

BRAC Commission

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**AUG 15 2005**

Received

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**DATE: AUGUST 15, 2005**

**PLEASE DELIVER TO: THE HONORABLE PHILIP COYLE,  
C/O LEGISLATIVE LIAISON**

**FAX NUMBER: 703-699-2735**

**FROM: STACIE OLIVER**

**You should have received a total of 35 pages, including this cover page.**

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**COMMENTS**

# Congress of the United States

Washington, DC 20515

August 15, 2005

The Honorable Philip Coyle  
Base Realignment and Closure Commission  
2521 South Clark Street, Suite 600  
Arlington, VA 22202

Dear Mr. Coyle:

As the 2005 Defense Base Closure and Realignment Commission prepares for final deliberations on the Department of Defense recommendations, we want to underscore to the BRAC Commission that we object to the movement of the Development and Fielding Systems Group (DFSG) from Wright-Patterson Air Force Base, Ohio, to Hanscom Air Force Base, Massachusetts. We have highlighted in this letter several key reasons for our opposition to the move of DFSG. We request respectfully that you give them full consideration during your deliberation.

DFSG procures, fields, and provides ongoing technical assistance for automated business, logistics and financial management systems. The Secretary of Defense made the recommendation to move DFSG to Hanscom Air Force Base as part of his recommendations to consolidate Air and Space C4ISR Research, Development & Acquisition, Test & Evaluation (RDAT&E). The move will not increase future mission capabilities (which is criteria 1). Separating DFSG from the headquarters of the Air Force Materiel Command and other customers that are co-located with DFSG at Wright-Patterson introduces more risk into a risk-prone process, thus jeopardizing logistics support for warfighting commanders. Risk is further increased by removing DFSG from the broad network of IT specialists built up in the Dayton region over many years to support DFSG and its processors. Furthermore, the benefits of consolidation of DFSG for the purpose of consolidating C4ISR research are overstated by the Department of Defense because DFSG develops business systems, not C4ISR. Thus, the move of DFSG represents a co-location, not a consolidation.

Another important issue to consider in the deliberations is that Hanscom may not actually have sufficient land to accommodate receiving this mission (a contradiction to criteria 2 of the BRAC criteria). According to Department of Defense documents used to prepare the Secretary's recommendations, this move "requires roughly 40 acres." At that time, Hanscom reported only 8.4 unconstrained acres zoned for industrial operations. Apparently, Hanscom has redesignated previously restricted land by offering to utilize recreational areas and parking lots, all of which are non-contiguous, disconnected and odd-shaped for construction.

We also want to point out that by moving DFSG, the cost of operations will increase significantly (thereby violating criteria 4 of BRAC criteria). The Cost of Base Realignment (COBRA) scenarios do not take into consideration the increased labor costs of moving the organization to the expensive labor market in the Boston area. The COBRA model ignores the

cost of moving 1,412 direct contractor jobs from Dayton, Ohio; Montgomery, Alabama; and San Antonio, Texas, which would increase annual labor costs to the Defense Department by an estimated \$33.7 million. Furthermore, it ignores the cost of moving 1,342 development contractor jobs from Dayton to Boston, which would increase annual labor costs an additional estimated \$28.9 million.<sup>1</sup> Other omissions, which affect annually recurring costs and savings not included in the original COBRA run understate Base Operating Support (BOS) costs at the receiving location and overstate cost savings at the donor locations. They also do not account for the increased costs by contracting out some positions, nor do they include additional Temporary Duty (TDY) costs. Thus, instead of producing annually recurring savings, as projected by the Defense Department, this move will result in enormous annually recurring losses.

Hundreds of millions of dollars will be lost during the BRAC payback period, contrary to the estimated payback estimated by the Defense Department (criteria 5). In addition to the annually recurring losses, the one-time costs are prohibitive. The Air Force has informed Commission staff that the original estimate of \$9 million required for military construction (MILCON) may actually be \$30 million. Other one-time costs that were not included in the original COBRA model include the cost of leasing space at Hanscom before new facilities can be constructed, the cost of training new civilian hires at Hanscom, and the cost of maintaining dual capability to mitigate customer risk during the move.

In addition to the mistakes and omissions described, we have serious concerns about the credibility of the process used to develop this move. The Air Force delayed providing a detailed justification for this move until well after the May 13 release of the BRAC recommendations, making it more difficult to challenge. Further, there were significant flaws in the military value calculation that established Hanscom as the receiver site for the move. An examination of the minutes of the Technical Joint Cross Service Group (TJCS) suggests that the decision to consolidate C4ISR was made before the final analysis of military value, which is contrary to the BRAC process. Additionally, the TJCS did not apply equal analyses for each site under consideration, nor did the TJCS apply the 2025 Force Structure Plan for data and analysis. The TJCS documentation also contains numerous errors of fact. However, one of the most serious issues of concern is that there is widespread information indicating that the Air Force was influenced by a promise of \$410 million by the Commonwealth of Massachusetts to the Air Force, if jobs were brought to Hanscom through the BRAC process. If such a promise did influence the decision, rather than a true need to consolidate, it would be a violation of the BRAC statute and guidelines.

The credibility of the rationale behind this move is further diminished by the Air Force's formal refusal to release updated information on the costs and the justification for moving DFSG. The request for updated information was made repeatedly by members of the Congressional delegation, but no response has been forthcoming. It is our understanding that a formal request was made by the Commission to the Air Force to provide copies of reviews of the BRAC recommendations that "identified any disconnects, inconsistencies or need for clarification." As we understand it, even though that information was to have been compiled by

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<sup>1</sup> Both figures are derived from certified and uncertified AF data and U.S. Department of Labor Bureau of Labor Statistics, March 2005.

July 31, it has still not been provided to the Commission or to the members of Congress. We believe the lack of transparency with regard to this issue violates BRAC, and it should be considered as part of your overall deliberations on whether to move DFSG.

Additionally, we are enclosing documents that detail the information related to this move. These documents include: a point paper, a review of the increased labor costs, and a thorough analysis of the recommendation to re-locate DFSG.

Thank you again for your attention to this matter. We look forward to working with you to ensure that the BRAC recommendation is based on accurate data and incorporates an accurate analysis of the economic impact on all communities affected by the BRAC process. Please let us know if we can provide any additional information on this matter or be of any assistance to your staff as you move forward.

Very respectfully yours,



MIKE DeWINE  
United States Senator



GEORGE V. VOINOVICH  
United States Senator



DAVE HOBSON  
Member of Congress



MICHAEL TURNER  
Member of Congress



JOHN BOEHNER  
Member of Congress

Enclosures

## **Consolidate Air and Space C4ISR Research, Development & Acquisition, Test & Evaluation, TECH-0042C7 (Move Development and Fielding Systems Group from Wright-Patterson AFB to Hanscom AFB)**

*The Secretary of Defense's recommendation to move the Development and Fielding Systems Group (DFSG) from Wright-Patterson Air Force Base, Ohio, to Hanscom Air Force Base, Massachusetts, would disconnect the unit from its main customers and its contract support network, thus jeopardizing logistics support for warfighting commanders. Correcting flaws in the original cost estimates, the move will increase costs for the Air Force significantly and there will never be a return on investment. The recommendation was formulated using incomplete, inconsistent, and incorrect data, and has been tainted with potential violations of the base closure process. The move is based on a wrong assumption that geographically separate missions are the cause of problems in C4ISR products.*

### **Significant Deviations from Criteria 1—Mission Capabilities**

- Separating DFSG from the headquarters of the Air Force Materiel Command and other customers co-located with DFSG at Wright-Patterson introduces new, substantial risk thus jeopardizing logistics support for warfighting commanders.
- Work will be disrupted by moving DFSG from the broad network of contractors and IT specialists that has taken years to establish in the Dayton region to support DFSG and its mission.
- The benefits of consolidation are overstated because DFSG develops business systems, not C4ISR products. Thus, this move represents a co-location, not a consolidation.
- The military value analysis for C4ISR contains errors in calculations, including double counting and co-mingling of data for Maxwell AFB and Hanscom AFB.
- The military value analysis provided to the base closure commission is different from the Air Force Implementation Plan;
- The Technical Joint Cross Service Group did not apply the 2025 Force Structure Plan for data and analysis and did not apply consistent analyses for affected sites.
- A review of the military analysis comparing Hanscom AFB and Wright-Patterson AFB shows that Wright-Patterson scored higher in every category of C4ISR, Information Systems Technology Research, and C2ISR, except C4ISR D&A, which cannot be explained. (In some cases, WPAFB scored as much as three times the value of Hanscom.)
- If efficiencies and synergies from co-location were the driving force behind this move, it would have been more reasonable and less costly for the Air Force to move the 20 Operations Support Systems Wing (OSSW) personnel at Hanscom to Wright-Patterson.

***Significant Deviations from Criteria 2—Availability and Condition of Land***

- According to the Defense Department, this move requires roughly 40 acres. However, Hanscom reported only 8.4 unconstrained acres zoned for industrial operations.<sup>1</sup>

***Significant Deviations from Criteria 4— Cost of Operations***

- The Defense Department's original COBRA run ignores the cost of moving 1,412 direct contractor support jobs (embedded contractors) from Dayton, Ohio; Montgomery, Alabama; and San Antonio, Texas, which would increase annual labor costs to the Defense Department by an estimated \$33.7 million.<sup>2</sup>
- The Defense Department's original COBRA run ignores the cost of moving 1,342 development contractor jobs from Dayton to Boston, which would increase annual labor costs an additional estimated \$28.9 million.<sup>3</sup>
- The Defense Department's original COBRA run ignores the cost of moving development contractor jobs from Montgomery, Alabama and San Antonio, Texas. (Costs have not been determined.)
- The Defense Department's original COBRA run probably understates Base Operating Support (BOS) at Hanscom because the population at Hanscom will increase by 50 percent but BOS increases only 24 percent.
- The Defense Department's original COBRA run probably understates sustainment at Hanscom because the population at Hanscom will increase by 50 percent but sustainment increases only 12 percent.
- The Defense Department's original COBRA does include an estimated \$4.7 million annually recurring cost for contracting out 390 positions at Maxwell AFB.
- The Defense Department's original COBRA does not include an estimated \$2.6 million annually recurring cost for maintaining working visits and communication with customers., including TDY, air fare, car rental.

