

BASE VISIT REPORT

DEFENSE FINANCE AND ACCOUNTING CENTER (DFAS) Cleveland, OH

and

ARMY RESEACH LAB – GLENN, OH

June 23, 2005

LEAD COMMISSIONER: General Lloyd “Fig” Newton

ACCOMPANYING COMMISSIONER: None

COMMISSION STAFF: Marilyn Wasleski

DFAS

Library Reading Slip 2005 BRAC Commission Materials

Title of Item: DFAS Cleveland Report

Installation or Community: DFAS Cleveland, OH

Source: Commission

Certified Material? yes no

Analyst / Provider: Wasleski Date Received: 6/23

LIST OF ATTENDEES:

- Governor Bob Taft
- Rep. Dennis Kucinich
- Rep. Steven LaTourette
- Rep. Stephanie Tubbs Jones

- Kenneth Sweitzer, Site Director, (216) 522-5511 – sweitzer.kenneth@dfas.mil
- Lee Krushinski, Director, Accounting Services, Cleveland, (216) 522-5511
- Dennis Long, Resource Integration, DFAS
- Jay Griesser, TSO, DFAS
- Alan Ziliak, Accounting, DFAS
- Capt. Karl Bernhardt, Director, Retired Pay, DFAS
- Jim Pitt, Director, Electronic Pay, DFAS
- Cheryl Catania, Acting Director, Military Pay, DFAS
- Joseph Madigan, Asst Gen. Counsel, DFAS
- Rodney Winn, Director, Garnishment Operations, DFAS
- Zanell Osowski, Public Affairs Officer, DFAS
- George Wingfield, Director, Centralized Disbursing, DFAS
- Carol Wessel, Director HR Business Unit Accounting, DFAS
- Victor Davis, President, AFGE 3283
- Kevin Hart, Admin Officer, DFAS

Norbert Kieszkowski, Deputy Asst. Regional Admin.- GSA (312) 353-5572
Jennifer Enhart, Dir. Real Estate Portfolio, GSA, (312) 886-5574
Jesse Ozona, Lead Asset Manager, GSA, (312) 886-4493
Valerie Grant, Regional Account Manager, GSA, (312) 886-3316

Michelle Gillcirst, Regional Director, Senator DeWine
John Stilliana, District Rep. Senator Voinovich
Louis Gomez, Congressional Staff, Congressman Kucinich
Marty Gelfand, Congressional Staff, Congressman Kucinich
Joe Benny, Congressional Staff, Congressman Kucinich
Megann Eberhart, Regional Office Governor Taft
Carol Caruso, VP Advocacy, Greater Cleveland Partnership
Rachel Shatten, Greater Cleveland Partnership

PRESENT MISSION:

To provide responsive, professional accounting and vendor pay services for the people who defend America.

SECRETARY OF DEFENSE RECOMMENDATION:

Close the Defense Finance and Accounting Service (DFAS) in Cleveland, OH. Relocate and consolidate business, corporate and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN.

SECRETARY OF DEFENSE JUSTIFICATION:

This action accomplishes a major facilities reduction and business line mission realignment, transforming the current DFAS organization into an optimum facilities configuration, which includes strategic redundancy to minimize risks associated with man-made or natural disasters/challenges.

MAIN FACILITIES REVIEWED:

DFAS Facility in Cleveland, OH.

KEY ISSUES IDENTIFIED

The Director provided an overview of DFAS and their current plan under the BRAC proposal. He then provided an overview of the DFAS operations in Cleveland, OH highlighting their

current business lines and functions. A power point presentation was provided and can be found in the BRAC library.

Key issues presented during the presentation are as follows:

Mission Issues

What is unique about DFAS Cleveland's mission?

