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DEFENSE DEPOT MAINTENANCE

ISSUE: To what extent should responsibility for management and execution of depot maintenance be restructured to ensure the required service is provided effectively, but with greater efficiency?

ISSUE DESCRIPTION

Introduction: Depot maintenance entails repair, rebuilding, and major overhaul of weapon systems (e.g., ships, tanks, and aircraft), parts, assemblies, and subassemblies. It also includes limited manufacture of parts, technical support, modifications, testing, and reclamation as well as software maintenance. While depot-level facilities have historically had more extensive technical capability than lower levels of maintenance, the differences between levels are becoming less pronounced, workload is shifting among them, and in some cases intermediate and depot capabilities are being combined. In addition, ongoing reductions in military force structure and weapon systems/equipment stocks are decreasing overall requirements for Department of Defense (DoD) maintenance support.

DoD currently expends about $12 billion annually for depot maintenance work performed in both the public and private sectors. Principally because of continuing reductions in military force structure, depot maintenance costs are projected to decline by about 11 percent (in constant dollars) from FY94 to FY99. Workloads associated with ships and aircraft each account for about 40 percent by dollar value of the total effort; the remaining 20 percent is for missile, combat vehicle, and other ground equipment system workload. On a cost basis, approximately 70 percent of the work is performed in DoD (government-owned and -operated) depots; 30 percent is done by commercial sources.

The costs of excess depot capacity, inefficient processes, and redundant management structures (to the extent they exist) may divert funds from other, more urgent defense requirements. Consequently, it is necessary to consider whether changing the way DoD internally manages its depot activities or moving more work into the private sector can significantly reduce costs or improve support.

Opportunities for Improvement: Research indicates three primary approaches to improving depot maintenance efficiency: consolidation, process improvement, and competition.

For depot maintenance, as for any other industrial activity, consolidation is an issue of scope and scale. Up to a limit, increasing the size of a plant and the organization that manages it improves performance through more effective use of labor and capital machinery. Beyond that limit, particularly when noncomplementary workloads are aggregated, larger plant and management size degrades performance because of the difficulty in coordinating activity across large hierarchies. There are indications, consistent with an intuitive sense of the situation, that DoD depot maintenance has lost some scale-related economies in this decade; probably because the existing plant is now larger than the workload was intended to support.[1] Preliminary analysis indicates an upper bound of 7 percent on further efficiency improvement through consolidation after closure of the depots identified as excess through the Base Realignment and Closure (BRAC) 93 process.[2]

The potential gains through process improvement are more significant than those from consolidation. Process improvement, in this context, includes changes such as elimination of non-value-added

activities, reorganization of work into "cells" or "focused factories," reduction in lot size, reduction in cycle time, emphasis on continuous quality improvement, and similar actions. The average cost reduction through process improvement over the past five years in the best U. S. firms was 30 percent.[3] That cost reduction was accompanied by a simultaneous increase in responsiveness to customer needs. Together, they are responsible for the improved competitiveness of U.S. firms.

It should come as no surprise that competition is another important source of cost savings and improved responsiveness. Both within depot maintenance and more generally in DoD, a consistent 25-30 percent reduction in cost has occurred the first time a workload was opened to competition.[4] The evidence also indicates that competition improves responsiveness to the customer. Competition, however, is probably best thought of as an incentive to process improvement because the same factors that generate process improvements (elimination of non-value-added activities, work reorganization, etc.) also drive competition savings.[5]

DoD Initiatives: The current, ongoing efforts to downsize and consolidate DoD depot maintenance operations and management began in 1990 as part of the Defense Management Review (DMR) process. To date, 11 DoD maintenance depots have been closed or are currently closing, principally through the BRAC process. Those actions have reduced the number of major maintenance depots to 24, and most of the remaining depots are being downsized in place. Since, even with those actions, excess depot capacity at the end of the decade is projected to be approximately 17 percent,[6] BRAC-95 is expected to identify additional depots for closure.

DoD has also begun to improve its depot maintenance processes. The DMR initiatives included public-private depot competitions in an attempt to generate both improved business practices and substantial cost reductions, but shortcomings in financial management data and systems have at least temporarily halted these competitions. Inter-Service maintenance has also increased. DoD has established a single tactical missile depot to consolidate missile workloads from all Services. In addition, depot work has been consolidated on virtually all items that are used by more than one Service. Inter-Service maintenance encompassed about 8.5 percent of the depot maintenance program in 1993, up from 6.5 percent in 1988.[7] Standard DoD-wide information management systems are being implemented to support such improved business practices as manufacturing resources planning (MRP-II) and activity-based costing. In addition to those actions, many other productivity improvement efforts are underway throughout the depot maintenance community.

not Marines

Scoping the Issue: Despite its best efforts, however, DoD depot maintenance of both hardware and software is not yet achieving the kinds of significant cost reductions and responsiveness improvements demonstrated by the best firms in the private sector.[8] Hence, two fundamental questions remain: is increased reliance on the private sector the best way to realize process improvements and cost reductions; or can similar gains be achieved through internal process reengineering (and does such reengineering mandate management reorganization)?

Over the past three years, several major studies have examined alternatives to Service-managed depot maintenance and the merits of changing the public/private workload division. They examined various centralized management concepts but rejected them because of a perception that they did not offer significant improvement. Similarly, DoD efforts to increase the amount of depot support provided by

the private sector have failed to yield substantive results because of congressional resistance and the inability to establish a level playing field for public-private depot competition.

The reluctance to increase DoD's reliance on the private sector for depot maintenance support is primarily based on the following assertions:

- DoD needs ready and controlled sources of depot maintenance capability.
- Only government depots can provide that capability.

The first of these assertions is well supported. During Operation Desert Storm (ODS), both government depots and supporting contractors surged to increase engine and reparable component workload requirements *during* the conflict[9]--despite the extraordinary range and depth of spares that were in the supply system at that time as a result of the defense buildup in the 1980s. Marine Corps depots also surged for reconstitution *after* ODS.[10] These ODS surge requirements have important implications for major regional conflict (MRC) scenario planning because ongoing inventory drawdowns increase the likelihood that depot maintenance support will need to surge in support of future MRC requirements. In that regard, reconstitution from the last of two near-simultaneous MRC scenarios is, of course, preparation for the next MRC, which could occur at any time.

The second assertion, that *only* government depots provide a ready and controlled capability, however, is no longer supportable. There are private firms that have capabilities comparable to those of DoD depots and there is reason to believe that the private sector might be more responsive because of successful process innovations that are not yet being realized in DoD (Appendix A).[11] Withal, impediments to increased reliance on the private sector exist. They involve difficulties in specifying the content and amount of work to be done, the existence of military-unique systems that have no direct commercial counterparts, the absence (in some cases) of more than one source, and other similar factors.[12] These are classic make-or-buy issues[13] that merit case-by-case consideration, but are no different than those managed by industry on a routine basis

<u>Assumptions</u>: Two key assumptions underlie evaluating the options addressed in this issue paper. First, since the ongoing BRAC-95 process has been structured to balance DoD depot capacity with projected workload, it is assumed that BRAC will identify actions required to eliminate excess capacity. Second, given that the overall quality of maintenance provided by both the public and private sectors is considered adequate and essentially equivalent, maintenance quality is not an issue.

OPTIONS

Five options were evaluated. They are considered to be mutually exclusive.

- ***Baseline***: Current management, organizations, plans, and programs.
- ***Reengineering in place***: Three depot management consolidation alternatives.
  - --*Commodity Executive Agents*
  - --*Joint Depot Maintenance Command*
  - --*Defense Depot Maintenance Agency*
- ***Public Corporation***: New, altered depot management organization, similar to AMTRAK.
- ***Phased Privatization:*** Increased, phased outsourcing of depot maintenance workloads.

- ***Rapid Privatization***: Near-term outsourcing of all DoD depot maintenance workloads.

Detailed descriptions of each option follow:

Baseline: Each Service currently operates and manages its own depot infrastructure. Employment in DoD maintenance depots is programmed at about 95,000 personnel for FY95, down from 156,000 in FY87, and projected to decline to about 81,000 in FY99.[14] The Office of the Secretary of Defense (OSD) provides depot maintenance oversight. In recent years, several alternative management structures have been considered. The 1990 DMR recommendations originally proposed single managers for aeronautical, ground, and ship maintenance, but an OSD-led study team under the direction of the Deputy Secretary of Defense subsequently recommended establishment of a Defense Depot Maintenance Council (DDMC) rather than commodity-oriented single managers. The DDMC, composed of the Deputy Under Secretary of Defense (Logistics) and senior logisticians from each of the Services, currently serves as the DoD executive-level forum to integrate depot maintenance programs and operations.

