

# **NAVY CRANE CENTER**

## **BRAC Discussion**

### **Military Value:**

#### **Items 1-4**

The Base Realignment and Closure (BRAC) selection criteria requires the impact on current and future mission capabilities as well as operational readiness to be evaluated for installations on the recommended BRAC list. If the Navy Crane Center (NCC) were moved from Lester, PA to the Norfolk Naval Shipyard, scenario DON-0154, instead of being moved to the Philadelphia Naval Business Center (PNBC), scenario DON-0160, there would be a great impact on future mission capabilities and operation readiness to perform the Navy Crane Center's mission. SECNAV Instruction 11260.2, dated 10 September 1997, officially established the Navy Crane Center as the center of expertise for the safe and reliable operation of Navy weight handling equipment. Based on this instruction, the Navy Crane Center is responsible for policy, training, compliance, in-service technical support, and acquisition for all weight handling equipment throughout the Navy. Our vision statement is, "We are the organization of choice for weight handling program solutions. We are leaders who offer and deliver timely and effective weight handling program solutions."

If the Navy Crane Center is moved from Lester, PA to the Norfolk Naval Shipyard, much of the advanced technical knowledge and experience that makes the Navy Crane Center the center of expertise for weight handling program solutions will be lost. The Cost of Base Realignment Actions (COBRA) models indicate that 41 of the 55 people employed by the Navy Crane Center in Lester, PA will move to Norfolk. This is an unrealistically high number. We understand that the COBRA model uses the same criteria for all installations on the recommended BRAC list. The reality is that approximately 10-15 people will actually move with the organization. The remainder will retire, get another job, or be Reduction in Force (RIF) separated because they decline the offer of a position in a different commuting area. This would create a large gap in the ability of the Navy Crane Center to accomplish its mission. New people would have to be hired to perform the functions of those that did not relocate. The time required for the organization to regain the expertise that would be lost could be significant. A recent article in the GOVEXEC.com daily briefing dated June 21, 2005 by David McGlinchey discusses this topic. The article is titled, "Government Reform chairman says base-closing plan could cause brain drain." The article indicates that most people are more tied to their area/location than to their jobs and the BRAC commissioners need to factor this in.

If the Navy Crane Center were moved to the Philadelphia Naval Business Center, the organization would remain in tact and the mission capabilities and operational readiness would not be affected.

## Other Considerations:

### Item 5

Criterion five states that the BRAC commission is to consider, "The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs." To this extent, two scenarios were analyzed. One to move the Navy Crane Center from Lester, PA to the Norfolk Naval Shipyard (DON-0154) and the other to move it to the Philadelphia Naval Business Center (DON-0160). Enclosure (3) to the Department of the Navy's Infrastructure Analysis Team (DON AIT) memorandum for the DON Analysis Group (DAG) dated 4 February 2005 contains slides dated 10 January 2005 that provide the financial information for scenarios DON-0154 and DON-0160. Paragraph 6 through 9 of the DON AIT memorandum provides narrative discussion about the scenarios.

Scenario DON-0154 shows that the one-time cost to move the Navy Crane Center from Lester, PA to Norfolk Naval Shipyard is \$3.781 million with a return on investment of 5 years. A significant part of the one-time cost is a Military Construction (MILCON) project for \$1.13 million that would be required to bring the target building up to office standards. More recent COBRA reports show the MILCON costs to be \$2.151 million. This increases the one-time costs to \$4.802 million and extends the return on investment to 6 years.

Scenario DON-0160 shows that the one-time cost to move the Navy Crane Center from Lester, PA to the Philadelphia Naval Business Center is \$973,000 with a return on investment of 2 years. This is approximately \$4 million less than moving to Norfolk and provides return on investment 4 years sooner.

The concluding slide states, "**While DON-0160 is better financially, NAVFAC [Navy Crane Center's parent command] would prefer to be located in Norfolk.**" A note is included that says that the Navy Crane Center already has a detachment of 14 people in Norfolk. Paragraph 9 of the Department of the Navy's Infrastructure Analysis Team memorandum for the DON Analysis Group (DAG) dated 4 February 2005 states that, "**CDR Clarke and CDR Flather informed the DAG that NCC has indicated a preference to relocate to Norfolk rather than PNBC in order to achieve operational synergies.**"

Preferences and operational synergies are not included in the Under Secretary of Defense (Acquisition, Technology and Logistics) memorandum dated January 4, 2005 that provides the 2005 Base Closure and Realignment Selection Criteria. The objective of BRAC is to close or realign installations in the most cost effective manner possible. By recommending to relocate the Navy Crane Center to Norfolk Naval Shipyard (scenario DON-0154), the Navy Crane Center, NAVFAC, the DON Analysis Group, and the DON Infrastructure Analysis Team have disregarded the 2005 base closure and realignment selection criteria set forth by the Under Secretary of Defense (Acquisition, Technology and Logistics).