- Cleveland is one of DFAS six major centers, along with Arlington, Columbus, Denver, Indianapolis, and Kansas City. It has seven field sites under its domain.
- The site provides services in military and civilian pay for active duty military, reserve/national guard pay, customer operations (contact center and myPay), garnishments, and retired/annuitant pay.
- The retired/annuitant pay, which is a unique function to Cleveland, was contracted out under an A-76 competition. The work is still be done at the Federal building and overseen by DFAS employees at the site. It is a 10 year fixed price contract—one year renewable for up to 10 years.
- The garnishment is a unique function for this site. It is recognized as world class for garnishment automated data systems. OPM has designated this operation as the sole provider of garnishment services to the Federal Government.
- DFAS launched a reserve center of excellence at Cleveland when the Denver and Indianapolis sites were not able to keep up with the workload.
- Centralized disbursing was consolidated at Cleveland from all of its field locations.
- The site also provides accounting services, centralized disbursing, technical services, and an on-site HQ/support service group.
- While its clients are all of the services, the site primarily serves the Navy. Another uniqueness is that people have to learn the Navy way of doing business.

Force Protection Issues

- The site, which is located in Greater Downtown Cleveland in the Anthony J. Celebrezze Federal building, does not meet all of DoD force protection standards. One of the main standards it does not meet is a set back of 82 ft. on one side of the building.

Facility/Capacity Issues

- Located in Federal building. It is the anchor tenant of the building for 40 years. Co-located with other federal agencies.
- Site occupies 365,000 sq. ft. of rentable space—15 of the buildings 31 floors. They have about 300 unused workspaces scattered among the 15 floors.

Workforce Issues

- There are 1181 DFAS employees and 15 assigned military. There are approximately 650 contractor employees that perform the military retired pay/annuitant function on site.
- 383 employees are eligible for early retirement and 158 for regular retirement.

GSA Issues

- GSA owns the federal building.
- If DFAS leaves the building, it would leave a large vacancy in the building. GSA believes that they have other federal tenants that are currently in leased space in the area that they can bring into the federal building.
- Sq Ft. cost of the building is \$17.65. The rent is based on market rates. Rate will be going down to \$15.73 sq. ft, but not until Feb. 2010. GSA sets rates for a five year period for agency budget planning purposes.

INSTALLATION CONCERNS RAISED

- While it will take time, Cleveland management feels that the missions performed at the Cleveland site can be reconstituted elsewhere. However, he acknowledged that there will be risks. Their work is moving more to standard systems, which will help in future training. Two of the three gaining sites—Denver and Indianapolis—do military pay, so management feels that it will be easy to transition staff to learn Navy pay.
- There have been no final decision yet by DFAS management on where the functions of Cleveland will go. The site was not involved in the decision of which sites were selected.

COMMUNITY CONCERNS RAISED:

In addition to the community concerns that will be raised at the Regional Hearing in Buffalo, a community briefing was held at the Cleveland DFAS site. All of the public officials listed above were present at this briefing. The community was going to make its primary presentation on military value at the regional hearing, but wanted to make a presentation on an alternate proposal. The presentation was made by Carol Caruso (216) 592-2471 and Stephen Strnisha (216) 592-239-of the Greater Cleveland Partnership.

(Note: The full presentation was provided which was provided to the BRAC library.)

- The community agreed with the concept of consolidating sites, but disagreed with only three sites.
- They stressed that the private sector has tried the megacenter model and it did not work.
- The community feels that the main reason the Cleveland site was not considered as a main operating site was because the operating costs of the building are high. As such, the community in cooperation with the State has offered to build a new building on a new site in downtown Cleveland that will lower the operating costs and meet all of DoD Force

Protection standards. The building would lower the base rent to between \$9.10- \$9.50 plus \$5.00 sq .ft. operating cost to bring the costs to between \$14.10 -\$14.50 per square foot. This cost would put them in line with the sites selected. The rent would be locked in for 20 years. There would be available adjacent parking.

- The community would like to see the Cleveland site be designated one of the centers of excellence.

REQUESTS FOR STAFF AS A RESULT OF VISIT: None at this time.