In addition to the ongoing depot maintenance process improvements discussed previously, new support concepts are emerging within each of the Services. For example, the Air Force is implementing "Lean Logistics," which eliminates some intermediate-level activities and relies on rapid repair cycle times coupled with premium transportation to reduce maintenance manpower and material inventory requirements. The Navy is consolidating intermediate- and depot-level maintenance activities for aircraft, surface ships, and submarines into Regional Maintenance Centers to eliminate redundant capabilities. The Army is implementing Integrated Sustainment Maintenance which integrates workloading, management control, and visibility of maintenance assets to more efficiently load repair capability and improve repair responsiveness. These new concepts will influence how depot maintenance is managed and executed in the future since they link the depots closer to the operational forces; however, they have not yet resulted in broad-based improvements. Reductions to date in the number of DoD depots, direct labor hours, and personnel employed have principally resulted from declining workload requirements[15] rather than improved efficiency. Repair cycle time, a key indicator of efficiency, has stayed in the 50- to 100-day range for the past 8 years.[16] In addition, DoD depot costs per direct labor hour, another key indicator, are steadily increasing.[17]

Depots Have Not become more efficient. cuts are primarily a function of declining workload.

Reengineering in Place. Most managers and logisticians agree that productivity improvement through process reengineering is a key to cost reduction and increased responsiveness. Evidence also shows that management reorganization can facilitate process change--particularly where the reorganization breaks down old organizational barriers. Consequently, three management reorganization alternatives were evaluated in this context. Although all three of these alternatives are forms of centralization, the purpose of including them in this analysis was to examine their potential for accelerating the pace of process improvement, rather than for centrally managing depot operations. Specific characteristics of these alternatives are presented in the following subsections.

-- *Commodity Executive Agents (CEAs).*

- CEAs, notionally reporting through Service channels, would be created for major commodity groups such as ships, aviation, and ground systems.
- OSD/DDMC would continue to be responsible for overall depot maintenance policy.

- CEAs would be responsible for workload assignments/priorities and associated capital investment decisions related to their respective commodity assignments.
- Individual Services would continue to establish depot maintenance requirements and provide sustaining engineering support for their respective weapon systems. They would also continue to own and operate their respective depots in accordance with OSD/DDMC policy guidelines and CEA workload priorities.

-- *Joint Depot Maintenance Command (JDMC).*

- OSD would continue to be responsible for overall depot maintenance policy, but DDMC would be disbanded.
- JDMC, notionally reporting to the Joint Chiefs of Staff, would be responsible for all depot maintenance workload assignments/priorities and associated capital investment decisions.
- Individual Services would continue to establish depot maintenance requirements and provide sustaining engineering support for their respective weapon systems. They would also continue to own and operate their respective depots in accordance with OSD policy guidelines and JDMC workload priorities.

-- *Defense Depot Maintenance Agency (DDMA).*

- OSD would continue to be responsible for overall depot maintenance policy, but DDMC would be disbanded.
- DDMA, notionally reporting to OSD, would be responsible for all depot maintenance workload assignments/priorities and associated capital investment decisions. It would also own and operate the DoD depots within OSD policy guidelines.
- Individual services would continue to establish depot maintenance requirements and provide sustaining engineering support for their respective weapon systems, but they would no longer have any control over depot operations.

Public Corporation. Some logisticians believe that depot maintenance restructuring efforts are hindered by inflexible personnel rules, ineffective capacity-adjustment mechanisms, the strictures of the Federal Acquisition Regulation (FAR), and similar constraints that come with being part of government. The *Public Corporation* option would create an organization that is not encumbered by such constraints. Specific characteristics of this corporation would include

- operation as a not-for-profit organization, deriving operating funds from fees charged to users;
- provision of services using a combination of corporation depots (staffed by non-Federal-government employees) and private sector, commercial sources of repair;
- generation of capital improvement funds in capital markets, although there may be unusual circumstances where appropriations would be appropriate; and
- responsibility for management and sustaining engineering, with sustaining engineering being provided on a fee-for-service basis and management costs being captured in overhead.

The current DoD maintenance depots would either be transferred to the public corporation or be closed, but the Services would retain requirements determination and sustaining engineering oversight to ensure strong user-provider linkages.

Phased Privatization. About 30 percent of DoD depot maintenance work is currently done in the private sector by more than 1500 commercial prime contractors, ranging from original equipment manufacturers with thousands of employees and extensive capabilities to small "job shops" with few employees and limited, specific capabilities. Within this set of private sector capabilities is a growing number of commercial maintenance facilities offering support generally commensurate with DoD depot capabilities (Appendix A).[18] Leading private sector maintenance activities are making productivity gains and cost reductions far in excess of DoD.[19] Therefore, integrating existing DoD work into the competitive "mainstream" of the private sector may offer the best opportunity to reduce costs and increase responsiveness on depot maintenance work. The intent of this option is to compete nearly all depot work in the private sector. For new weapon systems lifecycle support decisions made early in the acquisition process would require private sector support unless analysis justified no commercial capability available upon the systems' fielding. Existing workloads associated with systems (such as transport aircraft) for which there is a commercial equivalent would go to the private sector first. Militarily-unique systems (except ships) would be maintained in existing government depots [most of which would be converted to government-owned, contractor-operated (GOCO) facilities] for some period of time,[20] but there would be an eventual transition of nearly all depot work to the private sector. Details for existing depot workloads and functions follow:

- *Aviation:* Contract for depot work with the private sector as follows:
  - All airframe maintenance for transport-like (e.g., airlift and tanker) aircraft immediately. Catalogue lessons learned and use that information as the basis for using existing commercial capabilities and/or establishing government-owned, contractor-operated (GOCO) facilities for depot maintenance of high-performance aircraft (e.g., fighters and bombers) and helicopters.
  - All commercially supportable gas turbine engine (GTE) maintenance immediately and GTE maintenance for high performance aircraft in concert with corresponding airframe maintenance.
  - All commercial-like, high-density component workloads (landing gear, hydraulics, generators, communication/navigation) immediately. For economy of scope and to ensure the availability of ready and controlled sources, package workload in relatively large groups of similar items. Catalogue lessons learned and use that information as the basis for the subsequent transition of DoD-unique and low-density components (e.g., attack radar, high-power electronic countermeasures, low-observables).

- *Ships:* Contract the workload with the private sector and divest organic capability except for a small amount needed ensure the existence of a second source of repair and/or to avoid unacceptable maintenance backlogs. Alternatively, privatization could entail creation of GOCOs rather than outright divestiture of facilities.

- *Ground systems:*
  - Contract with the private sector for automotive and commercially compatible communications/electronics workload and close related organic facilities.
  - Catalogue experience with automotive and commercially compatible communications/ electronics as the basis for using commercial capabilities and/or establishing GOCO facilities to perform depot maintenance on armor and military-unique communications/electronics.

- *Production management:* Transition to the private sector along with the workload.

- *Sustaining engineering:* The engineering knowledge base that underpins sustaining engineering is held as much in the knowledge of government technicians, government engineers, and their contract engineering and technical assistance support contractors, as it is in formal documentation. Since that knowledge is critical to being a smart buyer, sustaining engineering responsibility should remain stable to preserve continuity during the transition period (notionally, 5 years). When post-transition stability has been reached, the potential for reassigning sustaining engineering to the private sector should be reexamined.

- *Requirements Determination:* Retain as an inherent government function.

The phased privatization option has two important premises: first, that relief can be obtained from congressional restrictions such as limitations on the use of contract depot maintenance sources[21]; and second, that a fundamental change in depot maintenance procurement practices (from many, small, limited duration, cost limiting contracts to fewer, larger, longer-duration, value enhancing contracts) would be implemented. Failure to satisfy these premises compromises the viability of privatization.

Rapid Privatization. This option is based on two additional premises: first, that the private sector can provide all DoD depot maintenance support without the transition process described under *Phased Privatization* and second, that DoD can successfully divest its depot infrastructure. Maintenance management would be transferred with the workloads, but sustaining engineering would remain in place to preserve continuity during the transition period (notionally, 5 years). Requirements determination and engineering oversight would be retained by the Services.

The options in this issue paper are linked to the options in the *Materiel/Supply Management* issue paper and to those in the *Aviation Infrastructure* issue paper. The *Materiel/Supply Management* issue paper examines the same set of privatization and internal reorganization options as does this paper. Although the same option does not have to be elected for materiel management and depot maintenance, the potential interactions between the issue papers must be considered. The *Aviation Infrastructure* paper examines, for aviation rather than maintenance, essentially the same options that are described here as reengineering in place.