Operational synergy is not worth \$4 million of tax payer money. As stated on the concluding slide mentioned above, the Navy Crane Center already has a detachment of 14 people located in the Norfolk Naval Shipyard. This office includes in-service engineering personnel, local site representatives, and an audit team. These 14 people provide any operational synergy necessary for the installations in the Norfolk area. The Navy Crane Center provides services to over 200 Navy activities throughout the world. Navy Crane Center headquarters located in Lester, PA as well as other field offices throughout the country provide services to all Navy activities. Our focus should not be just one shipyard.

SECNAV Instruction 11260.2, dated 10 September 1997 states, "All Navy weight handling equipment must be properly operated, maintained, inspected, tested, and certified. Personnel involved in the weight handling program must be properly trained and qualified. To achieve these objectives, program policies must be established and consistently applied throughout the Navy shore establishment. Centralized oversight and technical control are required to ensure program compliance." The Navy Crane Center provides this centralized oversight and technical control in an independent manner. Locating the Navy Crane Center headquarters within one shipyard would destroy this independence. Having the Navy Crane Center in Norfolk Naval Shipyard would not provide operational synergy, it would create a conflict of interest and cause one shipyard to have influence over decisions made by the Navy Crane Center.

If the Navy Crane Center is located at the Philadelphia Naval Business Center there would be no conflict of interest.

### **Items 6, 7, and 8**

Neither scenario DON-0154 nor DON-0160 would have a significant economic or environmental impact on the existing or receiving communities. Also, the infrastructure at both PNBC and Norfolk Naval Shipyard could support the additional personnel.



# **NAVY CRANE CENTER**

## **NAVY WEIGHT HANDLING PROGRAM ASHORE**

**JULY 2005**

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# NAVY CRANE CENTER



People Helping People Put Ships To Sea



Supporting Fleet Readiness

# SECRETARY OF THE NAVY PERSPECTIVE



“Safe and reliable weight handling is critical to the operation of the Navy.”

“Each day, the Navy applies its extensive inventory of weight handling equipment to lift ordnance, naval nuclear propulsion plant components and equipment, new and spent nuclear fuels, electronic equipment, hot metals, components of ships and submarines, supplies, construction materials, and hazardous material items needed to support the Navy’s world-wide commitments.”

“Safe conduct of these operations is key to precluding damage to equipment or personnel injury.”

# SECNAVINST 11260.2

## Navy Weight Handling Program for Shore Activities

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- **To Establish and Maintain a Safe and Effective Weight Handling Program**
- **Assigns Responsibility for Direction and Oversight Through NAVFAC's Navy Crane Center**
  - **Policy**
  - **Training**
  - **Compliance/Safety**
    - **Audit Activities**
    - **Investigate Crane Accidents**
    - **Communicate Lessons Learned**
  - **In-Service Technical Support**
  - **Acquisition**

