

DCN: 5638

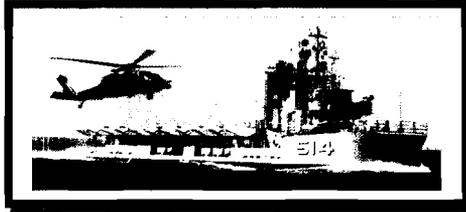
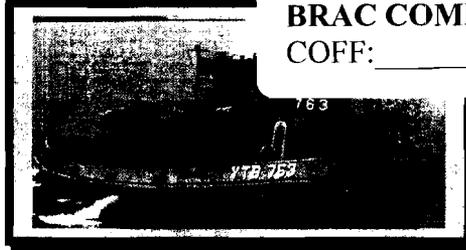
103-06A – RH10 – State Input
Regional Hearing – July 6, 2005 – Boston, MA

BRAC COMMISSION – FY 2005

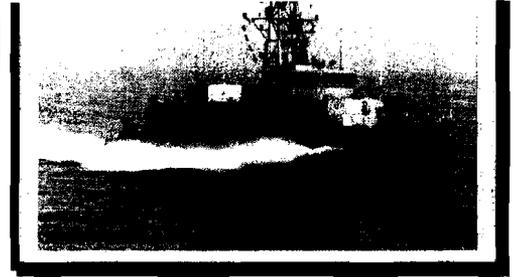
COFF: _____ DISPOSITION: Permanent



**Landing Craft Air
Cushion (LCAC)**



Service Crafts

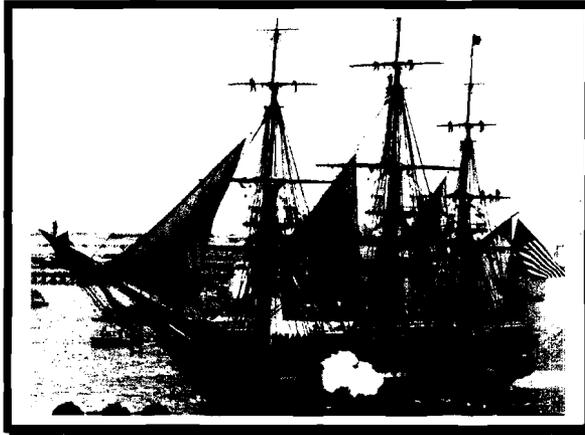


Patrol Coastal (PC)

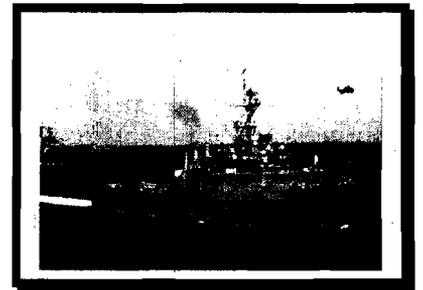
Boston Detachment



**LSD 41, 44 & 49 Classes
Amphibious Landing Dock**



USS Constitution



**LPD 4 Class
Amphibious Landing Dock**

Service to the Fleet



**USS Blue Ridge
LCC 19**



**USS Mount Whitney
LCC 20**



To: 2005 BRAC Commission

From: Boston Detachment Employee BRAC Committee

July 6, 2005

The employees of Boston Detachment Puget Sound Naval Shipyard would like to provide you with our arguments for removal from the BRAC list. These arguments consist of the identification of incorrect financial analysis, unaccounted costs, incorrect justification and application of Military Values.

Provided also is the omission of costs associated with realigning the work currently performed by an Office of Management and Budget (OMB) Circular No. A-76 certified Most Efficient Organization (MEO), Boston Detachment, to an agency that has not gone through an A-76 study, Puget Sound Naval Shipyard.

THE ARGUMENTS

Prior to analyzing the application of the BRAC Final Selection Criteria, the following A-76 description is provided to explain how Boston Detachment is an agency uniquely positioned as an MEO providing the best value to the Navy and the taxpayer.

A-76/BOSTON DETACHMENT MOST EFFICIENT ORGANIZATION

In 2001 Boston Detachment became the first Naval Engineering Activity mandated to undergo an OMB "Performance of Commercial Activity" A-76 competition against the private sector. Boston Detachment won the competition and is the A-76 certified Most Efficient and cost effective Organization (MEO) for performing Boston's Design Engineering Planning Yard work.

In order to win the A-76 competition, Boston Detachment reduced operating costs by 30% beating their closest competitor by \$11 million over a 5 year period that began on October 1, 2004. Savings were primarily achieved through position eliminations due to organizational restructuring and position downgrades of 40% of the workforce.