EVALUATION

The following criteria, listed in order of relative importance, were used to evaluate each option:

Responsiveness: The ability to provide assured and timely depot support during peacetime and contingency operations.

Cost (Economy and Efficiency): The degree to which short- and long-term cost of depot support could be reduced by implementing a given option.

Implementability: The degree to which a specific depot maintenance option is functionally, operationally and politically acceptable.

Adaptability: The ability to adjust to changes in force structure, technology, and management methods without undue delay.

The responsiveness and cost criteria stem directly from the issue statement, and implementability is included for obvious reasons. Adaptability is included as a criterion since the depot maintenance form that is best able to adapt to changing threat, technology, and similar external influences will end up less costly and more responsive in the long run.

Of these criteria, responsiveness is judged to be the most important since DoD must view support of its fighting forces as its primary objective. Cost is suggested as the second most critical criterion. Depot maintenance is a resource-consuming industrial activity -- to the extent that it inefficiently uses resources it detracts from the ability to support other, potentially higher priority, requirements. Implementability is suggested as the third most important criterion since, other things being equal, the option that is more readily implementable will provide earlier and more beneficial results. Long-term organizational and process adaptability is important but, because of the practical difficulties involved in anticipating long-term results, it is recommended that it be the least important of the four criteria. The evaluation of each option against these criteria follows.

Baseline Option

- *Responsiveness*: The current depot maintenance support structure is generally considered to be responsive to the needs of the operating forces because a close working relationship exists between DoD depots and their customers. Operation Desert Storm provided numerous examples of depot actions that enabled quick resolution of unanticipated maintenance support problems. However, evidence indicates that the current DoD depot infrastructure is not as responsive as it could be. Overall depot repair cycle times have remained relatively stable in the range of 50 to 100 days, while cycle times in the best private-sector firms have shrunk by nearly 60 percent. [22] There is a reasonable basis for believing that DoD has the technical means to reduce cycle times: the Air Force in implementing two-level maintenance (part of its Lean Logistics initiative) has demonstrated repair cycle times of under 10 days.[23] It is not clear, however, given current paradigms that such cycle time reductions can be institutionalized throughout DoD.

- *Cost (Economy and Efficiency)*: The current depot maintenance annual cost is approximately $12 billion. As a rough estimate, actions underway -- such as implementation of the Depot Maintenance Standard System and elimination of excess capacity through BRAC-95 -- will reduce average annual expenditures (in constant FY95$) over the period FY96-01 to about $10.0 billion.[24] Steady state annual cost (beginning in FY04) will be about $8.6 billion in FY95$.

- *Implementability:* Since the baseline is in place, its implementability is not in question.

- *Adaptability:* Adaptability has proved to be a problem for the baseline as evidenced by the significant difficulty the government has experienced in divesting excess depot facilities and in taking advantage of management technology such as those incorporated into DMSS.

Reengineering in Place -- Commodity Executive Agents, Joint Depot Maintenance Command and Defense Depot Maintenance Agency

- ***Responsiveness:***

-- *Commodity Executive Agents*: It is not likely that establishment of CEA's would improve depot responsiveness. In fact, responsiveness would probably be degraded in some cases. For example, establishment of a CEA for fixed-wing aircraft would undoubtedly create conflict between the Navy and the Air Force because the Navy and Air Force have adopted maintenance philosophies that are designed to support significantly different forward deployment strategies. While the Navy continues to maintain a robust intermediate-level maintenance capability to make its forward-deployed carriers virtually self-sufficient, the Air Force has initiated an aggressive plan to eliminate much of its intermediate-level capability to maximize the mobility of its strategically deployable units. It is unreasonable to expect a single CEA to support both philosophies as responsively as the current Service-specific depot management structure.

-- *Joint Depot Maintenance Command*: Establishment of a JDMC could improve depot responsiveness for joint operations and facilitate sharing of depot process improvements across Service lines; but it is not clear that a JDMC would be sufficiently effective in this regard to justify creating an additional level of depot management bureaucracy. While major differences exist between the Navy and Air Force approaches to aviation maintenance, the differences between ship, aviation, and ground vehicle maintenance are even more pronounced. Consequently, it is not likely that a JDMC would provide any more responsiveness than the existing depot management structure.

-- *Defense Depot Maintenance Agency*: Although establishment of a DDMA might provide increased opportunities for depot consolidation, there is no evidence that it would be more effective than the current depot management structure in facilitating process improvement. In fact, experience in the private sector suggests that management consolidation may actually impede process improvement because it tends to isolate the decision-makers from the people who are actually doing the work.[25] Therefore, many large private-sector firms such as IBM have begun to decentralize in order to foster more innovative management methods. Furthermore, a recent study conducted by the Under Secretary of Defense (Logistics) determined that a DDMA was the least desirable depot management alternative from a responsiveness viewpoint.[26]

- ***Cost (Economy and Efficiency):*** Attempts to reengineer in place, whether through commodity realignment, a depot command, or a depot agency will have little if any additional beneficial effect on costs. The basic reason is that the three different depot maintenance workloads, possibly excepting aviation, are already at a natural scope. All ship workload is centralized with the Navy, and nearly all ground vehicle maintenance is managed by the Army. Limited complementarity exists among ships, aircraft, and ground vehicle maintenance. Additionally, the evidence to date suggests that, because government-operated depots lack competitive pressure, they will have great

difficulty achieving the kinds of process improvements typical of the private sector.

- ***Implementability:*** Recent congressional guidance has discouraged depot management consolidation.[27] Hence, it is not reasonable to assume that any recommendation for a large-scale depot management consolidation will be well received on Capitol Hill. The Services and OSD are also likely to oppose any management consolidation option that they perceive would weaken the linkage between the maintenance depots and the operating forces. In fact, DoD considered consolidation alternatives in 1993 and determined that the preferred management option was to further strengthen the DDMC.[28]

- ***Adaptability:*** Much evidence shows that organizations whose management is centralized tend to be less adaptable because of their larger size and hierarchical structure.[29]

Public Corporation

- ***Responsiveness:*** Some evidence indicates that a public corporation might be more successful than DoD in improving processes. As examples, such a corporation would (notionally) have greater freedom in establishing personnel policies (and hence greater latitude in establishing skill structures as well as in downsizing) and would be able to go to the private capital market to finance process-improving capital acquisitions. It would also have greater freedom in the methods it used to contract with private firms -- particularly in its ability to compete workload on the basis of best value rather than price. To the extent that those factors are actually operative, more rapid process improvements could result in greater responsiveness. The primary difficulty with a depot maintenance public corporation, however, is that it would by its monolithic nature create additional hierarchy. As a non-DoD entity, it would create a greater barrier between maintenance and materiel management and between depot maintenance and users. Arguably, the greatest gains from process improvements come through a closer link between depot maintenance and users and not from changes strictly internal to depot maintenance. For those reasons, the public corporation is seen as degrading responsiveness.

- ***Cost (Economy and Efficiency):*** It is not possible to confidently estimate savings or losses that would accrue from this option because too much uncertainty exists about the organization of a depot maintenance corporation in terms of the relationships with its DoD customers and its private sector suppliers.[30]

- ***Implementability:*** From the standpoint of the enabling public law, there are no impediments to putting in place a public corporation to perform depot maintenance.[31] However, the very reasons that such a corporation might be attractive (e.g., relief from the Employee Classification Act, the Small Business Act, the Competition in Contracting Act, and similar laws as well as congressional oversight) are also reasons why Congress is likely to oppose such a change. The Services are likely to oppose the corporation since they will probably perceive it as weakening the linkage between the maintenance depots and the operating forces.

- ***Adaptability:*** Because a government corporation would be able to operate like a commercial entity, would have access to private capital markets, and would be relieved from a wide range of restrictive government regulations and laws, it would be more adaptable than the baseline.

Phased Privatization

- ***Responsiveness***: Review of the current industrial situation indicates that airlines as well as aircraft manufacturers and third-party maintenance contractors have maintenance capabilities and proven responsiveness equal to or better than the organic aviation depots (Appendix A).[32] Similarly, no real difference exists in the responsiveness of public and private shipyards.[33] In addition, the best commercial firms have demonstrated a better capability than DoD to introduce process changes that improve responsiveness to their customers. By aggressively pursuing privatization of commercially supportable depot work and selective, use of existing government/GOCO facilities, DoD can obtain the benefits of the innovative process improvements that are being made in the private sector.

