717K SF (we assume this is NSF, since GSF for WNY including SEA 08 is 951,880), we use it as starting point for WO since Navy has said the NSF at both locations will be about the same (Navy says WO has higher GSF because of lower efficiency). We then subtracted 68K for SEA 08, for which WO is being charged \$2M annually in lease costs at Navy Annex: 717K minus 68K = 649K. Applying Navy FY2000 SF rate: 649K X \$16.85/SF = \$10,760K. This is comparable cost for WO, including overhead. However, Navy had attributed \$11,822K to WO as combined total for facilities maintenance (\$3,969K), utilities (\$6,083K) and security (\$1,770K). The difference (\$11,822K minus \$10,760K) is \$1,062K. The community feels strongly that this amount should be deducted from WO's miscellaneous recurring costs in the interest of using fair comparisons.

BRAC-95 SCENARIO DEVELOPMENT DATA CALL
Enclosure (2) - LOSING BASE QUESTIONS

Recurring costs for NSWC Det White Oak with NAVSEA as recommended in BRAC 93 are:

| | <u>Annual Savings</u> | <u>FY</u> | <u>Description</u> |
|----|-----------------------|-----------|---------------------------------|
| 1. | \$3,969K | 1999 | Facilities Maintenance (NOTE 2) |
| 2. | \$292K | 1999 | IDS Maintenance |
| 3. | \$1,716K | 1999 | Daytime Cleaning |
| 4. | \$43K | 1999 | Recycling |
| 5. | \$6,083K | 1999 | Utilities |
| 6. | \$1,770K | 1999 | Security |
| 7. | \$4,569K | 1999 | Host Costs (NOTE 3) |
| 8. | \$2,040K | 1999 | Annex Lease Costs for SEA 08 |
| | <u>\$20,482,000</u> | | |

18,992,000

- NOTE 1: DATA SOURCE IS THE REPORT TO CONGRESS ON THE ECONOMIC ANALYSIS OF HEADQUARTERS SPACE FOR NAVAL SEA SYSTEMS COMMAND DATED 25 APRIL, 1994
- NOTE 2: REDUCED FACILITIES MAINTENANCE NUMBERS REFLECT NEW APPROACH TO ORGANIZATIONAL MOVES IN THE FUTURE. UTILIZING SYSTEMS FURNITURE AND REVISED PHILOSOPHIES OF MOVING PEOPLE VICE FURNITURE, SAVINGS WILL BE REALIZED IN OUR FACILITIES COSTS. THIS PHILOSOPHY WAS PRESENTED ELSEWHERE, BUT WAS OVERLOOKED IN THIS CATEGORY.
- NOTE 3: HOST COSTS INCLUDE THE COSTS OF THE STAFF REQUIRED TO CONDUCT THE HOST FUNCTION AT WHITE OAK. THIS FUNCTION HAS NOT YET BEEN FORMALLY ASSIGNED TO AN ORGANIZATION AND THE MILITARY AND CIVILIAN BILLETS, FULL-TIME-EQUIVALENT (FTE) AND END STRENGTH ARE NOT CURRENTLY IN ANY OF THE NAVSEA HEADQUARTERS OR NSWC MANPOWER BUDGETS. GENERALLY, THE COMMAND'S CIVILIAN MANPOWER BUDGETS ARE RESOLVED THROUGH THE END OF FY97 IN THE RECENT FY96/97 OSD/OMB BUDGET SUBMITTAL. FOR THIS FY99 DATA CALL, THE COSTS WERE ESTIMATED BASED ON 1-MIL (OIC) AND 39 CIVILIANS.

**BRAC-95 SCENARIO DEVELOPMENT DATA CALL
ENCLOSURE (3) - GAINING BASE QUESTIONS**

c. **Environmental Mitigation.** Environmental cleanup costs at closing bases are not considered in COBRA, since these costs will be incurred regardless of whether the activity is closed or remains opened. If, however, additional environmental costs are incurred at gaining bases as the result of a transfer of functions or personnel, these costs should be identified, e.g., wetland mitigation, environmental impact statements at gaining bases, new permits, etc. Identify below any non-Military Construction environmental mitigation costs which will be incurred as a result of this closure/realignment action. (Note: Military Construction Costs for environmental mitigation are identified in Table 3-B). For each cost, identify the amount, year in which the cost will be incurred and a brief description of the cost.