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<sup>1</sup> Apparently, Hanscom has redesignated previously restricted land by offering to utilize recreational areas and parking lots, all of which are non-contiguous, disconnected and odd-shaped for construction.

<sup>2</sup> Figures are derived from certified and uncertified AF data and U.S. Department of Labor Bureau of Labor Statistics, March 2005.

<sup>3</sup> Figures are derived from certified and uncertified AF data and U.S. Department of Labor Bureau of Labor Statistics, March 2005

***Significant Deviations from Criteria 5—Potential Costs and Savings***

- The Air Force now estimates that the growth of the Hanscom communications infrastructure footprint may be \$30 million instead of \$9 million as originally estimated.
- The Defense Department's original COBRA does not include a one-time cost to move the Global Combat Support System (GCSS) processing center at Gunter AFB (costs unknown)
- The Defense Department's original COBRA does not include a one-time cost of an estimated \$2.5 million for overhires and contractors to compensate for productivity loss during the move.
- The Defense Department's original COBRA does include a one-time cost of an estimated \$7.5 million to maintain dual capability to mitigate risk to the customer.
- The Defense Department's original COBRA does not include a one-time cost for training new hires at Hanscom, estimated to be \$3,000 per person. The number of civilians that will relocate is estimated to be 75 percent, which is significantly overstated based on informal employee feedback.

***Significant Deviations from Criteria 6—Economic Impact***

- The original employment figures estimated job loss from this move in the Dayton-Springfield MSA was 2,250, without taking into consideration the loss of 3,449 direct and indirect jobs from development contractors.

***Other Factors***

- The Air Force has inadequately responded to claims that the process has not been influenced by a \$410 million offer by the Massachusetts Defense Technology Initiative for infrastructure improvements at Hanscom in return for bringing jobs to Massachusetts. Such influence would be a violation of Section 2903(c)(3)(B) of the Defense Base Closure and Realignment Act of 1990 (as amended), which states: "In considering military installations for closure or realignment, the Secretary may not take into account for any purpose any advance conversion planning undertaken by an affected community with respect to the anticipated closure or realignment of an installation."
- The Air Force has Force has refused to release updated information on the disconnects and inconsistencies associated with this move despite requests by members of the Congressional delegation and the base closure commission.

## Dayton Development Coalition

*A Partnership For Regional Growth*

900 Kettering Tower  
Dayton, Ohio 45423  
(937) 222-4422  
(937) 222-1323 fax  
www.daytonregion.com

## Consolidate Air and Space C4ISR Research, Development and Acquisition, Test and Evaluation

### DoD BRAC Recommendation

Realign Wright-Patterson Air Force Base, OH, Maxwell Air Force Base, AL, and Lackland Air Force Base, TX, by relocating Air & Space Information Systems Research and Development & Acquisition to Hanscom Air Force Base, MA.

### DAYTON REGION RECOMMENDATION

Retain the Development and Fielding Systems Group (DFSG) and other Operational Support Systems Group (OSSG) elements at Wright-Patterson Air Force Base (AFB)

### HIGHLIGHTS OF ANALYSIS:

- **Bottom Line – Significant deviations in the application of BRAC Selection Criteria, Military Value, are evident.**
- **An assessment of the chronological DoD TJCSG data indicates that this recommendation was “Strategy Driven”.**
- **If collocation were the strategy, it would have been more reasonable and less costly to move the 20 OSSW personnel at Hanscom AFB to WPAFB.**
- **The Dayton-Springfield MSA Economic Impact/Job loss is significantly understated.**
- **The BRAC Recommendation is “tainted” by Massachusetts’ \$410M offer - “If you keep Hanscom open, we will expand it for you.”**
- **Certified data in the BRAC Report shows only 8.4 acres available for a “roughly 40 acre” requirement. Hanscom recently redesignated previously restricted land by offering to utilize recreational areas and parking lots, all of which are non-contiguous, disconnected and odd-shaped for construction.**
- **Contractor Manpower Equivalents (embedded contractors) were not properly counted as mission resources.**
- **Costs of realignment were understated in DOD analysis**
  - **Increases in Embedded Contractor Costs not counted**
  - **Hanscom population increases by 50%, yet BOS increases only 24%**
  - **Hanscom population increases by 50%, yet sustainment increases only 12%**
- **Savings were overstated**
  - **Increased cost of Boston-based contractors will exceed \$14 million per year.**

- **Deltas in Direct development contractor costs are not included. Net Present Value "savings" of \$229M in DOD BRAC recommendation is really a "loss" to DOD of nearly \$1B**
- **DFSG's Business Systems Mission was improperly categorized as C4ISR.**

## Summary of Rationale to Reject BRAC Recommendation

1. There is a **clear risk of failure** in DFSG operations supporting acquisition programs, thereby, jeopardizing logistics support for warfighting commanders. This represents a **substantial deviation from final criteria 1**, the current and future mission capabilities, because of the potential for lowered performance and schedule delays due to the realignment of DFSG and OSSG elements to Hanscom AFB.
2. As Table I illustrates, the Defense Department **understates personnel loss** in the Dayton area (2250 jobs lost, according to original estimate, versus 6,612). Moreover, local Dayton Region Information Technology (IT) contractors supporting DFSG's acquisition mission are part of the **intellectual capital** and not accounted for in the calculation of military value. Neither development nor Advisory and Assistance Service (A&AS) DFSG on-site contractors were factored into the BRAC COBRA equation. This skews the actual costs of realignment (**substantial deviation from final criteria 1 and 4**). The Dayton Region's calculations (please see Tables and Charts A, B, and C below) reveal that, **rather than the Defense Department reported saving of \$229 million dollars, there would be a loss to DOD of \$421 million**. This loss to DOD exceeds \$800 million when the number of *development* contractors affected by the realignment is considered.

**Table I**  
**Personnel Projections**

Source of Numbers	2006-2011 Period			
	Direct Job	Indirect Job	Non-A&AS	Total
BRAC Report	(1262)*	(988)	0	(2250)
Local Validation	(1462)	(2300)**	(2400)	(6162)

\* 715 current Direct Contractors (A&AS) **not accounted for** in BRAC COBRA Analysis and exist on the OSSW Manning Chart (as of 04 December 2004) for a total of 1462 direct jobs

\*\* An indirect factor of 1.57 stated in the Economic Impact Analysis more accurately reflects indirect jobs and is used in Air Force Base calculations

3. In the COBRA analysis, TECH-0042, page 45, the data estimate that 55% of the 606 Civilians, or 333 civilians, will move to Boston. The TECH-0042 COBRA Analysis uses a "Standard Civilian annual salary" of \$59,959.18, page 20, which equates to a GS-10 Step 8 in the Boston area (General Schedule Salary table for Hanscom AFB). Page 20, TECH-0042 COBRA Analysis, also reflects a Standard "Civilians Not Willing to Move" as 6% of the civilian population. Of the current 606 DFSG Civilians, 247 civilians (40%) will be eliminated and 359 civilian positions will be realigned to the Hanscom AFB UMD. In addition, the 715 current A&AS direct contractors are not factored into the analysis. Of the current 142 DFSG Military position, only 39 will realign to Hanscom (27%), page 6, Economic Impact Data. On the same page, the data reflects that DFSG will lose 658 Direct Contractors (**This direct contractor recognition is not reflected in the COBRA data**). In summary, 1462 direct personnel support the current DFSG mission at WPAFB. The BRAC recommendation indicates it can continue the mission with 39 Military, 359 civilians, and 658 direct contractors, for a total of 1056 personnel, a reduction of 28%.

Table A and Chart A below are from the TJCSG COBRA analysis (COBRA Net Present Value Report [COBRA V6.10] 4-20-05, page 42 of 50). These show a "start" date of 2006, a "final" year of 2008, and an 8-year "payback" in year 2016. However, the BRAC COBRA Report does not include the Advisory and Assistance Services (A&AS) contractors authorized for utilization on the OSSW manning documents. A&AS positions provide services under contract by nongovernmental sources to support or improve successful performance of ongoing Federal operations (FAR 2.101). As such, these A&AS personnel needed to be included in the COBRA analysis, as they were included in some of the TJCSG data call questions, as well as the TJCSG Economic Impact Report, TECH-0042C: Air & Space C4ISR DAT&E Consolidation, page 4. Page 4 indicates that Hanscom AFB will gain 1412 A&AS Contractors in 2006. The cost of these Direct Contractors has not been included in the COBRA analysis.

TABLE A

BRAC 05 "Net Present Value Report" (Baseline) There Were No Contractor Costs Factored into the COBRA Analysis.

Year	Cost	Factor	Adjusted Cost	NPV
2006	50,556,665	0.9862873	49,863,397	49,863,397
2007	107,518,433	0.9594234	103,155,701	153,019,097
2008	49,936,875	0.9332913	46,605,651	199,624,748
2009	-35,421,483	0.9078709	-32,158,134	167,466,815
2010	-19,949,483	0.8831429	-17,618,244	149,848,370
2011	-35,421,483	0.8590884	-30,430,185	119,418,185
2012	-35,421,483	0.8356891	-29,601,347	89,816,838
2013	-35,421,483	0.8129271	-28,795,083	61,021,754
2014	-35,421,483	0.7907851	-28,010,781	33,010,973
2015	-35,421,483	0.7692463	-27,247,845	5,763,129
2016	-35,421,483	0.748294	-26,505,683	-20,742,555
2017	-35,421,483	0.7279125	-25,783,740	-46,526,295

2018	-35,421,483	0.7080861	-25,081,460	-71,607,755
2019	-35,421,483	0.6887997	-24,398,307	-96,006,061
2020	-35,421,483	0.6700386	-23,733,761	-119,739,822
2021	-35,421,483	0.6517885	-23,087,315	-142,827,138
2022	-35,421,483	0.6340355	-22,458,478	-165,285,615
2023	-35,421,483	0.6167661	-21,846,770	-187,132,385
2024	-35,421,483	0.599967	-21,251,721	-208,384,106
2025	-35,421,483	0.5836255	-20,672,881	-229,356,987

This Chart A (Below) reflects the BRAC Adjusted Cost/Saving and NPV.