- ***Cost (Economy and Efficiency)***: Privatization options hold more promise for substantial cost reductions than the baseline, given relief from current legislative and regulatory constraints. The best private firms, by redesigning their processes, have been reducing cost by 30 percent or more while improving responsiveness to their customers. Similarly, DoD has realized gains on the same order of magnitude when it opens up depot maintenance workload to competition. However, the substantial costs of divesting depot infrastructure will offset near-term savings.

- ***Implementability:*** Depot maintenance management and operations have long been subject to detailed congressional oversight and guidance. Current public law states: "...it is essential for the national defense that Department of Defense activities maintain a logistics capability (including personnel, equipment, and facilities) to ensure a *ready and controlled source* [emphasis added] of technical competence and resources necessary to ensure effective and timely response to a mobilization, national defense contingency situations, and other emergency requirements."[34] Congress has also mandated the relative share of depot work that must be performed by DoD employees (not less than 60 percent)[35] and constrained workload shifts that affect DoD depots. Consequently, depot work cannot be significantly privatized without changes to legislation. In addition, the Services are likely to oppose any privatization option that would require them to contract depot workload they consider necessary to maintain essential depot maintenance capabilities. In addition technical barriers may exist to the privatization of military-unique depot workloads that require specialized facilities and/or support equipment that is not readily available in the private sector. This option, however, provides the latitude to retain capabilities for which the private sector cannot ensure ready and controlled support.

- ***Adaptability:*** This option will provide better adaptability than the baseline because depot maintenance support will be provided by the private sector, and the best private-sector firms have shown better ability to adapt to new management methods than have DoD depots.

Rapid Privatization

- ***Responsiveness***: Responsiveness is an area of serious uncertainty for the following reasons: it places more than $8 billion of workload in the private sector in a relatively short period of time; significant parts of that work (such as on military-unique systems) may not find ready and

controlled sources; implementation is total rather than phased so little or no opportunity is available to learn from mistakes; and the radical "breakage" of established maintenance-distribution-supply-transportation channels will likely create considerable transitional confusion. Consequently, responsiveness is likely to be degraded until transition difficulties can be resolved.

- *Cost (Economy and Efficiency)*: Since the difference between this option and phased privatization is one of timing rather than end state, overall cost expectations are similar.

- *Implementability:* All of the implementability concerns addressed for *phased privatization* apply to this option. Additionally, moving more than $8 billion in workload into the private sector within a short time would probably impose significant contractability issues. Finally, because this is an all-or-none approach, it has none of the mitigating features of phased privatization.

- *Adaptability:* The considerations enumerated for phased privatization apply here as well.

Summary Table

The table below is a summary comparison of the options. Costs are in FY95 dollars and are averaged over the period shown. The other criteria are evaluated on a 7-point (-3, -2, -1, 0, 1, 2, 3) scale with the baseline set at 0. Positive scores indicate improvement compared to the baseline and negative scores indicate a degraded result.

Evaluation Summary — Depot Maintenance

Options	Total Cost FY 96 - 01 ($B) in FY95 $	Annual Steady State Cost (FY04) in FY95$	Responsiveness	Adaptability	Implementability
Current baseline	60.0[36]	8.6	0	0	0
Reengineer in place Commodity Realignment	-0.0	-0.0	-1	0	-1
Joint Depot Maintenance Command	-0.0	-0.0	0	0	-1
Depot Maintenance Agency	-0.0	-0.0	-2	-1	-2
Public Corporation	*Indeterminate*[37]	*Indeterminate*	-2	1	-3
Phased Privatization	+1.4	-1.1	1	1	-2
Rapid Privatization	+2.2	-1.7	-2	1	-3

Notes

[1] *Report of the Defense Science Board Task Force on Depot Maintenance Management*, April 1994, pp. 15-17; A. T. Gray, NADOC Code 311, *Econometrics: Application and Examples, Naval Aviation Depots*, September 1993.

[2] Efficiency operationally defined as cost reduction. As discussed later, excess capacity is projected to be approximately 17%, excess capacity effects overhead, and the overhead rate is approximately 40 percent of total cost.

[3] Memorandum, Gerald W. Bapst., *Benchmarking Performance in the Commercial Sector*, 29 January 1995.

[4] John B. Handy and Dennis J. O'Connor, *How Winners Win: Lessons Learned From Contract Competitions in Base Operations Support*, Logistics Management Institute, September 1984; *Report of the Defense Science Board Task Force on Depot Maintenance Management*, April 1994, Appendix F; Alan J. Marcus, *Analysis of the Navy's Commercial Activities Program*, Center for Naval Analysis, July 1993. Marcus also found that the costs do not rise again on subsequent competitions.

[5] Handy and O'Connor, op. cit.

[6] *Report of the Defense Science Board*, Appendix D.

[7] Joint Depot Maintenance Analysis Group Interservicing Data. Applies to susceptible workload, i.e., that for which inter-Servicing is feasible.

[8] This point is discussed in greater detail under the Phased Privatization Option.

[9] Surge is an increase in the rate at which repairable components and engines are returned to serviceable condition. A component or engine is surged if it is in work and turned out earlier than schedule or if it is inducted ahead of schedule and then repaired. Surge rates varied by Service and time period. Although the record is incomplete the following appear to be substantiated: 1) the Air Force surged 10% of repairs from Aug. 1990 to Jan 1991 and 30% after Jan. 1991; 2) various sources indicate a naval aviation surge of from 30% to 185% depending on type of component, although the *overall* increase in naval aviation depot work appears to be on the order of 2%; 3) Army depots surged 53% during the conflict compared to FY90 production rates; 4) Marine Corps surge during reconstitution was approximately 60%. References: Eliot A. Cohen, et al., *Gulf War Air Power Survey*, Vol. III, Part 1, Ch. 8., 1993; CDR Phil Fox, NADOC-0166, *Analysis of Naval Aircraft Depot CORE Maintenance Capabilities and Naval Aviation Industrial Base Issues*, 11 March 1994; Jonathan W. Leland, *Core Methodology: A Critique and Generalization*, CRM95-33 (Draft), Center for Naval Analysis, Jan. 1995; Briefing, U.S. Army Depot Systems Command, "Organic Depot Maintenance Support to Desert Shield/Storm," 31 Jan 1991; Joint Uniform Lessons Learned System (JULLS) 40950-96498, 40952-00104, 40952-78559, 51041-70821.

[10] Fox, op. cit.

[11] Logistics Management Institute, *Logistics Issues Case Studies for the Roles and Missions Commission of the Armed Forces*, January 1995. Included at Appendix A.

[12] *Integrated Management of Department of Defense Depot Maintenance Activities*, Office of the Deputy Under Secretary of Defense (Logistics), October, 1993, pp. 3-3--3-12.

[13] Frank Camm, *DoD Should Maintain Both Organic and Contract Sources for Depot-Level Logistics Services*, RAND, August 1993.

[14] Defense Depot Maintenance Council, *Business Plan Fiscal Years 1995-1999*.

[15] *Integrated Management*, Chap. 2.

[16] James H. Perry, et al., *Improving Depot Repair Cycle Management: A Challenge for Supply and Maintenance*, Logistics Management Institute, August 1987. More recent and as yet unpublished research failed to note any improvement. Supply and transportation delays are in additive to depot repair cycle times.

[17] Defense Science Board Study, p. 17,

[18] *Logistics Issues Case Studies for the Roles and Missions Commission of the Armed Forces*, op. cit.

[19] Ibid. This is true for software as well as hardware; Institute for Defense Analysis, "Abstract: Depot Maintenance Report on Embedded Weapons Software," Feb. 1995.

[20] British experience after converting public shipyards into GOCOs is positive in terms of both cost and quality; Carla Tighe and Micky Tripathi, Center Naval Analysis Memorandum: "Trip to British Shipyards," 30 Oct. 1993.

[21] 10 USC 2466 requires that not more than 40 percent of depot maintenance funds be expended on work that is performed by non-Federal government employees.

[22] Bapst, *Benchmarking*, op. cit.

[23] Col. David R. Zorich, AF/LGM-2, Briefing: "FY-94 2LM Metrics Summary," December 1994.

[24] Included in this estimate is an 8 percent savings from DMSS implementation and a 5 percent savings from additional downsizing; As the amount of savings from DMSS was a matter of discussion within the Department at the time this paper was prepared, the DMSS Functional and Economic Analysis was used as a source.

