Response of the International Federation of Professional and Technical Engineers, (IFPTE) Local 3 To BRAC 2005 Realignment Of NAVSHIPSO (Norfolk Naval Shipyard Detachment, Phila.)

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Executive Summary

The objective of Local 3's response to the DOD recommendation for re-alignment of the Naval Sea Systems Command (NAVSEA) Shipbuilding Support Office (NAVSHIPSO), Philadelphia, PA to the Norfolk Naval Shipyard (NNSY), Portsmouth, VA is to challenge the DOD's application of the principal criteria that govern realignment/closure actions, and the specific data call information requests that support the recommendation, clarify the inaccuracies, and to offer a viable cost effective alternative action.

Following BRAC 1993, NAVSHIPSO was urged to vacate the Philadelphia Naval Shipyard and obtain leased space. Ironically, today DOD recommends relocating to a shipyard because of the cost of the leased space they were previously urged to obtain.

After reviewing the criteria used to recommend realignment, Local 3 is convinced that DOD's decision was based on erroneous information that resulted in the wrong conclusion. Local 3's recommendation will eliminate leased space and consolidate NAVSHIPSO functions into existing government space controlled by the Naval Foundry and Propeller Center (NFPC) in Philadelphia, which is a detachment of NNSY.

EXECUTIVE SUMMARY KEY POINTS

- In accordance with its primary Mission Statement as contained in NAVSEAINST-5450.45A NAVSHIPSO is tasked "To support the NAVAL SEA SYSTEMS COMMAND and other customers in the execution of shipbuilding acquisition and major weapons acquisition programs through manufacturing, engineering and industrial planning and to perform such other functions as may be directed by higher authority."

- NAVSHIPSO is a white-collar, administrative support function to NAVSEA and as such has been providing the same services to NAVSEA, while located in the Philadelphia region for the past 53 years. NAVSHIPSO's mission is entirely independent of location. There is no need to relocate to Norfolk VA to continue their mission.

- DOD's decision was based on erroneous information that resulted in the wrong conclusion.

- The Joint Cross Service Group (JCSG) report inaccurately characterized NAVSHIPSO as a ship repair facility. There is a fundamental mistake in perception associated with NAVSHIPSO's mission. There will be no repair function to relocate.

- NAVSHIPSO meets none of the criteria of a Ship Repair and Maintenance Activity as defined by the Industrial Steering Group for Ship Overhaul & Repair.

- NAVSHIPSO was required to answer the same data call criteria used to evaluate naval shipyards and repair facilities, i.e. proximity to Ship Home Ports, Dry Dock

Capacity, Maintenance Facilities and Buildings, etc., even though this is clearly not its mission.

- The JCSG recommendation provides for a one-time relocation cost of $4,121,000, with an annual savings of $619,000 ($500,000 of which is for existing leased office space) and a payback time of 7 years. Local 3's alternative recommendation provides for co-locating NAVSHIPSO with existing Norfolk Naval Shipyard Detachment employees in Philadelphia, PA in the same building (Building 712) they occupied prior to 1995. The one time cost to renovate this building and move the employees is estimated at $962,500. This alternative reduces NAVSHIPSO relocation costs by $3,158,500. The recurring annual cost savings is equal to the JCSG estimate by eliminating the leased space.

- There is no synergy to be gained through realignment to the Norfolk Naval Shipyard due to the divergent functions between the two activities. NAVSHIPSO is a unique NAVSEA support activity. No other Navy activity does what NAVSHIPSO does. There are no synergies of function with any other organization.

Background

On May 13, 2005 the International Federation of Professional and Technical Engineers (IFPTE), Local 3, received notification that the Department of Defense (DOD) 2005 Base Realignment and Closure (BRAC) recommends realigning and relocating the Naval Sea Systems Command (NAVSEA) Shipbuilding Support Office (NAVSHIPSO) located in Philadelphia, PA to the Norfolk Naval Shipyard (NNSY) in Portsmouth, VA. Local 3 as Chartered under Title VII, is the official bargaining agent for NAVSHIPSO employees and is required to represent these employees in all actions regarding working conditions.