The DOD BRAC recommendation of realigning this work to Puget Sound Naval Shipyard is made with the inherent assumption that Puget Sound Naval Shipyard will perform this work at the same cost as the Boston Detachment MEO. There is no rationale provided to justify this assumption. Puget Sound Naval Shipyard has not submitted a BRAC plan to accomplish the Boston Detachment work in accordance with the Boston Detachment MEO structure and cost basis.

The Boston Detachment in-house cost to perform the A-76 study (including contractor support) was \$700,000. This resulted in a payback time of less than 11 months to the government for the A-76 cost savings effort. Under the proposed BRAC realignment, the government will never realize the \$11 million savings provided by Boston Detachment MEO. This non-realization of savings must be accounted for in the BRAC analysis.

This proposed BRAC realignment undermines the intent and integrity of the A-76 process, which was mandated by Executive Order, and like BRAC, is meant to improve efficiency. The BRAC and A-76 programs should be allowed to coexist rather than undermine each other.

BRAC FINAL SELECTION CRITERIA/MILITARY VALUE

COST OF OPERATIONS

The BRAC COBRA financial analysis contains recurring savings errors that significantly change the BRAC calculated payback time.

THE TABLE BELOW DESCRIBES THE COBRA REPORT SAVINGS ERRORS

Description of incorrect data	DOD BRAC COBRA Data	Boston Detachment's recalculated Actual COBRA Data
Lease	\$765,500/year (recurring savings)	\$0.00 *
Boston Unique IT Functions	\$314,100/year (recurring savings)	\$26,900/year ** (recurring savings)
Total recurring savings	\$1,079,600/year (recurring savings)	\$26,900/year (recurring savings)
Payback Time	4 years	23 years + ***

The correction of the proposed BRAC COBRA recurring savings results in an actual payback time of over 20 years vice the DOD stated BRAC payback time of 4 years.

* The COBRA report contains a recurring savings of \$765,500 based on elimination of an annual building lease. Boston Detachment does not pay a lease for use of office space. Our office space is located in a DOD owned building and is provided by the Department of the Army in return for operating fees. The fees charged represent the services of utilities, fire protection, guard service, rubbish removal etc. These fees are accounted for in the COBRA analysis as Base Operating Support (BOS) for Boston Detachment. Because Boston Detachment's BOS is accounted for, the proposed recurring savings of \$765,500 for the annual lease is a double charge and should be removed. There will be no annual lease savings if Boston Detachment is realigned to Puget Sound Naval Shipyard.

** The COBRA report contains a recurring savings of \$314,100 based on the elimination of IT costs unique to Boston Detachment. All IT costs presently performed at Boston Detachment will be covered under NMCI with the exception of \$26,900. NMCI costs and savings are a wash as stated in the Data Call Scenario IND-0095.

OTHER COST FACTORS

If Boston Detachment is realigned with Puget Sound, there will be a recurring cost associated with nonproductive travel time and per diem expenses for travel from Puget Sound Naval Shipyard to Boston's primary customers in the Washington, D.C. and Norfolk, VA areas. These recurring costs are conservatively estimated at \$200,000/year and have not been accounted for in the BRAC analysis. Travel costs to the remainder of Boston's customers would be a wash.

PCS costs for realigning Boston Detachment personnel use an average house cost of \$192,000 for the Boston area. The Boston Detachment employees live in the suburbs of Boston where the average house cost is conservatively estimated at \$400,000.

***** When all financial errors and omissions are considered, including the \$11 million MEO savings over 5 years, there is no payback to the Department of Defense for this realignment.**

THE MILITARY VALUE SCORING PLAN

Military Value (MV) is at the heart of the BRAC process. Boston Detachment is categorized in the Industrial Joint Cross Service group (IJCSG), Ship Repair and Overhaul, Depot Level subgroup. Given the parameters of the MV Analysis, Boston Detachment's low score is inescapably predetermined. Boston Detachment is presumably categorized in this group because of its official name, Puget Sound Naval Shipyard Detachment Boston. In reality, Boston Detachment is aligned with the Puget Sound Naval Shipyard for administrative reasons only. Boston Detachment has always been an independent Planning Yard since its establishment by Congress in 1974 at the close of the Boston Naval Shipyard. The only function (or commodity) performed by Boston Detachment is **Non-Nuclear Engineering and Planning**. Boston Detachment is not a shipyard or repair facility. As such, the attributes and metrics applied to a ship repair and overhaul facility (i.e. dry docks, piers, equipment, welders, machinists) are not applicable to Boston Detachment. Accordingly, in a scoring plan based on a 100-point scale, every N/A score will reduce your overall MV score.