[25] Marygall K. Brauner and Jean R. Gebman, *Is Consolidation Being Overemphasized for Military Logistics?*, RAND, March 1993.
[26] Department of Defense, *Integrated Management of Department of Defense Depot Maintenance Activities*, Vol. 1, October, 1993.
[27] FY 1994 Armed Forces Authorization Act.
[28] *Integrated Management, pg. xii.*
[29] George Donohue, et al., *DoD Centralization: an Old Solution for a New Era?*, RAND, April 1993.
[30] A credible basis for estimating the relative cost performance of a Public Corporation was not found. In general, however, state-owned and mixed ownership enterprises perform substantially worse than privately owned enterprises and the various forms of state-owned enterprise offer little to choose among them; Anthony E. Boardman and Aidan R. Vining, *Ownership and Performance in Competitive Environments: A Comparison of the Performance of Private, Mixed, and State-Owned Enterprises*, Journal of Law and Economics, vol. XXXII (April 1989), pp. 1-26.
[31] John Ciucci, Memorandum: *Government Corporations*, Logistics Management Institute, February 1995.
[32] *Logistics Issues Case Studies for the Roles and Missions Commission of the Armed Forces*, op. cit.
[33] John D. Keenan, et al., *Issues Concerning Public and Private Provision of Depot Maintenance*, Center for Naval Analyses, Apr. 1994; Tighe and Tripathi, "Trip to British Shipyards."
[34] 10 USC 2464
[35] 10 USC 2466
[36] Includes estimated effects of process improvement implemented by the Depot Maintenance Standard System and the divestiture of excess capacity through BRAC-95.
[37] See note 30 above.

FACSIMILE TRANSMITTAL PAGE

Defense Performance Review
Office of the Secretary of Defense
The Pentagon, Room 1C671
Washington, DC 20301
Tel: (703) 693-2886
Fax: (703) 693-2864

Date: 14 Feb 95

From: Regina Beglinutti

To: Ann Reese

Fax: 60550

Subj: Paper from Roles & Missions Commission

Comments:

Number of Pages (including cover page) ____

Service Depot Maintenance Proposals - Summary
(Direct Labor Hours-DLH)

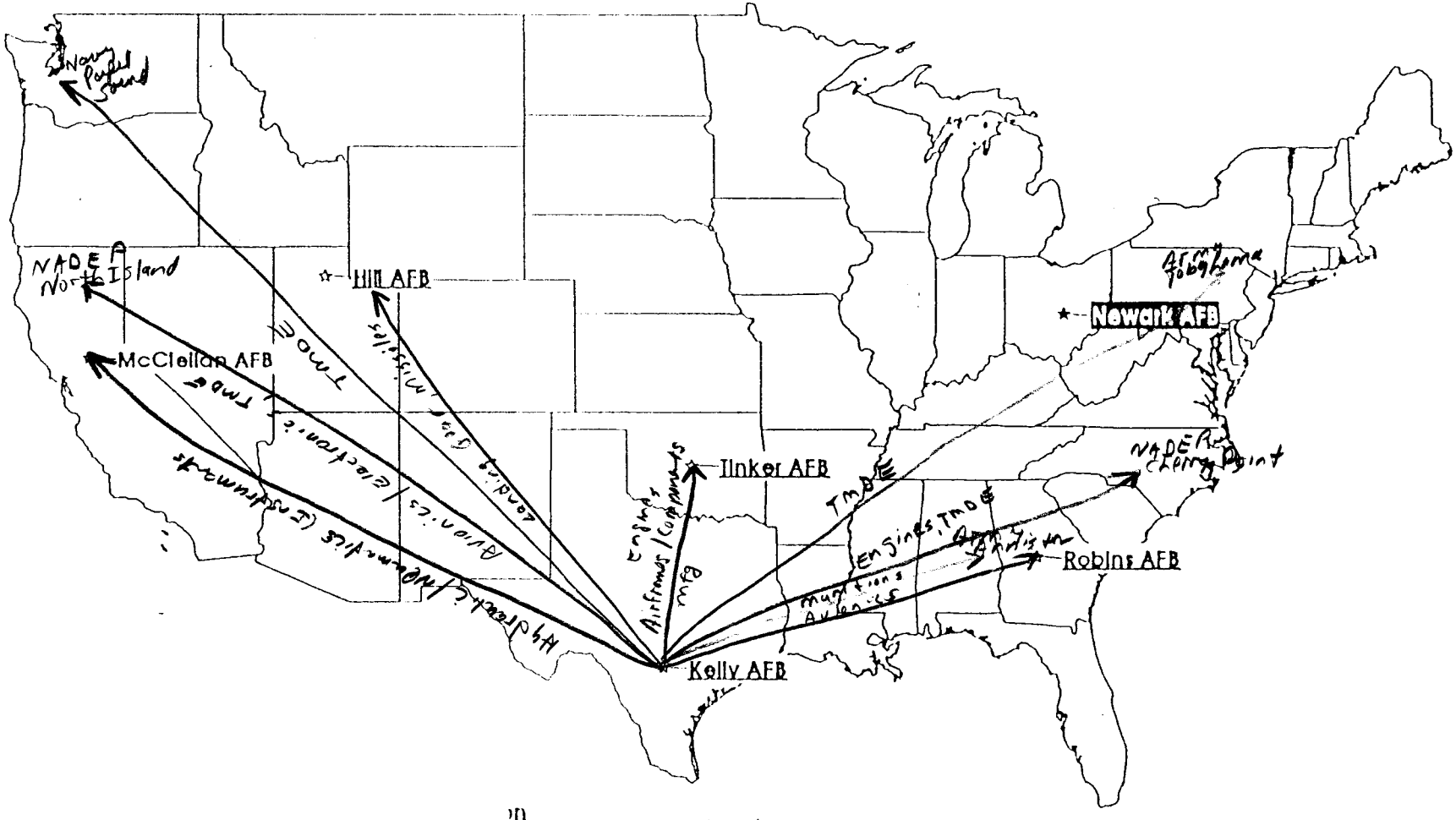
14:44 3/3/95

CAPACITY	Army	Air Force	Marines	Navy	TOTAL
Capacity - Certified Data	17,560,930	40,301,716	2,252,100	58,901,338	119,016,084
less Capacity of closing depots (LEAD, RRAD, NSY-LB, NSW-LO)	-5,718,484			-6,571,816	-12,290,300
Capacity w/closings	11,842,446	40,301,716	2,252,100	52,329,522	106,725,784
less AF reduction in Capacity		-13,182,508			-13,182,508
less reduction in Keyport Capacity				-461,596	-461,596
Capacity - Service Proposals	**11,842,446**	**27,119,208**	**2,252,100**	**51,867,926**	**93,081,680**
CORE					
Core - Certified Data	9,287,000	27,119,208	1,896,800	40,612,937	78,915,945
less Service proposed reductions		-4,055,276		-1,783,107	-5,838,383
Core - Service Proposals	**9,287,000**	**23,063,932**	**1,896,800**	**38,829,830**	**73,077,562**
EXCESS CAPACITY					
Excess Capacity - Certified Data (Capacity-cert data less Core-cert data)	8,273,930	13,182,508	355,300	18,288,401	40,100,139
less Service proposed reductions	-5,718,484	-9,127,232		-5,250,305	-20,096,021
Excess Capacity - Service Proposals	**2,555,446**	**4,055,276**	**355,300**	**13,038,096**	**20,004,118**