NAVSHIPSO was established in 1952. In 1995, NAVSHIPSO was re-aligned as a Detachment of the Norfolk Naval Shipyard following BRAC 1993 and the closure of Philadelphia Naval Shipyard. It is interesting to note that following BRAC 1993, NAVSHIPSO was urged to vacate government owned office space at the shipyard and obtain leased space. Ironically, today DOD recommends relocating this activity to a shipyard because of the cost of the leased space they were urged to obtain.

NAVSHIPSO is a white-collar, administrative support function to NAVSEA and as such has been providing the same services to NAVSEA, while located in the Philadelphia region for the past fifty- three years. Employment level at the facility is 55, including managers and staff. NAVSHIPSO's mission is entirely independent of location. There is no need to relocate to Norfolk VA to continue their mission.

According to the recommendation provided by the Department of Defense (DOD), the realignment action will "create synergy among like functions performed at NNSY" and consolidate ship repair functions with similar repair functions. In addition, the Navy projects cost savings of $0.5M annually as a result of relocating from presently leased space to Government owned property.

Overview

The objective of Local 3's response to the DOD recommendation for re-alignment of the Naval Sea Systems Command (NAVSEA) Shipbuilding Support Office (NAVSHIPSO), Philadelphia, PA to the Norfolk Naval Shipyard (NNSY), Portsmouth, VA is to challenge the DOD's application of the principal criteria that govern realignment/closure actions, and the specific data call information requests that support the recommendation, clarify the inaccuracies, and to offer a viable cost effective alternative action that will:

1. Sustain NAVSHIPSO's mission as the primary source of Industrial Base Analysis for Navy acquisition planning and support.

2. Exceed the projected cost benefits anticipated by the current recommendation by eliminating the annual cost for current leased space and eliminating the cost to re-locate each employee to the Norfolk area.

3. Remove the anticipated hardships to the affected NAVSHIPSO employees and their families, thus allowing NAVSHIPSO to continue its mission uninterrupted.

There is a need to clarify the actual mission of NAVSHIPSO verses the misconception of the mission as presented to the BRAC Commission through the JCSG. In accordance with its primary Mission Statement as contained in NAVSEAINST-5450.45A NAVSHIPSO is tasked "To support the NAVAL SEA SYSTEMS COMMAND and other customers in the execution of shipbuilding acquisition and major weapons acquisition programs through manufacturing, engineering and industrial planning and to perform such other functions as may be directed by higher authority." Specifically, NAVSHIPSO provides centralized technical and analytical support to NAVSEA in all phases of ship acquisition including shipbuilding technology and industrial base assessments, contract surveillance, construction monitoring, support of Navy War Games; maintenance of the Naval Vessel Register and supports NAVSEA through program management analysis and special studies. NAVSHIPSO provides NAVSEA with detailed and comprehensive analyses of data collected by its staff to provide support for Navy acquisition programs as well as support of "Defense Acquisition Regulatory Requirements" for all major weapons acquisition programs. NAVSHIPSO monitors the industrial capability of more than 500 primary and secondary manufacturers of military systems and components, as well as approximately 100 privately owned shipyards throughout the United States.

NAVSHIPSO has managed on-site Alteration Installation Teams (AIT), however this function is in the process of being eliminated as the result of higher level direction provided prior to and independent of BRAC and is expected to be completely phased out by the spring of 2006.

Most important to this discussion, NAVSHIPSO does not repair ships as the JCSG Industrial Report states. Simply put, there will be no repair function to relocate.