CAPACITY ANALYSIS

The Selection criteria were incorrectly applied because Boston's function was incorrectly classified as a ship repair facility. The report Justification states, "This recommendation supports elimination at Puget Sound Naval Shipyard Detachment Boston, MA ...and reduces excess ship repair capacity." This was based on the Industrial Joint Service-Cross Group Capacity Analysis that found excess in ship repair capacity. Although there may be overall excess in total ship repair capacity, there is a shortage in depot organizations in the ship overhaul engineering design function performed by Boston Detachment. The function provided by Boston Detachment is classified "Non-nuclear Professional Engineering and Planning". The sum of this function at Puget Sound Naval Shipyard lists a shortage of 164 people. The loss of personnel due to realignment would only add to this shortage.

Furthermore, if the Puget Sound Planning Yard absorbs one half of Boston Detachment's MEO personnel and all of its workload, the resulting organization will be inadequately staffed to perform its function. Base Closure and Realignment history indicates that no more than 10% are expected to relocate the 3,000 miles to Puget Sound, WA. Accordingly, realignment and the resulting loss of personnel will exacerbate this shortage at Puget and leave inadequate personnel to perform this vital function. Boston Planning Yard is currently working at optimum efficiency and does not have a shortage of engineering and technical manpower. Boston Planning Yard is positioned to handle surge workload by use of contractor support (100 additional personnel available).

OPERATIONAL READINESS

Boston Detachment's assigned planning yard ships are not located near Puget Sound Naval Shipyard. This proposed realignment does not result in an increase in Military Value for the Navy since the ships assigned to Boston Detachment are not home ported near Puget Sound Naval Shipyard. Bringing the Force to the Fleet is not achieved. In actuality, the majority of Boston's work is on the U.S. east coast. The recurring cost associated with nonproductive travel time and per diem expenses due to travel to Boston Detachment's primary customers in the Washington, D.C. and Norfolk, VA areas are not accounted for in the proposed BRAC realignment. These recurring costs are conservatively estimated at \$200,000/year based on performing the Boston Detachment work in Puget Sound Naval Shipyard, WA compared to Boston, MA.

Under the proposed BRAC realignment, Boston Detachment's assigned ships and crafts will compete for the priority of the engineering office with Puget's waterfront repair and overhaul projects, nuclear submarines and aircraft carriers. Boston Detachment is strictly an Engineering Design Activity (Planning Yard) and has no waterfront or nuclear ship operations competing for our workforce attention.

UNIQUE FUNCTIONS

Boston Detachment personnel possess unique corporate knowledge and skills associated with their assigned Ships and Craft (most since their inception into the Fleet). The average employee has 23 years of Navy ship engineering & design experience. This knowledge would be lost in the proposed BRAC realignment. The implications of which will result in increased costs for training new employees and costs associated with inefficiencies of learning new ships and systems never worked by Puget Sound Naval Shipyard personnel. The BRAC data does not account for this experience loss and subsequent costs.

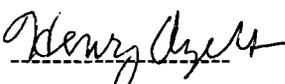
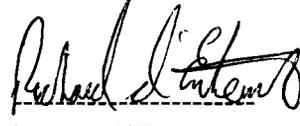
Under the A-76 solicitation, the Navy recognized the impact associated with losing our unique engineering knowledge and therefore, contractually required that the competed work be performed in the Boston area to retain our skilled workforce.

AVAILABILITY OF LAND AND FACILITIES

Boston Detachment occupies office space in a DOD owned building. There would be no benefit gained by relocating to Puget Sound in regards to land & facilities.

In summary, we believe the arguments provided in this letter show that Boston Detachment should not be listed on the proposed BRAC list. This realignment would be at a great cost to the taxpayer and provides no gain in Military Value to the Government.