Svc Prpsl Sum D950303A.XLS

AIR FORCE SUMMARY																
	AF Current Cap	AF Current Core	AF Avail Cap	**AF Xfer'ng Wkld**	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	AF Cap Elim'ntd (Consol)	**AF New Core Wkld**	Indust Reeng'ng Benefit Factor	**AF Reeng'd Core Wkld**	**AF New Reeng'd Cap**	AF Cap Elim'ntd (Total)	AF New Excess Cap	AF Original MPC	**AF New MPC**
Grand Totals	39545	27010	12534	0	5634	Varies by CG	1324	3057	27010	15%	**22959**	**27010**	11928	4052	56693	57930
	0034710															
Center:	**OC-ALC**															
Commodity Group	OC ALC's Current Cap	OC ALC's Current Core	OC ALC's Avail Cap	**OC ALC's Xfer'ng Wkld**	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	OC-ALC's Cap Elim'ntd (Consol)	**OC-ALC's New Core Wkld**	Indust Reeng'ng Benefit Factor	**OC-ALC's Reeng'd Core Wkld**	**OC-ALC's New Reeng'd Cap**	OC-ALC's Cap Elim'ntd (Total)	OC-ALC's New Excess Cap	OC ALC's Original MPC	**OC ALC's New MPC**
Aircraft:																
TTB	2279	2023	256			80%	0	0	2023	15%	**1720**	**2023**	256	303	2301	2301
Cmd & Ctrl	289	512	-223			80%	0	0	512	15%	**435**	**512**	-223	77	607	607
Components:																
Structures	***403***	***334***	***69***	***-334***	***403***	***10%***	***33***	***370***	***0***	15%	**0**	**0**	370	0	***434***	***434***
Hyd	***171***	***121***	***50***	***-121***	***171***	***50%***	***61***	***111***	***0***	15%	**0**	**0**	111	0	***544***	***544***
Pnu	***107***	***61***	***46***	***8***	***10***	***50%***	***4***	***-***	***69***	15%	**59**	**69**	38	10	***341***	***341***
Inst	***227***	***264***	***-37***	***-264***	***227***	***75%***	***198***	***29***	***0***	15%	**0**	**0**	29	0	***712***	***712***
Avionics	218	93	125			30%	0	0	93	15%	**79**	**93**	125	14	218	218
Other	594	131	463			25%	0	0	131	15%	**111**	**131**	463	20	817	817
Engines:																
Aircraft	2497	2307	190			25%	0	0	2307	15%	**1961**	**2307**	190	346	4912	4912
Bs & Vs	155	76	79			10%	0	0	76	15%	**65**	**76**	79	11	529	529
Software:																
Tactical	238	325	-87			50%	0	0	325	15%	**276**	**325**	-87	49	240	325
SE	***455***	***299***	***156***	***-57***	***86***	***50%***	***29***	***58***	***242***	15%	**206**	**242**	185	36	***455***	***455***
Spec Int Items:																
Bearings	10	15	-5			10%	0	0	15	15%	**13**	**15**	0	2	62	62
TMDE	3	0	3			20%	0	0	0	15%	**0**	**0**	3	0	4	4
Assoc Fab/Mfg:	***162***	***97***	***65***	***28***	***15***	***5%***	***1***	***14***	***125***	15%	**106**	**125**	37	19	***294***	***294***
TOTALS	7808	6658	1150	-740	912		326	580	5918		**5030**	**5918**	1575	888	12470	12555

AIR FORCE
Category: Depots



San Antonio ALC

Work load Transfers

DMI

DM2

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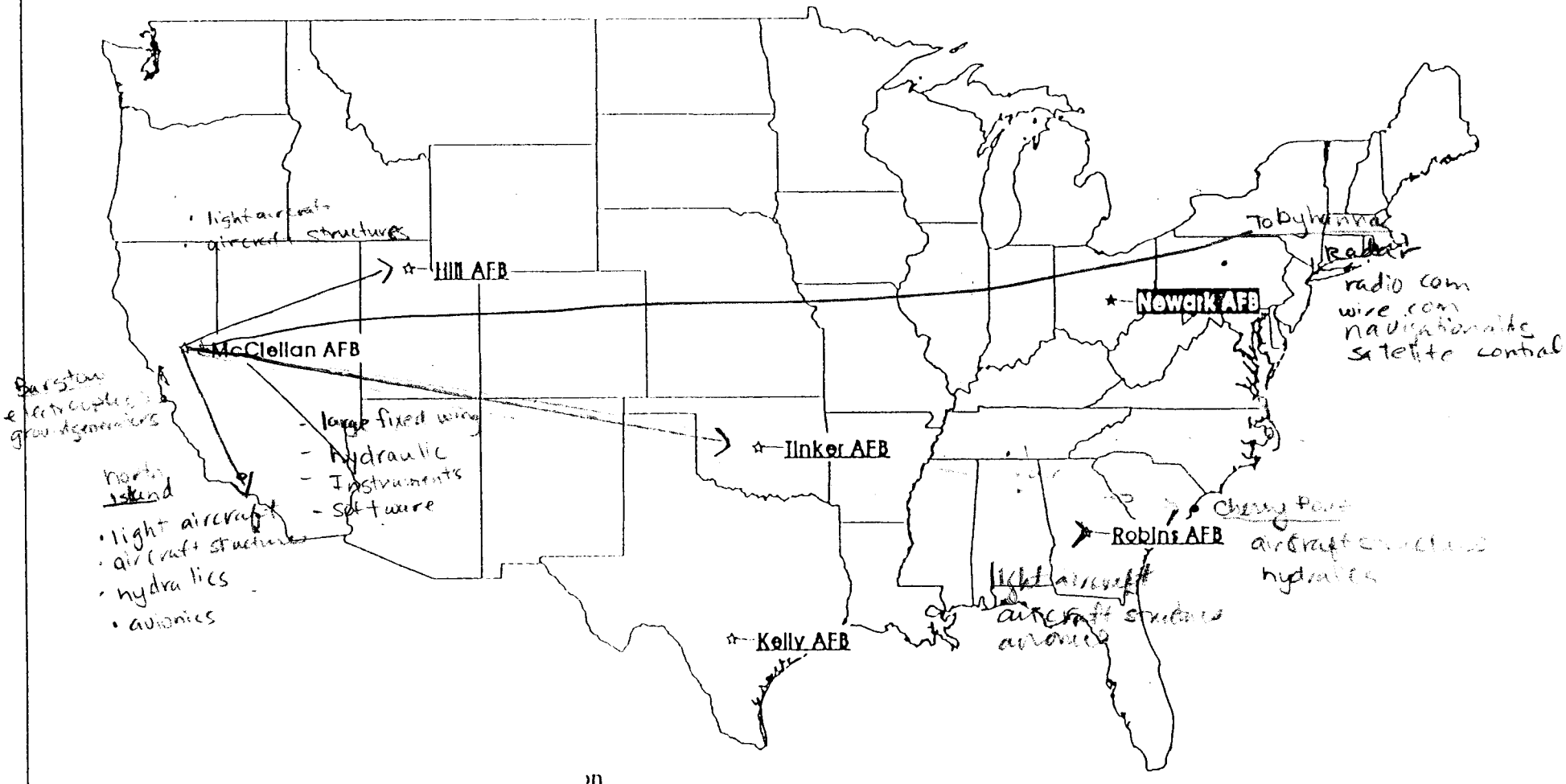
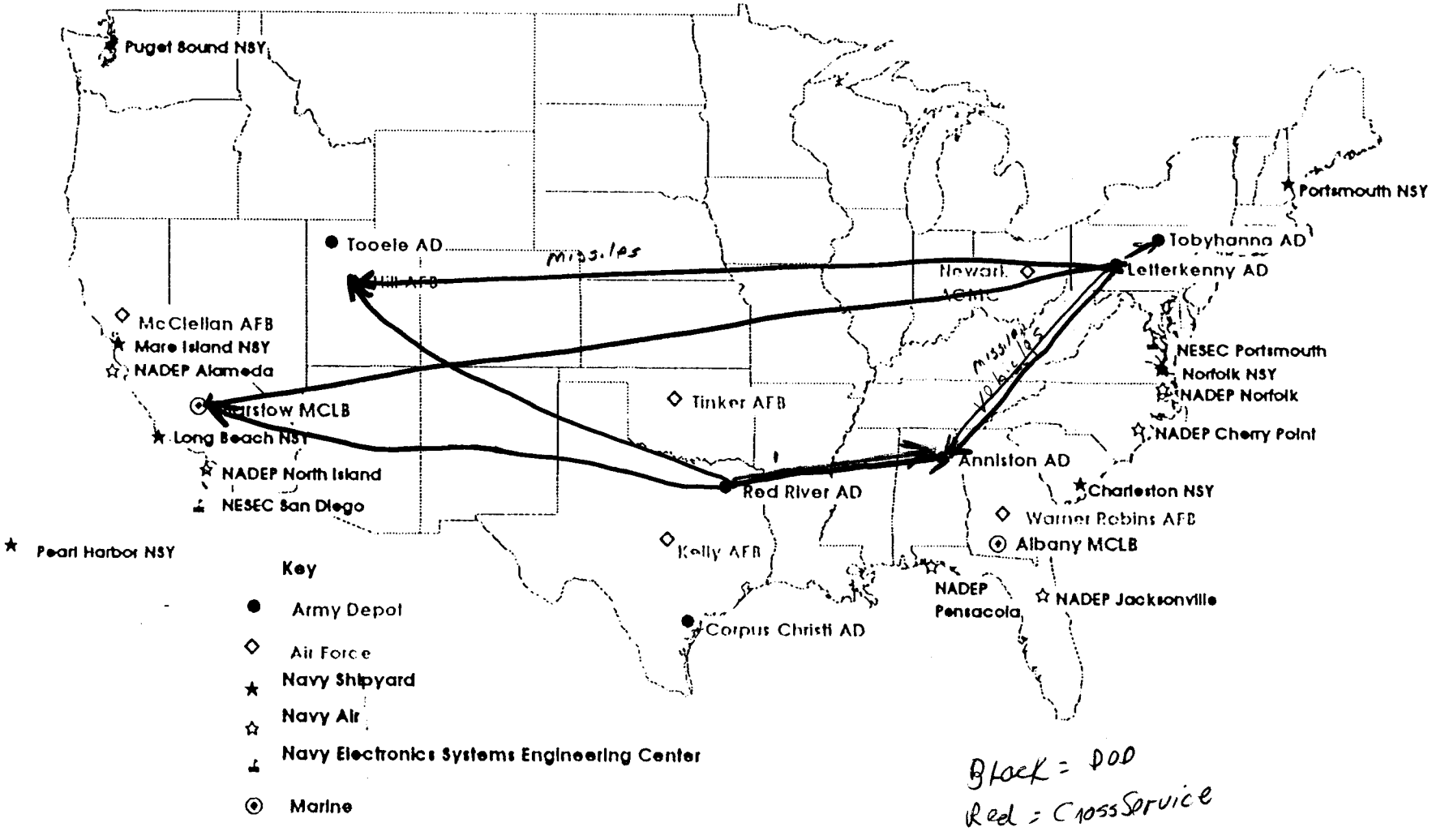
Category: Depots