CHART A

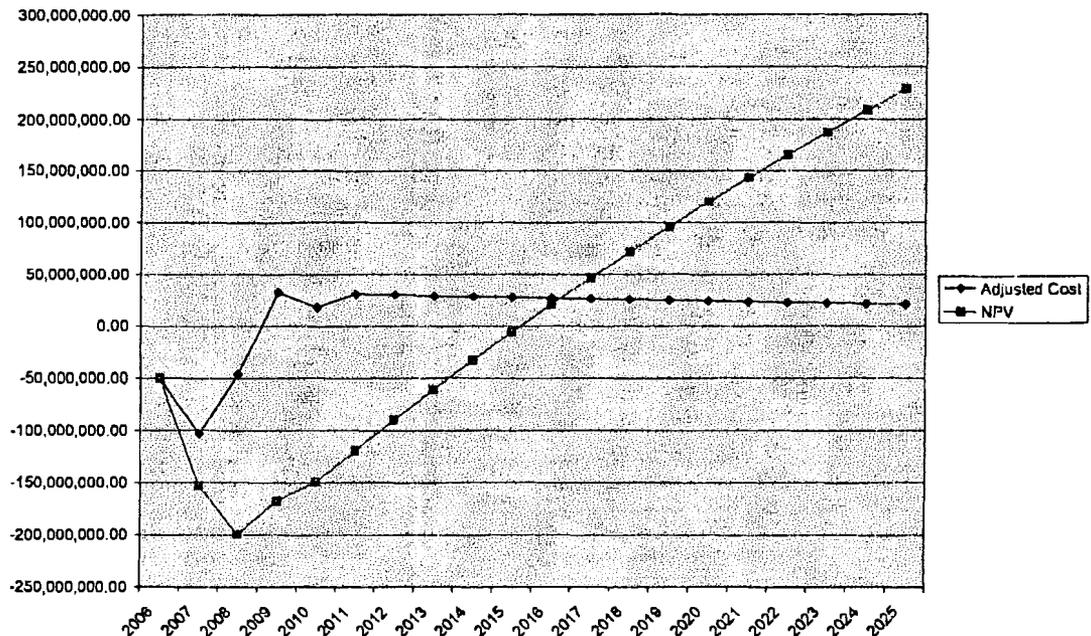


Table B and Chart B with A&AS Contractors included are explained below.

TABLE B

BRAC 05 "Net Present Value Report" Adjusted to Include DFSG A&AS Contractor Support Costs. These Costs Were Not Included in the COBRA Analysis.

Year	Cost	Factor	Adjusted Cost	NPV
2006	92,916,665	0.986287	91,642,527	91,642,527
2007	149,878,433	0.959423	143,796,876	235,439,402
2008	92,296,875	0.933291	86,139,870	321,579,273
2009	6,938,517	0.907871	6,299,278	327,378,551
2010	22,410,517	0.883143	19,791,689	347,370,240
2011	6,938,517	0.859088	5,960,799	353,331,039
2012	6,938,517	0.835689	5,798,443	359,429,482
2013	6,938,517	0.812927	5,640,509	365,369,991
2014	6,938,517	0.790785	5,486,876	370,556,866
2015	6,938,517	0.769246	5,337,429	375,994,295
2016	6,938,517	0.748294	5,192,051	381,386,346
2017	6,938,517	0.727913	5,050,633	386,136,979
2018	6,938,517	0.708086	4,913,067	391,350,046
2019	6,938,517	0.6888	4,779,248	395,929,295
2020	6,938,517	0.670039	4,649,074	400,478,369

2021	6,938,517	0.651789	4,522,446	405,000,914
2022	6,938,517	0.634036	4,399,266	409,400,081
2023	6,938,517	0.616766	4,279,442	413,679,523
2024	6,938,517	0.599967	4,162,881	417,042,404
2025	6,938,517	0.583626	4,049,495	421,091,899

CHART B

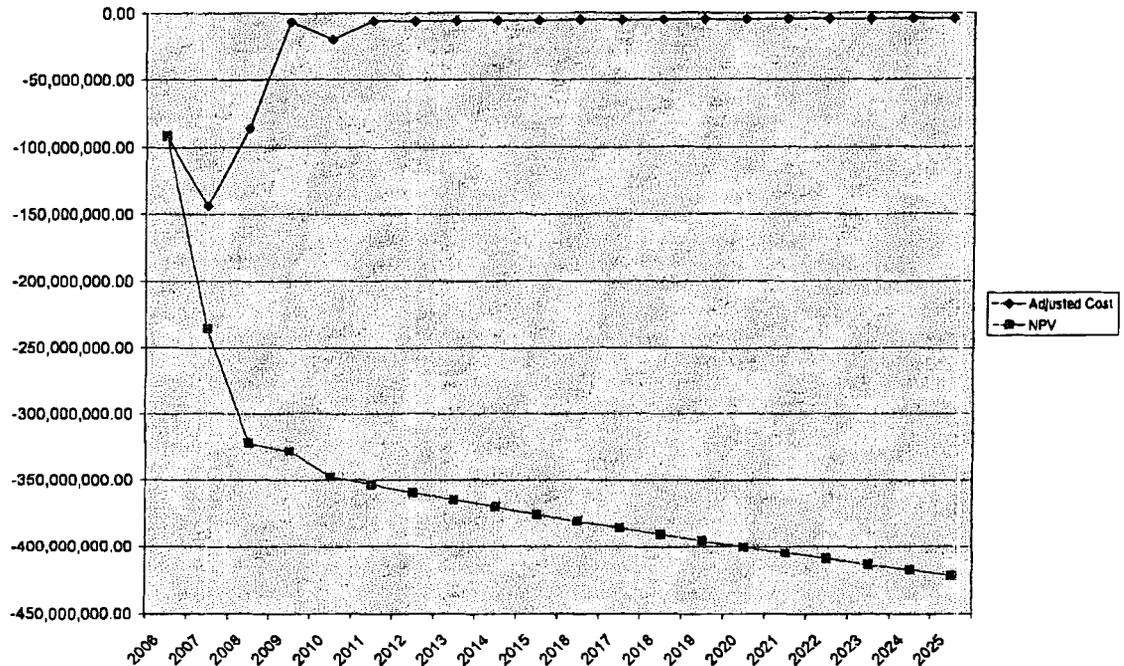


Table B and Chart B above, using the same formulae as in the TJCSG chart, includes the 1412 Direct Contractors required at Hanscom AFB for this scenario. Included in the "Cost" column of the chart is a conservative, additional cost of \$30,000 per contractor in Boston versus Dayton (\$100,000 per Direct Contractor in Dayton versus \$130,000 per Direct Contractor in Boston). (Department of Labor, Bureau of Labor Statistics - Computer and Mathematical Science Occupations average: Boston MSA average salary (\$76,870); Dayton Springfield MSA average salary (\$61,360) - Escalation Factor for cost of living in Boston 1.30; Government cost of an A&AS IT Contractor ~ \$100,000, applying the cost of living index of 130 to \$100,000 equals ~\$130,000 for the same IT A&AS Contractor in Boston). This additional cost per Direct Contractor amounts to \$42,360,000 additional cost per year in Boston to support the Hanscom AFB scenario (1412 Direct Contractors at an increased cost of \$30,000 each). In the year 2025, rather than the BRAC-reported saving of \$229 million dollars, there is a loss of \$421 million dollars – there will *never* be a savings.

## TABLE C

BRAC 05 "Net Present Value Report" Adjusted to Include DFSG A&AS and Development Contractor Support Costs. These Costs Were Not Included in the COBRA Analysis.

Year	Cost	Factor	Adjusted Cost	NPV
2006	133,176,665	0.9862873	131,350,453	131,350,453
2007	190,138,443	0.9594234	182,423,271	313,773,725
2008	132,556,875	0.9332913	123,714,178	437,487,903
2009	47,198,517	0.9078709	42,850,160	480,338,083
2010	62,670,517	0.8831429	55,347,022	535,585,085
2011	47,198,517	0.8590884	40,547,698	576,232,784
2012	47,198,517	0.8356891	39,443,286	615,676,070
2013	47,198,517	0.8129271	38,368,954	654,045,023
2014	47,198,517	0.7907851	37,323,884	691,368,907
2015	47,198,517	0.7692463	36,307,285	727,676,192
2016	47,198,517	0.748294	35,318,367	762,994,559
2017	47,198,517	0.7279125	34,356,391	797,350,950
2018	47,198,517	0.7080861	33,420,614	830,771,563
2019	47,198,517	0.6887997	32,510,324	863,281,888
2020	47,198,517	0.6700386	31,624,828	894,906,716
2021	47,198,517	0.6517885	30,763,451	925,670,167
2022	47,198,517	0.6340355	29,925,535	955,595,702
2023	47,198,517	0.6167661	29,110,445	984,706,147
2024	47,198,517	0.599967	28,317,553	1,015,023,700
2025	47,198,517	0.5836255	27,546,258	1,040,569,958

Table C above and Chart C below, using the same formulae as in the TJCSG chart, includes the 1412 Direct Contractors required at Hanscom AFB for this scenario, as well as 1342 development contractors that currently work for DFSG (the Dayton Region believes the number of actual development contractors is about 2000 to 2400). Included in the "Cost" column of the chart is a conservative additional cost of \$30,000 per contractor in Boston versus Dayton (\$100,000 per Direct Contractor in Dayton versus \$130,000 per Direct Contractor in Boston). (Department of Labor, Bureau of Labor Statistics - Computer and Mathematical Science Occupations average: Boston MSA average salary (\$76,870); Dayton Springfield MSA average salary (\$61,360) - Escalation Factor for cost of living in Boston 1.30; Government cost of an A&AS IT and Development Contractor ~ \$100,000, applying the cost of living index of 130 to \$100,000 equals ~\$130,000 for the same IT A&AS Contractor in Boston). This additional cost per Direct Contractor (A&AS) and Development contractors, amounts to \$82,620,000 additional cost per year in Boston to support the Hanscom AFB scenario (2754 Total Contractors [1412 A&AS and 1342 Development Contractors] at an increased cost of \$30,000 each). In the year 2025, rather than the BRAC-reported saving of \$229 million dollars, there is a *loss of \$1.0 billion dollars* – there will *never* be a savings! Additionally, the creation of Hanscom as a "Center of Excellence" for potential "Joint" growth in the future is not feasible due to high costs in the Boston area and the lack of available land to expand.