Gaining Base: _____

| | <u>Cost</u> | <u>FY</u> | <u>Description</u> |
|----|-------------|-----------|--------------------|
| 1. | | | |

NOT APPLICABLE

d. **Miscellaneous Recurring Costs.** Identify any other recurring costs associated with the closure/realignment action at the gaining base which will not be calculated automatically by the COBRA algorithms (as noted in the Introduction section), e.g., new leases of facilities or equipment, etc. For each cost, identify the year in which the cost will begin and describe the nature of the cost. Only costs directly attributable to the closure/realignment action should be identified. (Do not include changes in non-payroll BOS, Family Housing Operations, housing allowances or CHAMPUS costs, all of which are calculated by other COBRA algorithms.). Do not double count any costs identified on Losing Base tables (Enclosure (2)).

Gaining Base: NDW at WNY, Washington, D.C.

| | <u>Annual Cost</u> | <u>FY</u> | <u>Description</u> |
|----------------------|--------------------|-----------|---|
| 14 ⁶⁶ /5= | 1. \$88K | 1998 | Lease 6000 SF Warehouse Space \$13/SF NDW rate (FY 94) |
| 1,385/5= | 2. <u>\$12,084</u> | 2000 | Lease 717,000 SF Admin Space ← |
| | 3. \$282K | 2000 | IDS Maintenance |
| | 4. \$29K | 2000 | Daytime Cleaning |
| | 5. <u>\$8K</u> | 2000 | Recycling |
| | <u>12,491</u> | | |



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

Attachment G-3

1 June 1995

The Honorable Paul S. Sarbanes
United States Senate
Washington, DC 20510

Dear Senator Sarbanes:

This is to acknowledge receipt of your letter of May 15, 1995, concerning the Naval Surface Warfare Center (NSWC), White Oak, Maryland, and the Naval Sea Systems Command (NAVSEASYSKOM).

To be as responsive as possible, I am providing answers to thirteen of your nineteen questions based on certified information in our 1995 Base Structure Data Base. We have issued a separate data call to gather the information necessary to completely and substantively address your remaining questions. I will reply further as soon as possible.

In the interim, if you require further assistance or have additional information to provide, you may contact Mr. Charles Nemfakes, who is coordinating the response, at (703) 681-0450.

A similar response has been sent to each of your colleagues who also expressed their interest in the future of these activities.

Sincerely,

Richard Danzig
Under Secretary of the Navy

Attachment

Q13. In calculating recurring costs/savings for the NAVSEA relocation, the scenario development data call uses different methods for White Oak and the WNY. In calculating recurring costs at the WNY, the data call relies mainly on lease costs. In calculating recurring costs for White Oak, however, estimates are based on costs for specific functions such as maintenance, utilities and security. (a) Why were different approaches used? (b) Do the lease costs for the WNY include NAVSEA's pro-rata share of maintenance, utilities, security and other shared costs? (c) What would be the cost for White Oak using the same lease cost approach used for the WNY?

A13. NAVSEA at White Oak will be the host and responsible for the above listed costs and services. However, NAVSEA as a tenant in the WNY will pay usage costs for these types of services. These costs at the WNY are NAVSEA's pro-rata share of costs as a tenant of the WNY. Since NAVSEA is to be the host at White Oak, using WNY lease costs to calculate recurring costs at White Oak would not be appropriate.

Q14. The COBRA data shows a recurring cost of \$3.4 million more for civilian salaries at White Oak than at the WNY. Please explain the nature of these civilian salaries.

A14. The \$3.4 million is a recurring civilian salary savings realized by the elimination of 67 civilian positions (39 host support positions and 28 Human Resources Office positions) required at White Oak but not at the WNY. We have submitted a revised COBRA (File name: COBRA\BCRC\NAVSEA2Z.CBR) to the Base Closure and Realignment Commission that reflects an elimination of 81 civilian positions (39 host support positions and 42 Human Resources Office positions).

Q15. In response to prior questions from Congress, the Navy said that the redirect of NAVSEA to the WNY allows for the elimination of 68 civilian jobs, many involved in base support functions. Presumably, the \$3.4 million referred to in Question 14 accounts for some or all of these base support functions. In calculating recurring costs at White Oak, the scenario development data call lists \$4.9 million annually for a 40-person unit to perform host functions. This seems like double counting for the same host functions. Please comment.

A15. To accurately reflect personnel movements at White Oak the costs of the 40-person unit (\$2.059 million) were not included in the Miscellaneous recurring savings shown on Screen 5 of the COBRA. These 40 positions were then shown as positions eliminated with COBRA algorithms calculating the costs of this action. The sum of lines 1 to 7 on page 2-21 of the scenario data call total \$18.442 million, the recurring savings for the closure of White Oak entered on Screen 5 was \$16.383 million (the total costs to operate White Oak minus the costs of 40 positions). This action prevents double counting personnel related costs for the host function.