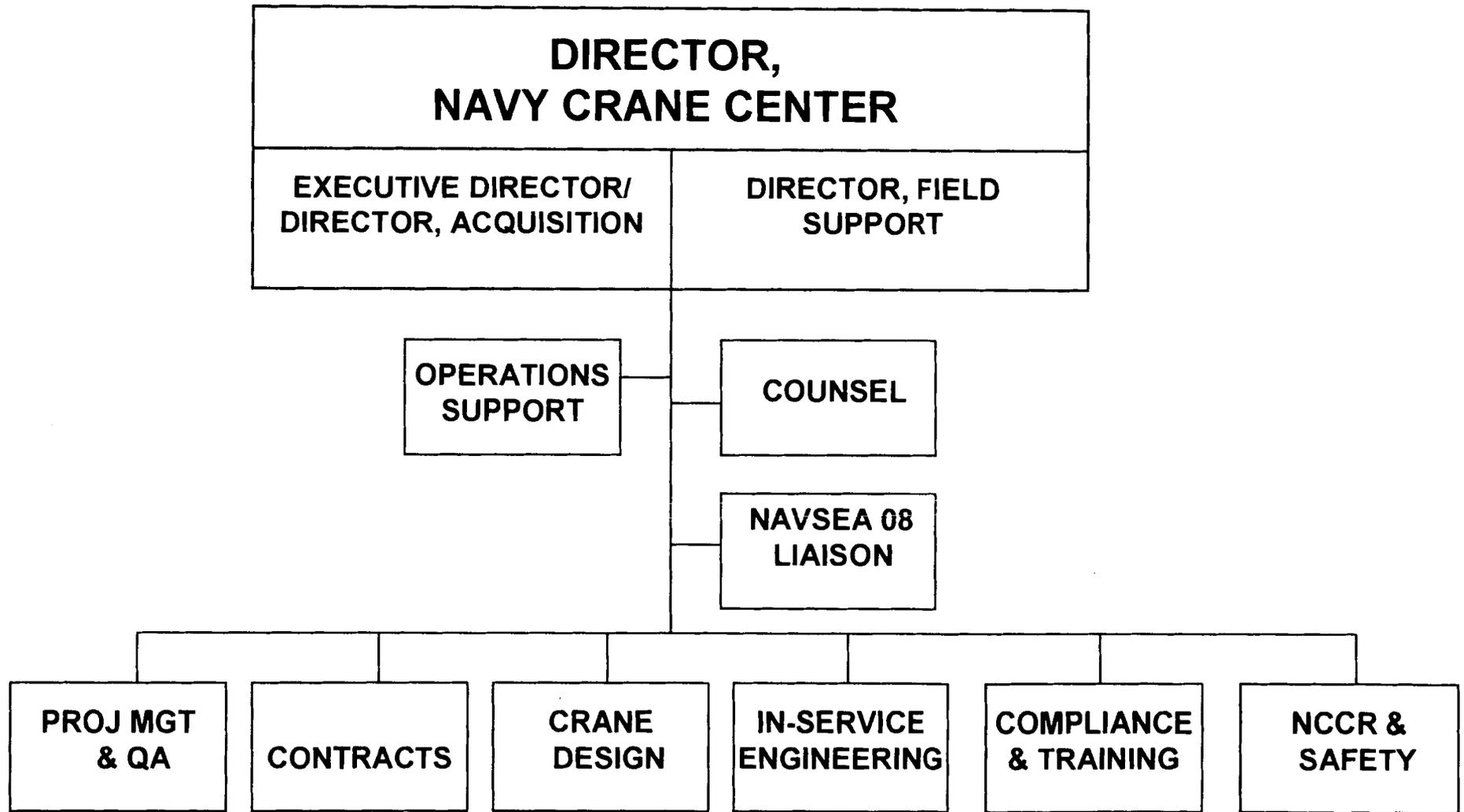
# Navy Crane Center Mission Statement

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- **We Lead the Navy's Shore Activity Weight Handling Program by Providing Engineering, Acquisition, Technical Support, Training, and Evaluation Services**
- **Our Goal is to Achieve Safe and Reliable Weight Handling Programs Throughout the Navy**

# Navy Crane Center Organization



# Navy Crane Center Offices



**Bremerton/Poulsbo WA(5)**



● **Portsmouth NH(1)**

★ **NCC HQ Lester PA(55)**

● **Norfolk VA(13)**

● **San Diego CA(3)**

● **Pearl Harbor HI(2)**

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NUMBER OF PEOPLE AT EACH LOCATION SHOWN IN RED IN PARENTHESIS ( ). 79 TOTAL ON BOARD STRENGTH;1 JULY 05.

# Navy Crane Center Demographics



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- **79 FTE; total aboard Navy Crane Center**

- ALL civilians (previous military position of Executive Director converted to civilian position in March 2005)
- 55 aboard at NCC Headquarters Lester, PA

- **Average age of workforce**

- 49.4 for the 79 FTE
- 50.8 for the 55 FTE at NCC Headquarters

- **Number eligible to retire**

- 45 of the 79 FTE (includes 22 eligible for Optional Retirement)
- 31 of the 55 FTE at NCC HQ (includes 17 eligible for Opt Retirement)

# **Navy Shore Weight Handling Program Indicators Show Positive Progress**



- **Primary Metrics – Navy Shore Activities**
  - **Accident Trend**
    - Comprehensive accident definition
  - **Compliance Trend**
    - All Navy shore activities audited annually or biennially

# Improvement in Safety & Effectiveness



- Improved shore activity compliance with requirements (19% to 83% over 7 years)
- Reduced injuries (17 in FY99 to 8 in FY04)
- Reduced accidents (305 in FY99 to 184 in FY04)
- From FY99 through FY04; ZERO Class A Mishaps and less than 5% of accidents are Class B or C. Only ONE accident reported thus far in FY05 met the OPNAV classification thresholds.