CHART C

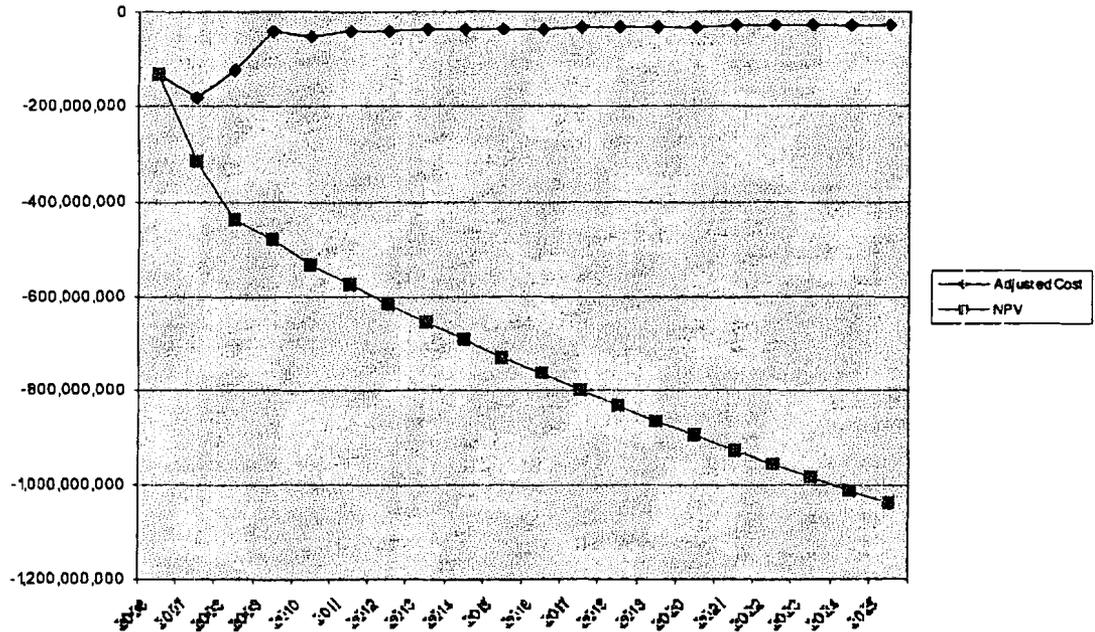


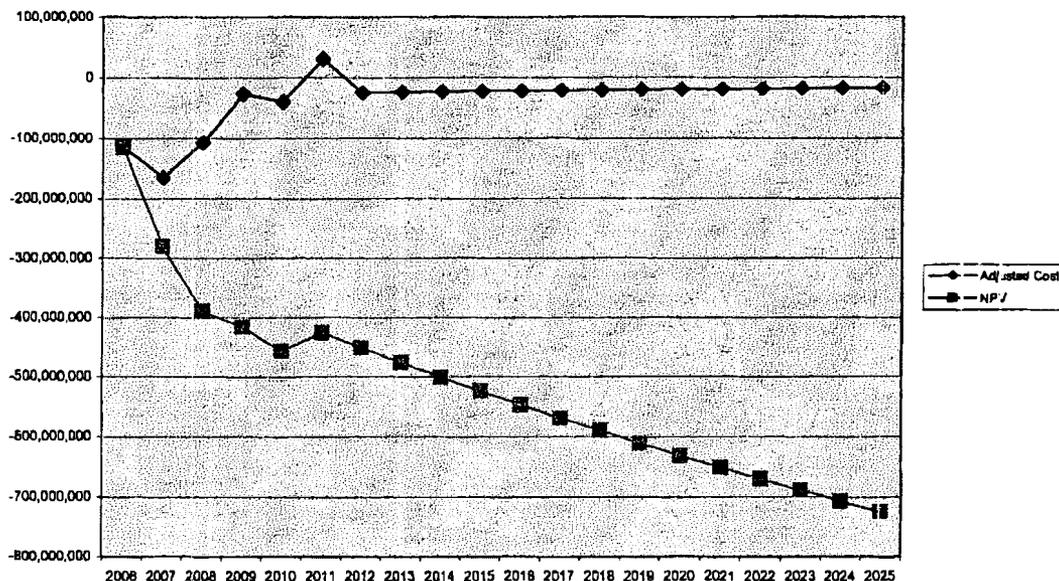
Table D and Chart D below represent recent data from the Air Force regarding the DFSG military and civilian personnel, and include the DFSG A&AS contractors as well as the Development contractors associated with DFSG’s mission. The new data indicate that the additional costs (based on tables 1 to 3 below) per contractor is \$23,874 versus our first estimate of \$30,000. In any case, the NPV for Chart D shows a cost of over \$700 million dollars in 2025, and there will never be a savings to this scenario.

TABLE D

Year	Cost	Factor	Adjusted Cost	NPV
2006	116,306,641	0.986287	114,711,763	114,711,763
2007	173,268,109	0.959423	166,237,478	280,949,241
2008	115,686,551	0.933291	107,969,252	388,918,493
2009	30,328,193	0.907871	27,534,084	416,452,577
2010	45,800,193	0.883143	40,448,115	456,900,692
2011	-35,421,483	0.859088	-30,430,185	426,470,507
2012	30,328,193	0.835689	25,344,940	451,815,447
2013	30,328,193	0.812927	24,654,610	476,470,057
2014	30,328,193	0.790785	23,983,083	500,453,140
2015	30,328,193	0.769246	23,329,850	523,782,990
2016	30,328,193	0.748294	22,694,405	546,477,395
2017	30,328,193	0.727913	22,076,271	568,553,666
2018	30,328,193	0.708086	21,474,972	590,028,638
2019	30,328,193	0.6888	20,890,050	610,918,688
2020	30,328,193	0.670039	20,321,060	631,239,748
2021	30,328,193	0.651789	19,767,567	651,007,316

2022	30,328,193	0.634036	19,229,151	670,236,467
2023	30,328,193	0.616766	18,705,401	688,941,868
2024	30,328,193	0.599967	18,195,915	707,137,783
2025	30,328,193	0.583626	17,700,307	724,838,090

CHART D



4. The DFSG is deeply involved with **Commercial-Off-The-Shelf (COTS)** software solutions from private industry. Since the private industry has had the lead in developing software solutions, it has been in the best interest of the DoD to capitalize on proven software that is adaptable to DoD like functions. The current private industry technology solution is Enterprise Resource Planning (ERP). According to **Gartner Research Publications**, ERP implementations are **risky endeavors** and users must take control of their own destinies. Gartner Dataquest surveyed 265 U.S.-based IT and business managers. Gartner lists six critical success factors for implementing ERP. One of the success factors is that the functional managers must be involved and set realistic expectations and then manage them throughout the implementation process as the project conditions evolve. **Another factor for success is to focus on the users.** Inclusion of users in all activities is important along with having top management involvement and support in the whole project. Gartner recommends that External Service Providers (ESPs) should work with the client/end users. End users must have an ongoing involvement with the initiative. The DFSG is the ESP for AFMC functional users and their managers. **It is critically important to the success of the implementation process to have them collocated at AFMC (final criteria 1 and 4).** (Source: Gartner Research Publication Dates: 10 September 2002 ID Number TG-15-4868; 7 September 2004 ID Number G00122936; 10 December 2003 ID Number ITSV-WW-EX-0390, 23 September 2002 ID Number SPA-17-7897).

5. **The Selection Criteria used for the C4ISR grouped missions do not adequately measure the military value of the Acquisition, Development and Fielding mission of the DFSG.** As noted earlier, the COBRA analysis did not include all the direct positions annotated on the Unit Manning Document (UMD). Specifically, the A&AS contractors assigned to the DFSG to perform job descriptions that would otherwise be performed by authorized military or civilian personnel were excluded from the COBRA analysis. This represents a substantial and critical deviation from the approved selection criteria. However, in the ESC/OSSW organization chart, dated 7 December 2004, presented by the ESC OSSG Director in a briefing in an Air Force Information Technology day (See attachment 1) the Total DFSG manpower included 142 Military, 606 Civilian, and 715 A&AS Contractors, for a total of 1462 employees in the DFSG. The 715 A&AS Contractors are on the UMD and are part of the DFSG organization. They are omitted in the COBRA calculations and represent 49% of the direct personnel effort to accomplish the DFSG mission.
6. Also, in the BRAC Economic Impact Data for TECH-0042C: Air & Space C4ISR DAT&E Consolidation, page 6, the data show 864 Direct Contractor reduction for DFSG, and on page 4 the data reflects a gain of 1412 Direct Contractors for Hanscom AFB. The COBRA data does not reflect this significant direct contractor increase in the cost of moving DFSG or OSSG to Hanscom. The cost of A&AS contractor support in the Boston area will be significantly more costly than in the Dayton, Ohio.
7. Compounding the unrealistic expectation of accomplishing this realignment is the assumption that 55% of the civilians will move. **Historically, less than 20% of the people will actually move**, especially to such a high cost of living areas as Boston. It should also be noted that many civilians in DFSG are retired military and will not move with the position. Additionally, a doubtful expectation exists that Hanscom AFB can hire 189 qualified (the correct figure may be closer to over 250 civilian positions and over 500 direct contractor positions) civilians in the Boston area that are needed to fill the DFSG authorizations (page 48 TECH-0042 COBRA Analysis). Adding to the difficulty of the task will be the Boston area contracting firms trying to hire the same individuals to fill their contractor ranks to compete for the direct contractor support to DFSG at Hanscom. The Dayton area currently supplies the required contractor talent. Many of the personnel in the contractor pool of personnel have the knowledge, skills and abilities required to perform DFSG's mission due to the many military and civilian retirees in the Dayton area who previously worked for the Air Force and at WPAFB as civilian or military employees. This intellectual capital will be more expensive in the Boston area. This may be one of the reasons why the DFSG personnel numbers were reduced for realignment to Hanscom (28% reduction in personnel). The "proximity to the customer" in the TJCSG selection criteria under "synergy"

was not a major factor in C4IRS but it is critical for DFSG mission accomplishment (Source: TJCSG Analysis and Recommendations (Volume XII, 19 May 2005, Part V. Appendix B, page B-10).