Sincerely,
The Boston Detachment employee BRAC Committee


 Henry Ayers
 
 Richard Bors
 
 Richard d'Entremont
 
 Paul d'Entremont


 Joel Loyko
 
 Gregory Russell
 
 Peter Whelan

The Boston Detachment employee roster

Charles Agee	8.9 yrs of service	Gregory Eatman	15.2 yrs of service
David Alberti	12.4 yrs of service	James Ertner	8.9 yrs of service
James Allen	22.8 yrs of service	David Evangelista	22.6 yrs of service
James Almeida	18.0 yrs of service	Nicholas Fasano	18.8 yrs of service
Karen Anastas	15.7 yrs of service	Paul Feeney	23.5 yrs of service
Alice Ascolillo	19.1 yrs of service	David Flaherty	19.5 yrs of service
Henry Ayers	22.1 yrs of service	Thomas Flaherty	15.9 yrs of service
Joanne Bailey	28.4 yrs of service	Elizabeth Gillespie	20.9 yrs of service
James Belmonte	19.9 yrs of service	Steven Gillespie	22.0 yrs of service
Peter Benvie	21.5 yrs of service	James Greer Jr.	29.0 yrs of service
Richard Bors	26.8 yrs of service	Jeremiah Griffin	26.9 yrs of service
Thomas Brennick	26.7 yrs of service	Edward Griffis	30.6 yrs of service
Douglas Brown	10.6 yrs of service	Anthony Grosso	27.6 yrs of service
Joseph Brunco	22.2 yrs of service	Tapan Gupta	17.7 yrs of service
Bryan Buchanan	20.2 yrs of service	Joseph Hanrahan	8.9 yrs of service
Wayne Carlson	24.6 yrs of service	Heather Henlotter	19.7 yrs of service
James Carlson	15.4 yrs of service	Frank Humel	13.6 yrs of service
Carol Carpenter	26.1 yrs of service	David Johnson	21.3 yrs of service
William Chamberlain	21.9 yrs of service	Lisa Killmon	15.4 yrs of service
David Chambers	22.5 yrs of service	Francis King	19.6 yrs of service
Lion Chez	20.1 yrs of service	William Kone	37.2 yrs of service
John Clifford	27.3 yrs of service	Chui Lau	21.5 yrs of service
Ronald Coyne	19.0 yrs of service	Lung Lau	23.9 yrs of service
Paul d'Entremont	14.4 yrs of service	Wen-Yuh Lee	9.7 yrs of service
Richard d'Entremont	16.1 yrs of service	Claire Lindberg	24.9 yrs of service
Donald Dellarocca	22.5 yrs of service	Joel Loyko	18.2 yrs of service
Thomas Devine	12.4 yrs of service	Grace Lung	10.7 yrs of service
Christopher Dillahunt	12.4 yrs of service	John Maher	35.8 yrs of service
Josfef Dinisman	36.8 yrs of service	Frank Marchesi	30.9 yrs of service
Charles Donnelly	15.5 yrs of service	Ronald McAuslin	26.9 yrs of service

The Boston Detachment employee roster cont'd

Brian McCarthy	26.9 yrs of service	Barbara Ryan	26.4 yrs of service
John McConville	18.1 yrs of service	George Ryan	38.9 yrs of service
Marilyn McGrath	10.2 yrs of service	Thomas Sanchez Jr	22.3 yrs of service
Tanis McKinnon	15.6 yrs of service	Francis Santry	33.6 yrs of service
Eugene Merlet Jr.	8.9 yrs of service	Vincent Savarino	46.0 yrs of service
Richard Moore	20.4 yrs of service	Jeffrey Schetrompf	15.5 yrs of service
Timothy Neumann	23.9 yrs of service	Stephen Schneider	16.0 yrs of service
Vinh Nguyen	19.5 yrs of service	Michael Shortsleeves	20.9 yrs of service
Xuan Nguyen	18.5 yrs of service	Daniel Shostack	9.0 yrs of service
James Nowlan	33.9 yrs of service	Wayne Spenser	35.2 yrs of service
Joseph O'Toole	19.3 yrs of service	Kevin Sullivan	34.9 yrs of service
Thomas Olsen	37.1 yrs of service	Theresa Sutermeister	17.9 yrs of service
Anthony Panasci	12.4 yrs of service	Robert Taitague	10.9 yrs of service
Harland Pfantz	28.6 yrs of service	Clifton Thayer	9.0 yrs of service
Lynne Raney	16.1 yrs of service	Terence Tiernan	22.1 yrs of service
Michael Rasmussen	3.9 yrs of service	Mark Verchot	17.5 yrs of service
Craig Rotz	18.3 yrs of service	Amy Whelan	3.8 yrs of service
Eric Royce	8.7 yrs of service	Peter Whelan	26.1 yrs of service
Gregory Russell	9.5 yrs of service	David White	17.5 yrs of service
Gary Russo	19.5 yrs of service	Peter Witherell	29.1 yrs of service
		Alicia Workman	20.3 yrs of service