# Summary

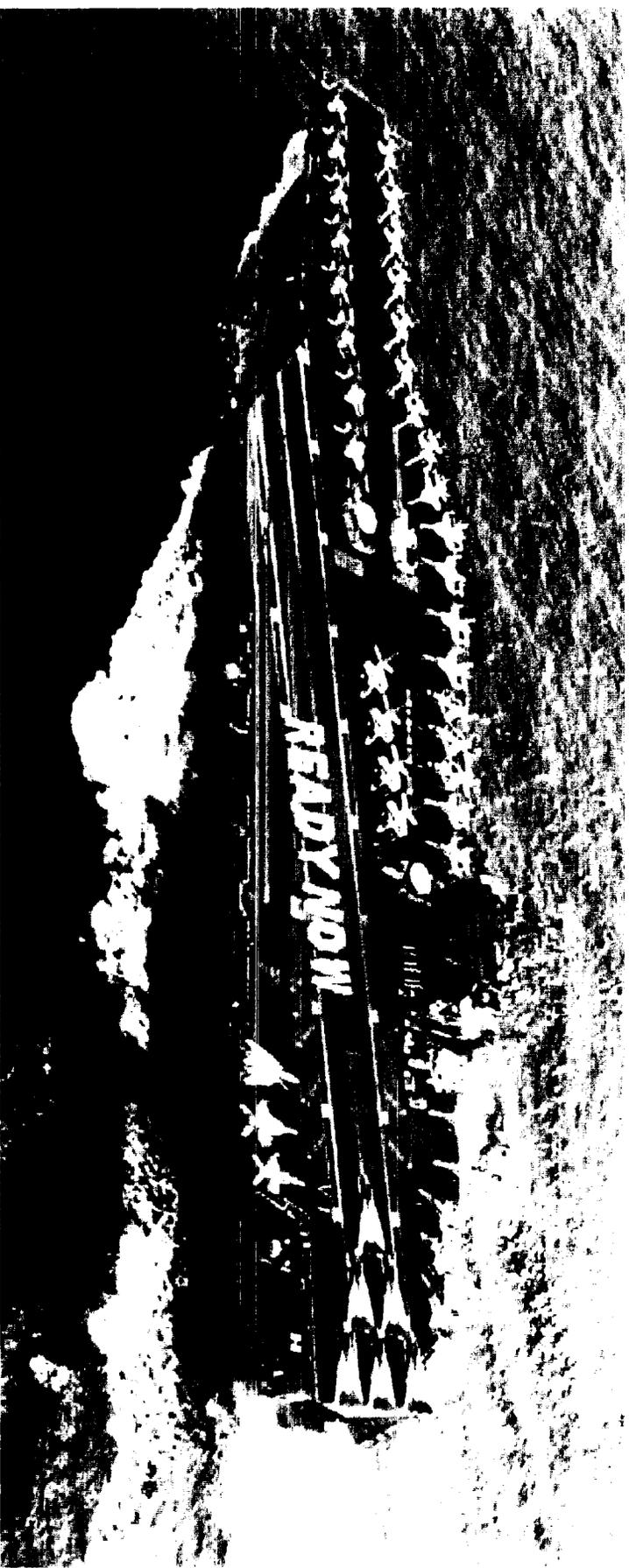


- Navy Shore Activities - Positive Trends in Safety and Effectiveness
- Fundamental to Our Success Supporting FLEET READINESS
  - Rigorous Audit Program
  - Comprehensive Accident Definition
  - Proactive In-Service Technical Support
  - Continuous Incremental Improvement in All Processes/Effectiveness
    - Field Support
    - Acquisition
- Risk Challenge – Human Factor in Accident Cause
  - Training Initiative
  - Communications Initiative



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## Safe and Reliable Weight Handling Programs at Navy Shore Activities



**Essential Enabler for Fleet Readiness**