8. It has taken many years to develop the contractor network in the Dayton area that supports DFSG. The Greater Dayton IT Alliance has compiled data to illustrate the depth of Information Technology personnel available within the Dayton/Springfield MSA. Six Standard Occupational Classifications (SOC) exits in the MSA and range from Computer & Information Systems Managers, Engineering Managers, Computer hardware Engineers, to Computer Operators and Computer Control Programmers & Operators. The Ohio Department of Jobs & Family Services identifies a total in all IT related SOCs in the Dayton/Springfield MSA of 16,810 personnel employed in the IT area. The ODJFS projects that by 2010 the total will be 22,440. The U.S. Department of Labor Bureau of Labor Statistics shows the Dayton MSA with an IT employment of 14,290 in 2002.
9. The larger Enterprise Resource Planning (ERP) capabilities desired by the Air Force as well as DoD are now beginning to reap the rewards of the DFSG's leadership and capability it has established. The other services have invested large amounts of money in enterprise applications with limited success because they failed to properly address the development issues and risks. The Defense Department's recommendation to move DFSG to Hanscom has not considered the differences required for Commercial-Off-The-Shelf (COTS) Business Management Information Technology (BMIT) acquisition. Hanscom's competencies are in the area of Command and Control (C2)...not BMIT.
10. The Department of Defense does not perform IT Research and Development on Business Management (Operations Support) Systems. DoD's announced policy for its Business Management Modernization Program (Air Force identifies it as Operational Support Modernization Program) is to acquire Commercial-Off-The-Shelf (COTS), specifically Enterprise Resource Planning, solutions. Therefore combining DFSG within the C4ISR mission group with selection criteria that measures R&D-type performance with the ultimate goal of producing a product is substantially flawed. The TJCSG measures do not account for the skills and abilities required to produce the services performed by the DFSG. DFSG provides acquisition services to AFMC functional users in Financial, contracting, and Logistics areas who then, enabled by the business (i.e., operational support) systems, provide capability to the war fighter. Geographical separation of the acquisition service provider (DFSG) from the functional users and managers at Headquarters AFMC injects significant risk of acquisition program failure and increased costs. This collocation of the service provider (DFSG) to its users and system managers (located at Wright-Patt AFB) is a major critical element in the success or failure of development and fielding according to both

government auditors and private industry research publications. (Source: Gartner Research & GAO-05-381, April 29, 2005; GAO-05-723T, June 8, 2005).

11. DFSG provides acquisition services to AFMC functional users, who then, enabled by the business (i.e., operational support) systems, provide capability to the warfighter. Geographical separation of the acquisition service provider (DFSG) from the functional users and managers at Headquarters AFMC injects significant risk of acquisition program failure and increased costs. This collocation of the service provider (DFSG) with its users and system managers (located at Wright-Patterson AFB) is a major critical element in the success or failure of development and fielding according to both government auditors and private industry research publications (Military Value Criteria). (Source: Gartner Research & GAO-05-381, April 29, 2005; GAO-05-723T, June 8, 2005)
12. The Department of Defense does not perform IT Research and Development on Business Management (Operations Support) Systems acquired and used by DFSG. DoD's announced policy for its Business Management Modernization Program (Air Force identifies it as Operational Support Modernization Program) is to acquire Commercial-Off-The-Shelf (COTS), specifically Enterprise Resource Planning, solutions (final criteria 1 and 4)
13. The inclusion of a business systems acquisition organization like DFSG in the broad C4ISR category was inappropriate, misleading and substantially deviates from final criteria 1. Most of the work conducted at Hanscom AFB relates to developing and acquiring C4ISR systems and subsystems rapidly produced as weapons systems for the warfighter. DFSG does not develop and acquire C4ISR systems and subsystems. DFSG is an organization focused on acquiring COTS computer software, assisting its functional customers with business process reengineerings, evaluating the functionality of commercial-off-the-shelf business management solutions like Enterprise Resource Planning, managing requirements put in Requests For Proposals, and managing the acquisition and fielding of business management (also known as operational support systems) for the Air Force and DoD.
14. Sufficient land for Military Construction Programs is not available at Hanscom AFB (final criteria 1, 2, 3, 4 and 8). "Roughly 40 acres" are required. "Hanscom reported its largest parcel is 18.27 acres, and only 8.4 unconstrained acres are zoned for industrial ops." (Source: Summary of Scenario Environmental Impacts – Criterion 8, Technical Joint Cross Service Group, Consolidate Air and Space C4ISR Research, Development and Acquisition, Test and Evaluation).

**Bottom line**

The Dayton Region Recommends that the 1462 DFSG personnel remain at WPAFB, collocated with their primary systems users and managers (**final criteria 1 and 4**), providing the best support to the DFSG customer, reduced risk of failure, availability of land and facilities to accommodate further anticipated joint growth (**final criteria 2**), reduced cost of operations (**final criteria 4**), and preservation of the intellectual capital already in place in the Dayton Region.

**2005 BRAC Process TECH-0042 Part 7****C4ISR RDAT&E Consolidation: Disconnects & Inconsistencies****Highlight of Findings**

- Bottom Line...Dayton-Springfield MSA Economic Impact/Job Loss Significantly Understated
- Increases AF Infrastructure - - Payback Calculation in Error
- Cost Understated
- Savings Overstated
- TJCSG Military Value (MV) for C4ISR D&A Calculation in Error
  1. WPAFB higher in almost every MV category except D&A for Information Systems
  2. Double Counting/Co-mingling of Hanscom and Maxwell Data.
    - **Question 04289: Identifies IMDS and DCAPES as a Hanscom AFB program; however, both are at Maxwell AFB, AL**
    - **Analysis provided to Commission different than AF Implementation Plan**
    - **Actual Plan Includes Realignment of 3 Additional AF Installations**
      - Hill AFB, UT; Tinker AFB, OK; Randolph AFB, TX
    - **Actual Plan Does not Have a Supporting COBRA Run**
    - **Actual Plan Includes Use of Lease Space Until MILCON is ready for occupancy (2008-2010)**
    - **Actual Plan includes Contracting out of 390 programming jobs currently at Maxwell AFB**
    - **Same approach may be used for Hill AFB, Tinker AFB, and Randolph AFB**
- TJCSG for C4ISR
- Did Not Apply 2025 Force Structure Plan for data and analysis
- Did Not Apply equal analyses for each site

- No COBRA runs for realignment of D&A Business Information Systems Workload at
  - Wright-Patterson AFB, OH
  - Maxwell AFB, AL
  - Hill AFB, UT
  - Tinker AFB, OK
  - Lackland AFB, TX
  - Randolph AFB, TX
- Inclusion of Business Information Systems inconsistent with C4ISR definition and application of Technical Criteria as indicated in BRAC documents.

### **Military Value (MV) Discussion**

- Military Value is the predominate decision criteria for the movement of the development and acquisition workload for movement to Hanscom AFB
- TJCSG Military Value (MV) Score for C4ISR Development & Acquisition Calculation in Error
  - WPAFB higher in almost every MV category except D&A for Information Systems
  - Double Counting/Co-mingling of Hanscom and Maxwell Data.
    - Question 04289: Identifies IMDS and DCAPES as an Hanscom AFB program; however, both are at Maxwell AFB, AL
- TJCSG "information systems" data qualifier for questions related to D&A workload
  - Counts all workload at Hanscom AFB which is predominately C2ISR. yet,
  - Does not recognize C2ISR Information Systems Workload at ASC and AFRL on Wright-Patterson AFB or
  - Development and Acquisition Workload at ASC and AFRL on Wright-Patterson AFB
    - Predominately, the DFSG acquisition and engineering workforce was recruited from
      - Aeronautical Systems Center, Wright-Patterson AFB
      - HQ AFMC, Wright-Patterson AFB
      - Air Force Research Laboratory, Wright-Patterson AFB
      - DFSG has current MOAs in place for cross-training and utilization of personnel
- MV of WPAFB is higher than Hanscom AFB
- Only two exclusions found: Battlespace and C4ISR D&A
  - MV for C4ISR T&E delta not statistically significant

### **C4ISR Vs. Business Systems WPAFB Workload Misclassified**

C4ISR Joint Technical Architecture Definition, Systems that:

- Support properly designated commanders in the exercise of authority and direction over assigned and attached forces across the range of military operations;
- Collect, process, integrate, analyze, evaluate, or interpret available information concerning foreign countries or areas;
- Systematically observe aerospace, surface or subsurface areas, places, persons, or things by visual, aural, electronic, photographic, or other means; and
- Obtain, by visual observation or other detection methods, information about the activities and resources of an enemy or potential enemy, or secure data concerning the meteorological, hydrographic, or geographic characteristics of a particular area.