NNSY's mission is ship repair and maintenance while NAVSHIPSO's is not. The Industrial Steering Group, for Ship Overhaul and Repair Subgroup, defines Ship Repair and Maintenance Activities as follows: "Depot and intermediate maintenance activities performing material maintenance and repair required by overhaul, upgrading, modification, or rebuilding of parts, assemblies, or subassemblies, and testing and reclamation of equipment as necessary, regardless of the source of funds for the maintenance or repair at a government owned activity." NAVSHIPSO meets none of these criteria.

NAVSHIPSO's mission is administrative and analytical, thus, their mission continues to be carried out independent of shipyards and as such, the data call regarding Ship Overhaul and Repair was in error. NAVSHIPSO, however, was required to answer the same data call criteria used to evaluate the naval shipyards and repair facilities, i.e. proximity to Ship Home Ports, Dry Dock Capacity, Maintenance Facilities and Buildings, etc., even though this is clearly not their mission. Obviously, there is a fundamental mistake in perception associated with NAVSHIPSO's mission as evidenced by the JCSG BRAC recommendation, to "relocate the Norfolk Naval Shipyard Detachment, Naval Sea Systems Command Shipbuilding Support Office ***ship repair function*** to Norfolk Naval Shipyard. To repeat, there are no ship repair functions available for relocation. NAVSHIPSO's mission has been characterized incorrectly.

The JCSG recommendation provides for a one-time relocation cost of $4,121,000, with an annual savings of $619,000 ($500,000 of which is for existing leased office space) and a payback time of 7 years. Local 3's alternative recommendation provides for co-locating NAVSHIPSO with existing Norfolk Naval Shipyard Detachment employees in Philadelphia, PA in the same building (Building 712) they occupied prior to BRAC 1995. The one time cost to renovate this building and move the employees is estimated at $962,500. This alternative reduces NAVSHIPSO relocation costs by $3,158,500. The recurring annual cost savings is equal to the JCSG estimate by eliminating the leased space.

In response to the Military Value analysis, the Industrial JCSG report inaccurately characterized NAVSHIPSO as a ship repair facility utilizing Ship Overhaul and Repair Subgroup 'data calls' as the evaluation criteria. NAVSHIPSO clearly provides analytical and administrative support to NAVSEA and is not a ship repair facility.

Conclusions/Recommendations

Local 3 requests the 2005 BRAC Commission to carefully examine the original recommendation provided in the DoD Justification Data Report (Enclosure 1), the Final Selection Criteria, DoD Base Closure and Realignment (Enclosure 2), and associated data call criteria used to make the recommendation. Finally, Local 3 requests the BRAC 2005 Commission to evaluate the alternative recommendation presented in this paper. We strongly believe the appropriate decision will be the alternative recommendation presented by Local 3 because it is the correct choice for the Navy and NAVSHIPSO.

The current alignment between NNSY and NAVSHIPSO is entirely administrative. There is no benefit to the Navy to relocate NAVSHIPSO to Norfolk. The final cost would be significantly higher to relocate the office and its employees to the Norfolk area, than remaining in Philadelphia and moving to a Government owned facility. By remaining in Philadelphia there is no need for relocation & accompanying high costs.

There is no synergy to be gained through realigning to Norfolk Naval Shipyard due to the divergent functions between the two activities. NAVSHIPSO is a unique NAVSEA support activity. No other Navy activity does what NAVSHIPSO does. There are no synergies of function with any other organization.

NAVSHIPSO and the Naval Foundry and Propeller Center (NFPC), form the NNSY Detachment Philadelphia. Under this existing alignment, both organizations share a common electronic (T-1) computer hub connection with the Norfolk Naval Shipyard for all business and administration functions. Furthermore, relatively small employment levels at both organizations places a greater premium on the flexibility afforded by sharing resources as compared to a large organization such as a shipyard.

After reviewing the criteria used to recommend realignment, Local 3 is convinced that DOD's decision was based on erroneous information that resulted in the wrong conclusion. Local 3's recommendation will eliminate leased space and consolidate NAVSHIPSO functions into existing government space controlled by the Naval Foundry and Propeller Center (NFPC) in Philadelphia, which is a detachment of NNSY.