Defense Depot Maintenance Facilities



Army depots

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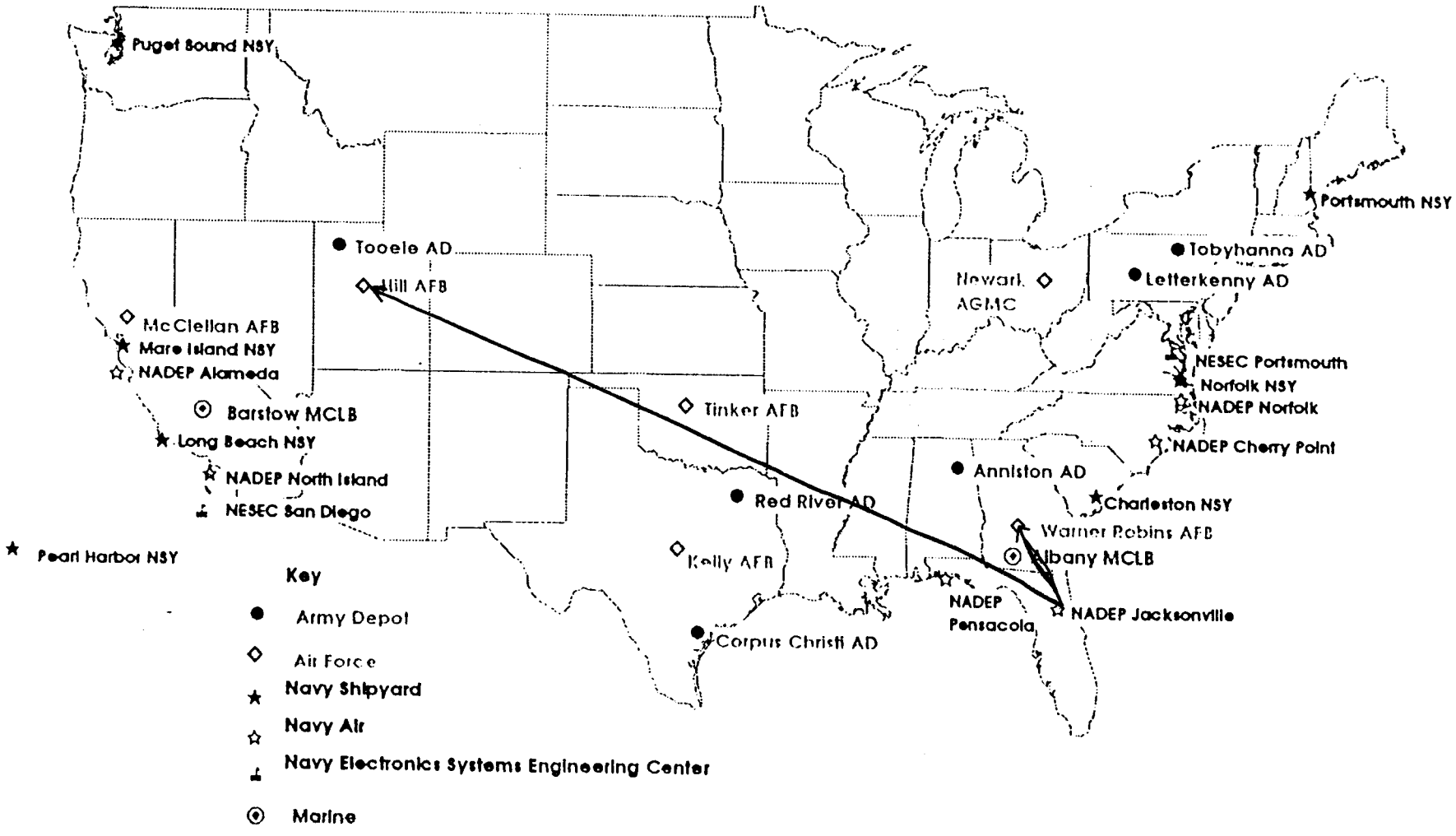
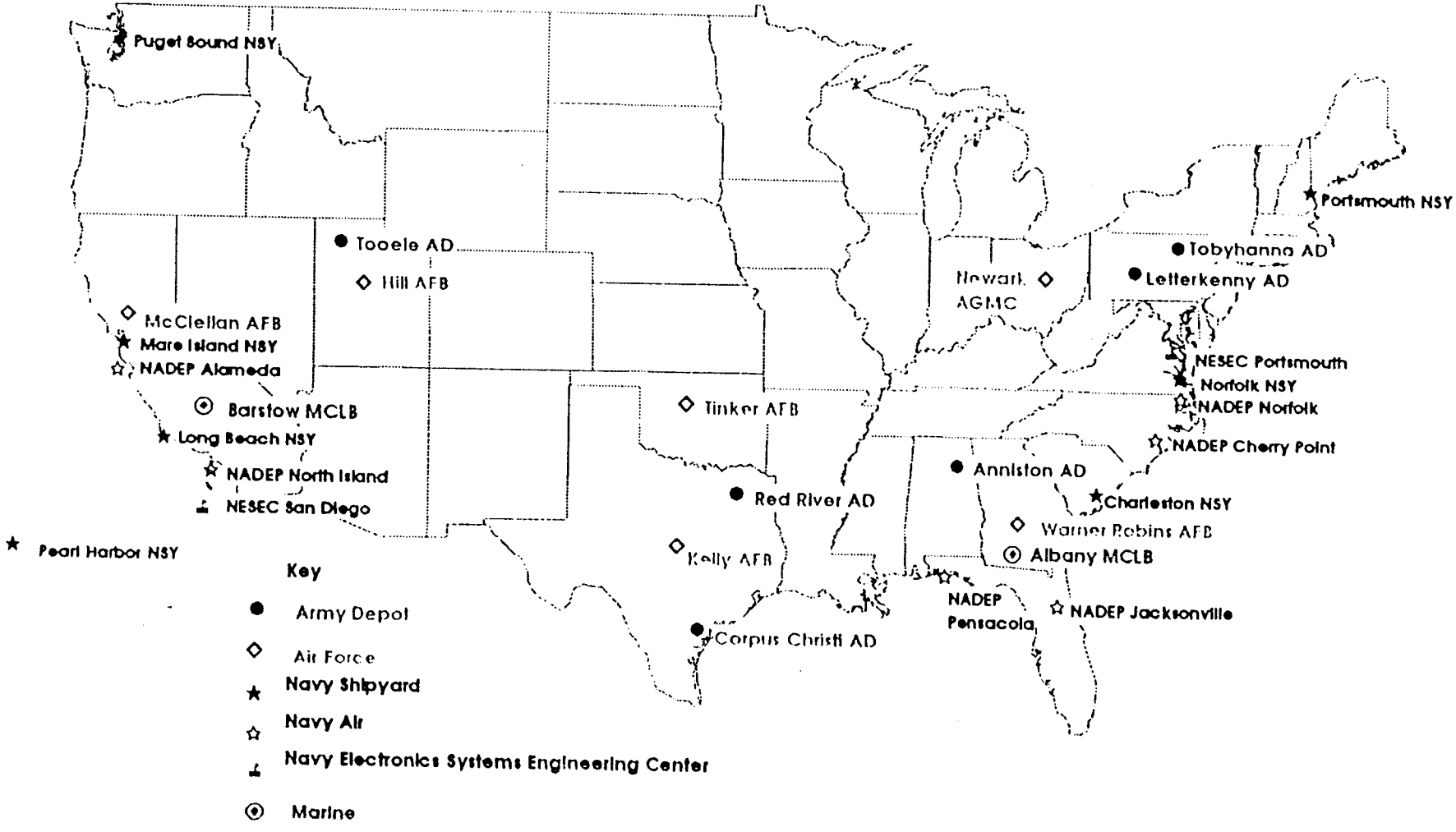