### **Business Systems: 21 Jun 2004 USD ATL Memo, Transformational Options:**

- 30. Examine DoD's business management operations to include the complex network of finance, logistics, personnel, acquisition, and other management processes and information systems that are used to gather the financial data needed to support day-to-day management and decision-making.
- 36. Review the efforts of the Business Management Modernization Program and all other information technology studies being conducted by OSD and the military departments with a goal of determining opportunities for transferring, consolidating, or privatizing all or part of information technology services and systems.
- Also directs use/look at other AF and OSD studies like MID 905

### **Analysis Disconnects**

#### USD AT&L Memo on 20-Year Force Structure Plan

- TJCSG C4ISR did not use
  - 20 year force structure plan for 2005 to 2025
  - Probable end-strength levels
- IMPACT: Costs and Savings are Incorrectly stated showing a personnel elimination savings of over 200 positions
- Note: As stated in the Jul 05 GAO report. Savings appear to be overstated.
  - Wrong Baseline Used
  - Planned Personnel Reductions (MID905, Work Force Shaping) included as savings.
  - Historically, AFMC funds civilian payroll at approximately 96%
    - Therefore, all savings with AFMC civilian personnel is overstated by 4%

**DoD BRAC Technical JCSG Report Misleading**

- DoD BRAC Report - - "This recommendation will reduce the number of C4ISR technical facilities from 6 to 2."
  - Edwards
  - Eglin AFB
  - Hanscom AFB
  - Wright-Patterson AFB
  - Maxwell AFB
  - Lackland AFB
  - Factual Error:
    - TJCSG Source documentation does not list Wright-Patterson or Maxwell as technical facilities
- TJCSG exempted 17 locations were from consideration ... with less than 31 full time equivalent work years ... military judgment of the TJCSG that the benefit to be derived from consideration of those facilities was far outweighed by the cost of that analysis.
- 3 AF Locations with 30 or more personnel were not addressed by the report: Hill AFB, Tinker AFB, Randolph AFB

**Factual Errors**

- The AF plans to realign three additional C4ISR activities that were not part of published recommendation or included in the analysis.
  - Hill AFB                      60 Civ, 3 Mil, 38 Embedded Contractors
  - Tinker AFB                 57 Civ, 0 Mil, 25 Embedded Contractors
  - Randolph AFB             77 Civ, 13 Mil, 183 Embedded Contractors
  - No COBRA Accomplished
  - No Published Military Value Analysis for D&A for Hill or Randolph
  - ESC Submitted the data but it was not incorporated in the COBRAs published.

**One-Time Costs Understated**

- GCSS Instance Replication
  - 2 Sites \$ ???M
  - Location of Second Site
  - Single Instance has Contingency Operations Plan Implications
- Productivity Loss (Allowed in Previous BRAC COBRAs)

**Overhires and Contractors to fill the gap**

- COBRA \$0                      | SATAF         \$2.5M

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- Interim Production Support (Allowed in Previous BRAC COBRAs)

### Cost to Maintain Dual Capability to mitigate Customer Risk

- COBRA \$0 | SATAF \$7.5M
- ESC Leased Space Costs not included
- COBRA % of Civilian that will relocate 75%
- SATAF % Of Civilians that will not relocate 95%

### Actual Estimate Based on "Unofficial" Employee Feedback

#### Cost of Living Delta

- Hanscom Area 38% More Expense
- Net Change in Disposable Income – \$22K.

**% Retirement Eligible (Optional+Early) 57.5%**

**Local Employment Options: AFRL, ASC, HQ AFMC**

- Unemployment Compensation

**COBRA: \$272 for 16 Weeks**

**State of Ohio: \$425 for 26 to 39 Weeks**

- Training for Civilian New Hires at Hanscom (Allowed in Previous BRACs)

**COBRA \$0**

**SATAF \$3K Per Person**

### Recurring Costs Understated

Cost of Doing Business

#### Embedded Contractors

- Delta between Contractor cost at WPAFB and Hanscom AFB
  - \$9.7M annually
- Direct development contractor cost impact -- TBD

### Customer Interaction due to location changes \$2.6M annually

- TDY, Air Fare, Care Rental
- Avg \$3K per trip X 2 trips annually for 50% of workforce

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### **ESC Assumption 390 Maxwell Positions will be contracted out**

- Conservatively Increase of \$4.7M annually
- Was not in BRAC original proposal

### **227K square feet of space Identified at WPAFB for deactivation**

- 88th ABW is not going to deactivate the space
- Therefore Recurring BOS Cost are understated and Savings are overstated
- BOS Savings Appear to be inconsistent
  - 50% Increase in Hanscom Population only increases BOS 24%
  - 50% Increase in Hanscom Population only increases Sustainment 12%

### **MILCON Issues**

- What is the Beneficial Occupancy Date of the Facility?
  - People are scheduled to move in FY06 – FY08
  - Parking Lot Funded in FY08
  - Hanscom Infrastructure Upgrade Funded in FY08
  - Systems Furniture/Facility Outfitting Funded in FY10
- ESC Plan to Lease Space Until Facility Completed
  - In Direct Conflict of BRAC Goal for reduction in DoD Leased Space
  - Expense not included in the Analysis
- Facility Description Types in Hanscom CE Estimate do not match Types in Final BRAC Provided to the Commission

### **Economic Impact to Dayton-Springfield MSA**

- BRAC Report: Job Loss 2,250 Unemployment .44%
- SATAF Analysis: Job Loss 6,241 Unemployment 1.22%
  - Based on WPAFB EIC Multipliers

#### **Current WPAFB Jobs Baseline – 1111 Jobs**

- Military – 55
- Civilian – 429
- Support Contractors- 627

#### **Current Indirect Jobs – 1681**

- Indirect Jobs from Military - 23
- Indirect Jobs from Civilians - 674
- Indirect Jobs from Support Contractors – 984

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Development Contractors (Estimated) – 1342  
Indirect Jobs from Development Contractors – 2107

Total Dayton Area Jobs – 6241

### **Bottom Line:**

- DFSG & OSSG Missions **DO NOT** come under C4ISR at Hanscom
- There is **no reason** to consolidate **NON-C4ISR** organizations at Hanscom
- There will **NEVER** be a cost savings by realigning DFSG and OSSG to Hanscom
- Realignment of DFSG & OSSG to Hanscom puts both mission in **high risk**
- Hanscom has **little acreage to expand** with potential future joint consolidations
- Tremendous **cost avoidance** can be realized by **realigning OSSW** from Hanscom to WPAFB (~\$131 Million in MCP and \$42 Million annually in reduced contractor costs)

**Recommend that OSSW be realigned from Hanscom AFB to WPAFB**

### **WPAFB/DFSG/OSSG Missions Versus Hanscom C4ISR**

#### **Mission**

	<b><u>DFSG/OSSG</u></b>
1. Mission Compatibility with Hanscom C4ISR	No
2. Available DFSG/OSSG-type Intellectual Capital at Hanscom	Unlikely
3. Knowledge of Legacy Systems/software at Hanscom area	Little, if any
4. Need for R&D for mission completion as C4ISR at Hanscom	None
5. Commercial-Off-The-Shelf (COTS) Software used	Yes
6. C4ISR Product end result as Hanscom	No
7. Product oriented like Hanscom	No
8. IT Acquisition and Sustainment orientation <i>unlike</i> Hanscom	Yes
9. Need to be collocated with customer <i>unlike</i> Hanscom	Yes
10. Risk of mission failure increased if moved to Hanscom	Yes
11. Need to be consolidated at Hanscom	No
12. <b>Increased Military Value</b> if DFSG left at WPAFB	Yes
13. Increased cost if moved to Hanscom	Yes

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14.	Savings realized if moved to Hanscom	<b>Never</b>
15.	MCP Savings realized if OSSW moved to WPAFB	\$131M in MCP
16.	Yearly cost avoidance if OSSW moved to WPAFB	\$42M per year
17.	Need for Hanscom R&D Labs and Test & Evaluation	None
18.	Collocation with the Program Executive Officer important	Not critical
19.	Available Land for substantial further growth at WPAFB	Yes
20.	Available Land for substantial further growth at Hanscom	No
21.	Current DFSG contracts require work done within 25 mi.	Yes
22.	Available Direct & Development contractors at WPAFB	Yes

DoD BRAC Recommendation shows a 50% Increase in Hanscom Population with only an increase in BOS of 24% only an increase in Sustainment of 12%. This lack of increase suggests that COBRA Screen 5 was not adjusted upward when all the gains and losses at Hanscom were accomplished. In Military Construction costs, this omission could be as high as \$313Million.

**Business Systems, as described in the 21 Jun 2004 USD ATL Memo, Transformational Options is as follows:**

- 30. Examine DoD's business management operations to include the complex network of finance, logistics, personnel, acquisition, and other management processes and information systems that are used to gather the financial data needed to support day-to-day management and decision-making.
- 36. Review the efforts of the Business Management Modernization Program and all other information technology studies being conducted by OSD and the military departments with a goal of determining opportunities for transferring, consolidating, or privatizing all or part of information technology services and systems.

Using the above definition, coupled with an understanding of the DFSG and OSSG Business Systems missions, the inclusion of a business systems acquisition and sustainment organizations, such as DFSG and OSSG, in the broad C4ISR category was inappropriate, misleading and substantially deviates from final selection criteria 1.

Most of the work conducted at Hanscom AFB relates to developing and acquiring Command, Control, Communication, Computer, Intelligence, Surveillance, and Reconnaissance (C4ISR) systems and subsystems (products) for rapid production as weapons systems for the warfighter. DFSG and OSSG do not research, develop and acquire C4ISR systems and subsystems.

DFSG is a service organization focused on acquiring COTS computer software, assisting its functional customers with business process reengineering, evaluating the functionality of commercial-off-the-shelf (COTS) business management solutions like Enterprise Resource Planning, managing requirements put in Requests For Proposals, and managing the

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acquisition and fielding of business management (also known as operational support systems) for the Air Force and DoD. Critical to the success of this mission is maintaining close proximity to, and constant "face-to-face" communication with the functional customer.