Relocating workers and their families for any reason is a complex and stressful undertaking. More importantly, the JCSG relocation recommendation, triggered by an erroneous assessment of the NAVSHIPSO organization and mission, is not only an injustice to the workers, but to the tax-payers. Spending additional money to relocate NAVSHIPSO, as evidenced by the $3,158,000 relocation differential, to perform the same function they perform in Philadelphia, defeats the purpose of the BRAC Commission. After examining the evidence, there is no justification for relocaton.

The Navy made an error in their assessment by using the wrong criteria to assess NAVSHIPSO. Local 3 implores the BRAC Commission to make the correction. We are confident you will give careful consideration of the facts, and based on the merits of our appeal the Commission will make the necessary correction.

Naval Shipyard Detachments

Recommendation: Realign Puget Sound Naval Shipyard Detachment Boston, MA, by relocating the ship repair function to Puget Sound Naval Shipyard, WA.

Realign Naval Station Annapolis, MD, by relocating the Norfolk Naval Shipyard Detachment, Naval Sea Systems Command Plant Equipment Support Office ship repair function to Norfolk Naval Shipyard, VA.

Realign the Navy Philadelphia Business Center, PA, by relocating the Norfolk Naval Shipyard Detachment, Naval Sea Systems Command Shipbuilding Support Office ship repair function to Norfolk Naval Shipyard, VA.

Justification: This recommendation supports mission elimination at Puget Sound Naval Shipyard Detachment Boston, MA, Norfolk Naval Shipyard Detachment, Naval Sea Systems Command Plant Equipment Support Office, Annapolis, MD, and Norfolk Naval Shipyard Detachment, Naval Sea Systems Command Shipbuilding Support Office, Philadelphia, PA, and reduces excess ship repair capacity. This relocation will create synergy among like functions at Puget Sound Naval Shipyard and Norfolk Naval Shipyard. Although this expected synergy is not captured in the payback calculations, experience has shown that it will produce additional long-term savings.

Payback: The total estimated one-time cost to the Department of Defense to implement this recommendation is $12,511K. The net of all costs and savings to the Department during the implementation period is a cost of $946K. Annual recurring savings to the Department after implementation are $2,259K with a payback expected in four (4) years. The net present value of the costs and savings to the Department over 20 years is a savings of $20,689K.

Economic Impact on Communities: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 213 jobs (108 direct jobs and 105 indirect jobs) over the 2006-2011 period in the in the Boston-Quincy, MA Metropolitan Division, which is less than 0.1 percent of economic area employment.

Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 25 jobs (13 direct jobs and 12 indirect jobs) over the 2006-2011 period in the in the Baltimore-Towson, MD Metropolitan Statistical Area, which is less than 0.1 percent of economic area employment

Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 114 jobs (63 direct jobs and 51 indirect jobs) over the 2006-2011 period in the in the Philadelphia, PA Metropolitan Division, which is less than 0.1 percent of economic area employment.

The aggregate economic impact of all recommended actions on these economic regions of influence was considered and is at Appendix B of Volume I.

ENCLOSURES (4)

Community Infrastructure: A review of community attributes indicates no issues regarding the ability of the infrastructure of the communities to support missions, forces and personnel. There are no known community infrastructure impediments to implementation of all recommendations affecting the installations in this recommendation.

Environmental Impact: This recommendation has no impact on air quality; cultural, archeological, or tribal resources; dredging; land use constraints or sensitive resource areas; marine mammals, resources, or sanctuaries; noise; threatened and endangered species or critical habitat; waste management; water resources; or wetlands. This recommendation does not impact the costs of environmental restoration, waste management, and environmental compliance activities. The aggregate environmental impact of all recommended BRAC actions affecting the bases in this recommendation has been reviewed. There are no known environmental impediments to implementation of this recommendation.