Prepared by: Marilyn Wasleski, Interagency Team

ARMY RESEACH LAB

LIST OF ATTENDEES

Dr. Wolf Elber, Director of Vehicle Technology Directorate (VTD), NASA Langley Research Center, (757) 864-3956

Mr. Peter Meitner, Aerospace Engineer, ARL Vehicle Technology Directorate, AMSRD-ARL-VT-SG, NASA Glenn Research Center, (216) 433-3715

Major Richard Lonardo, Military Assistant at Glenn to the VTD Director, (216) 433-8482

Dr. Robert Bill, formerly Deputy Director of VTD, in charge of affairs at Glenn, recently retired)

Mr. Irebert Delgado, research engineers, VTD

Dr. Richard Christianson, Deputy Director of NASA Glenn, Ken Zaremba, NASA protocol officer,

Mr. Marty Gelfand and Mr. Luis Gomez, Congressman Kucinich's staff

Dr. Robert Handschuh, and Dr. David Lewicki (both Army/VTD employees)—both spoke about face gears and helicopter transmission research in general (Dave Lewicki was the face gear man).

Mr. Gary Skoch (Army/VTD) joined the entourage to describe the compressor research and the work underway on the engine test stand. Also at the engine test stand was Mr. Tom Griffin (Army/VTD)

PRESENT MISSION:

Provide basic and applied multi-customer research for vehicle structures and propulsion technologies that support existing and next generation Army systems. Develop and validate aeromechanics, structures, and propulsion technologies in support of Army STOs. Collaborate with army R&D Centers in the application of new structures and propulsion technologies. Transfer new science and technology to US industries. Acquire new science and technology from NASA, OGA's academe, and foreign sources to support DoD's needs.

SECRETARY OF DEFENSE RECOMMENDATION:

This is part of an overall recommendation on the Defense Research Service Led Laborites (Tech-22 – Section 10: Recommendation: Technical Joint Cross-Service Groups.

Realign Army Research Laboratory Langley, VA and Army Research Laboratory Glenn, OH by relocating the Vehicle Technology Directorates to Aberdeen Proving Ground, MD

SECRETARY OF DEFENSE JUSTIFICATION

The recommendation realigns and consolidates portions of the Army Research labs to provide greater synergy across technical disciplines and functions.

KEY ISSUES IDENTIFIED

- The main concern identified is that moving this research site as well as the one in Langley will break up the synergy developed between the Army and NASA. Moving these research sites together at Aberdeen, MD will only result in administrative savings and not in any scientific synergies as both sites perform different mission/functions.
- However, the NASA scientists and engineers at NASA Glenn do provide a synergy and help each other in their research on aviation propulsion technology which is furthered through their joint use and support of facilities and resources to achieve tangible economies. Army and NASA have collaborated at the NASA Centers for 40 years because it saves national resources. They are co-located because of common interests.
- NASA Langley equally shares with DoD Army rotorcraft mission responsibilities.
- While they each service their own customers, they also have joint customers.
- NASA and the Army signed an agreement so that the Army is allowed to use NASA's facilities and equipment while the Army provides administrative support. Army provides one support person for every two research personnel. Army personnel use excess facility/equipment capability towards DoD/Army mission. All services provided in that charge/agreement. Only their use of the wind tunnel carries at user charge. If move to Aberdeen, more personnel would be needed and facilities recreated at a great cost not included in the COBRA.
- The Army does not own the equipment at NASA Glenn. To replicate this equipment would cost millions or a lot of money and lost productivity (and possibly lost advances) for people to travel back and forth to NASA Glenn from Aberdeen. The director estimated that the engineers/scientist are in the lab over 80 days a year. When they come back to use the equipment, there would be a cost, which is not included in the COBRA. Sustainment funds currently are provided by NASA.
- These facilities are important to the Army's mission.
- This move would destroy 35 years of progress to build a functioning multi-agency team.

REQUESTS FOR STAFF AS A RESULT OF VISIT: Follow up on issue identified.

Prepared by: Marilyn Wasleski, Interagency Team