The Department of Defense does not perform IT Research and Development on Business Management (Operations Support) Systems acquired and used by DFSG. DoD's announced policy for its Business Management Modernization Program (Air Force identifies it as Operational Support Modernization Program) is to acquire Commercial-Off-The-Shelf (COTS), specifically Enterprise Resource Planning, solutions – this does not require the C4ISR R&D methodology (final criteria 1 and 4).

Inclusion of DFSG's Business Information Systems mission is inconsistent with C4ISR definition and application of Technical Criteria as indicated in BRAC documents.

**Military Value is the predominate decision criteria for the movement of DFSG's development and acquisition workload to Hanscom AFB. However, the TJCSG Military Value (MV) Score for C4ISR Development & Acquisition Calculation is in Error**

- WPAFB is higher in almost every MV category except D&A for Information Systems
- Double Counting/Co-mingling of Hanscom and Maxwell Data. Question 04289: Identifies two systems (IMDS and DCAPEs) as an Hanscom AFB program; however, both are at Maxwell AFB, AL.

**Statements below are taken from a 7 Dec 2004 briefing by ESC/OSSW/CC titled:  
Air Force Information Technology Day (NOT "C4ISR" Day)**

## **OSSW Mission Statement**

Develops, fields, sustains and tests worldwide communications-computer and force protection systems and capabilities for the President and Secretary of Defense, CJCS, unified combatant commanders, services, and specified DoD and non-DoD agencies to direct military forces. Designs, develops, and procures integrated systems. Responsible for life-cycle management of selected C4 and standard information and force protection systems valued at \$15 billion. Manages \$8.3 billion in contracts. Enhances weapon system readiness through the development and maintenance of information and force protection systems supporting the worldwide logistics, financial, contracting, business and security needs of the USAF and DoD. Leads the acquisition and support of systems valued in excess of \$1.7B dollars. Implements future standards and technologies as they mature. Responsible for the following programs: DEAMS (IAM); GCSS-AF (IAC); ECSS (eLog21); (ACAT T3D); ILSS (IAC); IMDS (IAC); DCAPEs (III); MilPDS (III), FPASS (III); Plus ~250

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development and legacy C2&CS and Force Protection programs (various ACATIII/non-ACAT levels).

**OSSG** - Develops, acquires and sustains quality standard info systems to support AF mission

-- Over 1700 Mil, Civ and Dir Contr., \$250M annual budget, over 100 info systems

**DFSG** - Acquires, develops, maintains, reengineers and provides technical services for info systems

-- 1463 Mil, Civ and Dir Contr., \$153M annual budget

**Engineering Integration Squadron** - Provides a variety of command and control and information systems services including infrastructure planning, engineering, program management, contracting, and specialized testing and analysis for electromagnetic compatibility and electromagnetic pulse protection. The only group in the Air Force that plans, engineers, installs, removes, and relocates communications and information systems worldwide. Provides integrated communications-computer systems and services during war and peacetime for the Air Force and specified DoD agencies.

-- 591 personnel (end goal down from ~2300), Total money handled ~\$150M

**Force Protection Systems Squadron** - Provides wide range of acquisition and sustainment services for information assurance, intelligence, info operations and force protection missions

-- More than 560 cleared personnel, \$75M annual budget

-- Strong NSA, AIA, AFWIC partnerships, 150,000 sq ft of SCIF facilities

**ESC Det 5** "Acquire support and maintain command and control capability for the space age warfighter"

Specifically, the Det 5 commander/staff provides the following (from the ND mission brief):

Acquisition Support, Infrastructure Support (Personnel/manpower, UCMJ actions, facilities management)

264 Mil & Civ, 30 MITRE, 91 TEMS

Hanscom Local - ~3100 mil & civ (from ABW)

**GSUs** - ~3710 mil & civ

Total ~6810

### **Bottom Line:**

- DFSG & OSSG Missions **DO NOT** come under C4ISR at Hanscom
- There is **no reason** to consolidate **NON-C4ISR** organizations at Hanscom
- There will **NEVER** be a cost savings by realigning DFSG and OSSG to Hanscom

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- Tremendous **cost avoidance** can be realized by realigning OSSW from Hanscom to WPAFB (~\$131Million in MCP and \$42 Million annually in reduced contractor costs)

### Why Move OSSG and DFSG to Hanscom AFB?

TJCSG Answer: For C4ISR RDAT&E, the TJCSG strove to address two of the biggest C4ISR concerns (Deleted "Gripes") that come from the operational community.

- 1) the various systems delivered to the field don't work well together (i.e., they don't interoperate), and
- (2) The technology takes too long to get the field and thus is dated when it's finally fielded.

Community Response: *Correct.* There is room for improvement in integration and speed of fielding of C4ISR systems. It is important to establish that DFSG and OSSG **do not** produce C4ISR systems; they develop and sustain automated business systems including COTS ERP solutions that produce data for inclusion in C4ISR Command and Control systems.

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TJCSG Answer: The root cause of these concerns is the multiple dispersed C4ISR RDAT&E activities.

Community Response: *Incorrect.* Delays and lack of interoperability can be the result of any failure during the development or integration of the components. The most likely point of failure is the integration level that could be the result of insufficient architectural standards that are not the responsibility of DFSG and OSSG. Dispersal of activities related to C4ISR RDAT&E activities is not a significant factor.

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TJCSG Answer: The natural tendency of geographically separate units (GSUs), such as OSSG and DFSG, is to pursue technical solutions that use local Information Technology (IT) assets and products with which they are familiar.

Community Response: *Incorrect.* This answer suggests that there is somehow an IT "culture" in Dayton that is inferior to the IT culture in Boston. Top IT specialists at both locations are trained at the same kind of schools and learn the same development tools. There is enormous fluidity and cross-interaction throughout the country of IT workers, perhaps more so than most major industries because of the volatility and constant advancement of the technology.<sup>1</sup>

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<sup>1</sup> The absurdity of this argument can be noted in the recent selection by Hewlett-Packard of NCR President Mark Hurd as HP President. The fact that Hurd spent virtually his entire career in Dayton working for NCR in no way suggested to the HP hiring team that he only knew Dayton-style IT. While

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TJCSG Answer: This can lead to unique, not readily interoperable IT solutions that do not reflect the state-of-the-art especially when the GSUs are located in places of lesser (Deleted "Relatively low") IT intellectual capital.

Community Response: *Incorrect.* Problems with the development of C4ISR and automated business systems are not the consequence of developing those systems in a place of "lesser" IT intellectual capital. Moreover, the Dayton area has a robust IT community with hundreds of highly competitive IT-related business and major university IT programs. The intellectual capital at Wright-Patterson and Gunter AFB is as knowledgeable, if not more so, of current IT COTS technology as anywhere in the government and industry.

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TJCSG Answer: The result is that extra effort, manpower and time is required to integrate the C4ISR products from those two Support Groups with the C4ISR products from the remainder of the Operations Support Systems Wing and the other C4ISR Wings, all of which are located at Hanscom AFB.

Community Response: *Partially correct.* The requirement for extra resources to integrate automated business systems products with C4ISR is largely the result of inadequate architectural standards, which serve as the "instructions" to the two support groups. If the standards are not adequate, the products from the support groups will not integrate properly no matter how well the products are developed.

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TJCSG Answer: Similarly, co-locating the Air & Space C4ISR Research (currently at Wright-Patterson AFB) with the Development, Acquisition and Test & Evaluation (non-open air range) at Hanscom AFB is designed to reduce the cycle time required to field Information Systems technology and ease the integration of new technology into C4ISR products headed for the field.

Community Response: *Incorrect.* Air & Space C4ISR research has no direct relation to the work of DFSG, which is to acquire and develop business systems, nor with the work of OSSG. Consequently, co-locating Air & Space C4ISR research with DFSG and OSSG at Hanscom cannot be expected to have significant synergistic benefits. Consolidation of Air & Space C4ISR research at Hanscom may have research benefits but the benefits are not likely to affect the problems associated with integration of DFSG and C4ISR products.

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we consider this item to be preposterously arrogant we will stay focused on an objective and factual reply.

TJCSG Answer: With fewer seams in RDAT&E process, the SECDEF Recommendation to realign C4ISR RDAT&E to Hanscom AFB is consistent with the BRAC Criteria (i.e., Military Value) and should (Deleted "Will"), dramatically reduce the personnel, cycle time and effort required to deliver Air & Space C4ISR capability to the operational community.

Community Response: *Incorrect.* The relevant seam is not between DFSG / OSSG and the C4ISR work coordinated at Hanscom. Therefore, eliminating the geographical separation will not solve the problems. Moving DFSG to Hanscom will disrupt existing work and remove development from collocation with the principal customer (HQ AFMC), thus increasing risk of failure. Moreover, by moving work from a relatively low cost labor market to a significantly more expensive labor market, additional cost-cutting pressures are likely to further hamper results. Consequently, the move of DFSG / OSSG will not reduce the personnel, cycle time, and effort required to deliver Air & Space C4ISR capability to the operational community and it should be rejected as a substantial deviation from BRAC military value criteria.

**"C4ISR" refers to systems that are part of the Command, Control, Communications, Computer, Intelligence, Surveillance, and Reconnaissance domain.**

**C4ISR is defined in the Joint Technical Architecture (now DoDAF) as those systems that:**

- Support properly designated commanders in the exercise of authority and direction over assigned and attached forces across the range of military operations;
- Move data that is critical to the conduct of military operations;
- Collect, process, integrate, analyze, evaluate, or interpret available information concerning foreign countries or areas;
- Systematically observe aerospace, surface or subsurface areas, places, persons, or things by visual, aural, electronic, photographic, or other means; and
- Obtain, by visual observation or other detection methods, information about the activities and resources of an enemy or potential enemy, or secure data concerning the meteorological, hydrographic, or geographic characteristics of a particular area.

**Analysis of Job Movements and Costs Not Included in Original Scenario to Consolidate Air  
and Space C4ISR Research, Development & Acquisition, Test & Evaluation  
At Hanscom Air Force Base**

**Table 1**  
**Annually Recurring Increased Cost of Labor Resulting from Moving Direct Contractor<sup>1</sup> Jobs to Hanscom AFB**  
**Not Counted in the Defense Department COBRA Analysis<sup>2</sup>**  
**Consolidate Air and Space C4ISR Research, Development & Acquisition, Test & Evaluation**

1	2	3	4	5	6	7	8	9
Donor Area	Number of Direct Contractor Jobs Moving to Boston <sup>3</sup>	Annual Salary per Job at Donor Base <sup>4</sup>	Cost to Air Force per Job at Donor Base (Annual Salary plus Non-Wage Benefits) <sup>5</sup>	Total Cost to Air Force for Direct Contract Jobs at Donor Base	Annual Salary per Job Moved to the Boston Area <sup>6</sup>	Cost to Air Force per Job at Hanscom (Annual Salary plus Non-Wage Benefits) <sup>7</sup>	Total Cost to Air Force for Direct Contract Jobs at Hanscom	Total Annual Increased Cost to Air Force for Direct Contractor Jobs Moved to Boston
Dayton, OH	658	\$61,360	\$79,523	\$52,325,844	\$76,870	\$99,624	\$65,552,276	\$13,226,432
Montgomery, AL	698	\$55,650	\$72,122	\$50,341,435	\$76,870	\$99,624	\$69,537,217	\$19,195,782
San Antonio, TX	56	\$59,120	\$76,620	\$4,290,693	\$76,870	\$99,624	\$5,578,917	\$1,288,224
Total	1,412	\$176,130		\$106,957,973			\$140,668,410	\$33,710,437

<sup>1</sup> "Direct Contractor" jobs, also known as Assistant and Advisory Services (A&AS) jobs, are private sector jobs that perform on-base services in direct support of the operation of the government unit's mission.

<sup>2</sup> The COBRA analysis apparently did recognize pay differentials for civilian government workers.

<sup>3</sup> Certified Data. Source: "Economic Impact Report." BRAC Report Volume 12 (Technical) G - TECH-0042C Criterion 6 Report.

<sup>4</sup> These numbers are based on a July 12, 2005 Air Force briefing, "DSFG Orientation AFMC BRAC Site Survey Team," presented by the Development and Fielding Systems Group, which used the figure of \$61,360 per direct contractor job for the Dayton-Springfield area (page 23). This number corresponds to the mean annual wages estimates of the U.S. Department of Labor Bureau of Labor Statistics for the Dayton-Springfield, MSA Ohio for computer and mathematical occupations (Standard Occupational Classification 15-0000). The other figures are for the corresponding positions for Montgomery, Alabama MSA; and San Antonio, Texas. See May 2004 Metropolitan Area Occupational Employment and Wage Estimates, Standard Occupational Classification.

<sup>5</sup> Source: U.S. Department of Labor, Bureau of Labor Statistics, "Employer Costs for Employee Compensation--March 2005." This study determined the national average for employee benefits is equal to 29.6 percent of base salary. This includes paid leave, supplemental pay, insurance, retirement and savings, legally required benefits (such as Social Security and Medicare) and other benefits. This number is determined by taking the base annual salary in the previous column and adding 29.6 percent.

<sup>6</sup> This number is taken from the same July 12, 2005 Air Force Briefing. This number corresponds to the mean annual wages estimates of the U.S. Department of Labor Bureau of Labor Statistics for Boston, Massachusetts-New Hampshire PMSA. See May 2004 Metropolitan Area Occupational Employment and Wage Estimates, for computer and mathematical occupations (Standard Occupational Classification 15-0000).

<sup>7</sup> Source: U.S. Department of Labor, Bureau of Labor Statistics, "Employer Costs for Employee Compensation--March 2005." This study determined the national average for employee benefits is equal to 29.6 percent of base salary. This includes paid leave, supplemental pay, insurance, retirement and savings, legally required benefits (such as Social Security and Medicare) and other benefits. This number is determined by taking the base annual salary in the previous column and adding 29.6 percent.

**Table 2**  
**Annually Recurring Increased Cost of Labor Resulting from Moving Development Contractor<sup>1</sup> Jobs**  
**From Dayton, Ohio Area to Boston, Massachusetts Area**  
**Not Counted in the Defense Department COBRA Analysis<sup>2</sup>**  
**Consolidate Air and Space C4ISR Research, Development & Acquisition, Test & Evaluation**

	2	3	4	5	6	7	8
Number of Jobs in the Dayton area that would move to Boston <sup>3</sup>	Annual Salary per Development Contractor Job in Dayton <sup>4</sup>	Cost to Air Force per Job at Donor Base (Annual Salary plus Non-Wage Benefits) <sup>5</sup>	Total Cost to Air Force for Development Contractor Jobs in Dayton Area	Annual Salary per Development Contractor Job in Boston Area <sup>6</sup>	Cost to Air Force per Job in Boston Area (Annual Salary plus Non-Wage Benefits) <sup>7</sup>	Total Cost to Air Force for Development Contractor Jobs in Boston Area	Total Increased Cost to Air Force <sup>8</sup>

<sup>1</sup> These are private jobs with employers who have contracts to perform development and Sustainment work for the Development and Fielding Systems Group (DFSG) headquartered at Wright-Patterson Air Force Base, outside Dayton, Ohio

<sup>2</sup> The COBRA analysis apparently did recognize pay differentials for civilian government workers.

<sup>3</sup> This figure is taken from page 23 of a July 12, 2005 Air Force briefing, "DSFG Orientation AFMC BRAC Site Survey Team," presented by the Development and Fielding Systems Group. The source is described as, "Estimates based on contract awards to community."

<sup>4</sup> This figure is taken from the same July 12, 2005 Air Force briefing. This number corresponds to the mean annual wages estimates of the U.S. Department of Labor Bureau of Labor Statistics for Dayton-Springfield, Ohio, MSA for the Standard Occupational Classification series 11-3021, Computer and information systems managers. See May 2004 Metropolitan Area Occupational Employment and Wage Estimates.

<sup>5</sup> Source: U.S. Department of Labor, Bureau of Labor Statistics, "Employer Costs for Employee Compensation--March 2005." This study determined the national average for employee benefits is equal to 29.6 percent of base salary. This includes paid leave, supplemental pay, insurance, retirement and savings, legally required benefits (such as Social Security and Medicare) and other benefits. This number is determined by taking the base annual salary in the previous column and adding 29.6 percent.

<sup>6</sup> This figure is taken from the same July 12, 2005 Air Force briefing. This number corresponds to the mean annual wages estimates of the U.S. Department of Labor Bureau of Labor Statistics for Boston, Massachusetts-New Hampshire PMSA for the Standard Occupational Classification series 11-3021, Computer and information systems managers. See May 2004 Metropolitan Area Occupational Employment and Wage Estimates.

<sup>7</sup> Source: U.S. Department of Labor, Bureau of Labor Statistics, "Employer Costs for Employee Compensation--March 2005." This study determined the national average for employee benefits is equal to 29.6 percent of base salary. This includes paid leave, supplemental pay, insurance, retirement and savings, legally required benefits (such as Social Security and Medicare) and other benefits. This number is determined by taking the base annual salary in the previous column and adding 29.6 percent.

<sup>8</sup> Source: U.S. Department of Labor, Bureau of Labor Statistics, "Employer Costs for Employee Compensation--March 2005." This study determined the national average for employee benefits is equal to 29.6 percent of base salary. This includes paid leave, supplemental pay, insurance, retirement and savings, legally required benefits (such as Social Security and Medicare) and other benefits.

1342	\$90,450	\$117,223	\$157,313,534	\$107,070	\$138,763	\$186,219,570	\$28,906,036
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<b>Table 3</b> <b>Annually Recurring Increased Cost of Labor Resulting from Moving Identified<sup>1</sup></b> <b>Contractor Jobs to Hanscom AFB</b> <b>Not Counted in the Defense Department COBRA Analysis</b> <b>Consolidate Air and Space C4ISR Research, Development &amp; Acquisition, Test</b> <b>&amp; Evaluation<sup>2</sup></b>	
Annually recurring increased labor costs for direct contractor jobs from Dayton, Ohio; Montgomery, Alabama, and San Antonio, Texas	\$33,710,437
Annually recurring increased labor costs for development contractor jobs from Dayton, Ohio	\$28,906,036
<b>Total annually recurring costs</b>	<b>\$62,616,473</b>

<sup>1</sup> "Identified" means only specific jobs identified by the Department of Defense. These are identified either in the Department of Defense documents provided as justification for BRAC decision or the July 12, 2005 Air Force briefing, "DSFG Orientation AFMC BRAC Site Survey Team," presented by the Development and Fielding Systems Group. This does not include development contractor jobs in Montgomery, Alabama, or San Antonio, Texas. According to the "Statement for the Record" provided by Brig. Gen. (ret.) Paul Hankins, Special Assistant, City of Montgomery and Montgomery Area Chamber of Commerce, to the Atlanta, Georgia hearing of the Defense Base Closure and Realignment Commission on June 30, 2005, there are a total of 940 contractors support the Operations and Sustainment Systems Group (OSSG) in Montgomery, Alabama. This is 242 more jobs than accounted for in the Defense Department's BRAC data. If this jobs were moved to the Boston area from Montgomery using the same formula of the DFSG jobs from Dayton, then it would add another \$8,408,747 in annually recurring labor costs. However, this figure is excluded from the chart because the number cannot be verified using only Defense Department data.

<sup>2</sup> See tables 1 and 2 for supporting data and sources.

<b>Table 4</b> <b>Comparisons of Defense Department Estimate</b> <b>Versus Inclusion of Increased Labor Costs</b>		
	<i>Defense Department Estimate Without Increased Labor Costs</i>	<i>Defense Department Estimate With Increased Labor Costs</i>
Annually recurring savings after implementation	\$36.2 million	-\$26.4 million
Net of all costs and savings to the Department during the implementation period	\$115.3 million	-260.3 million