Defense Depot Maintenance Facilities



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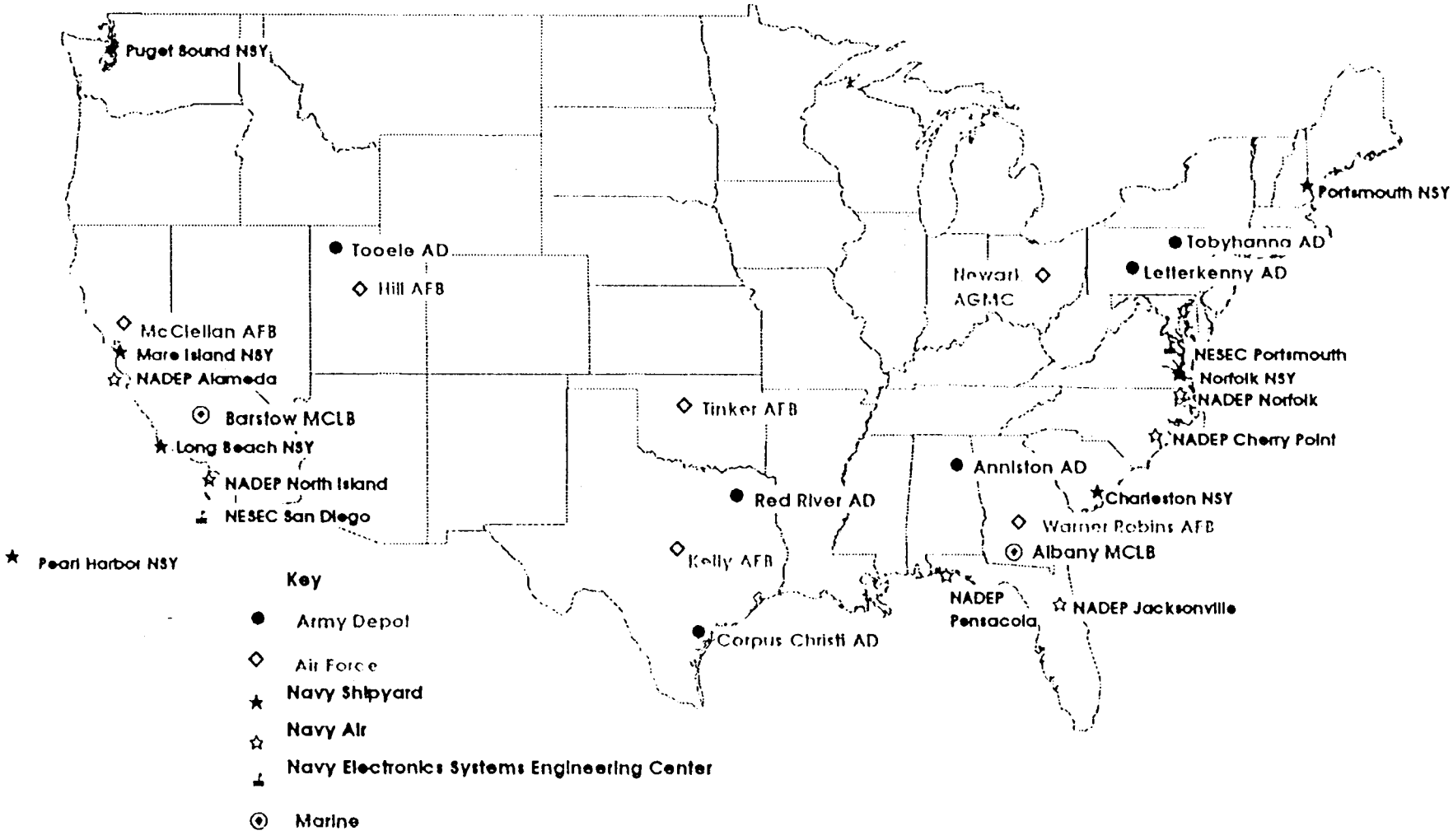
Defense Depot Maintenance Facilities



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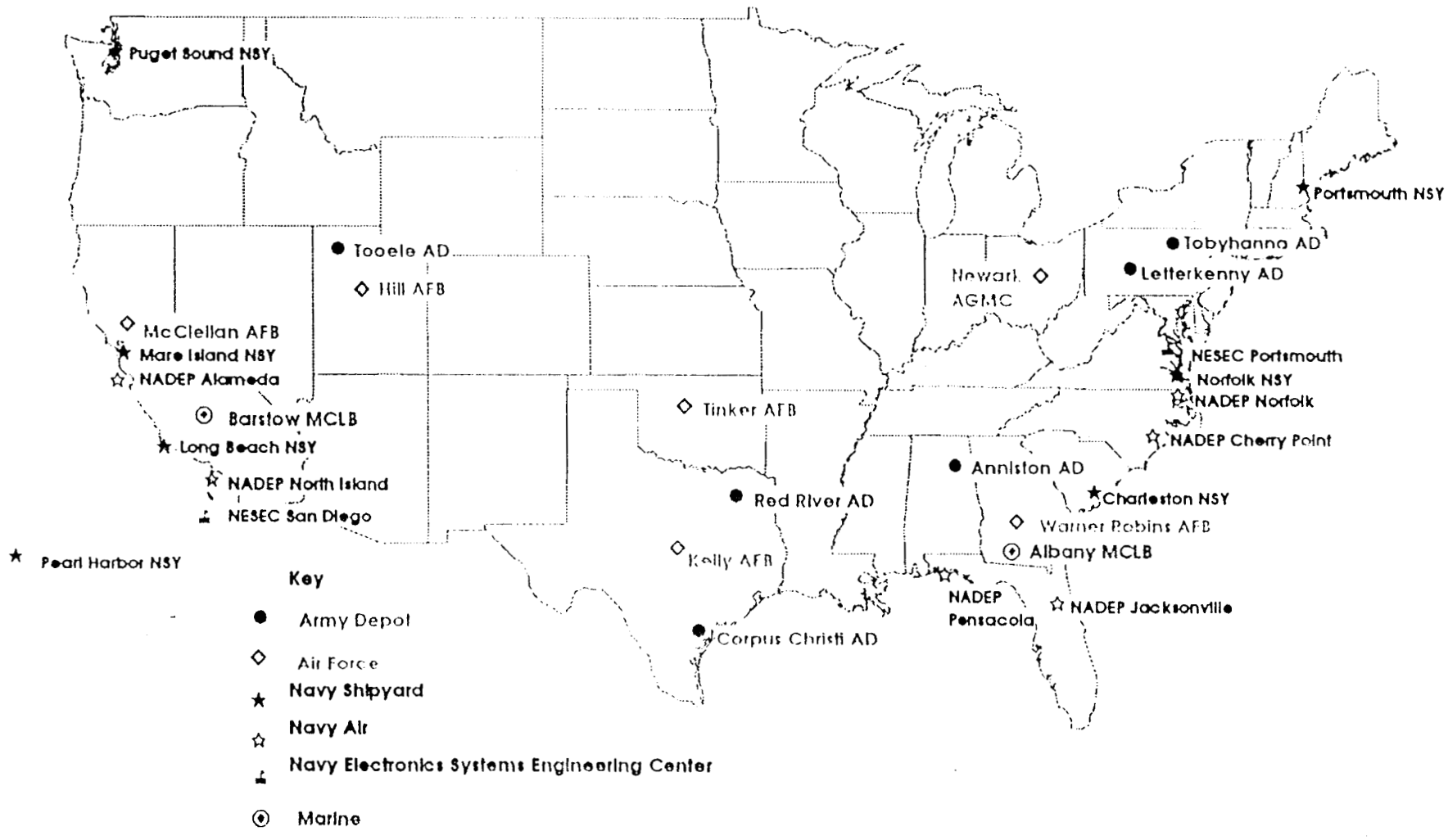
Defense Depot Maintenance Facilities



2

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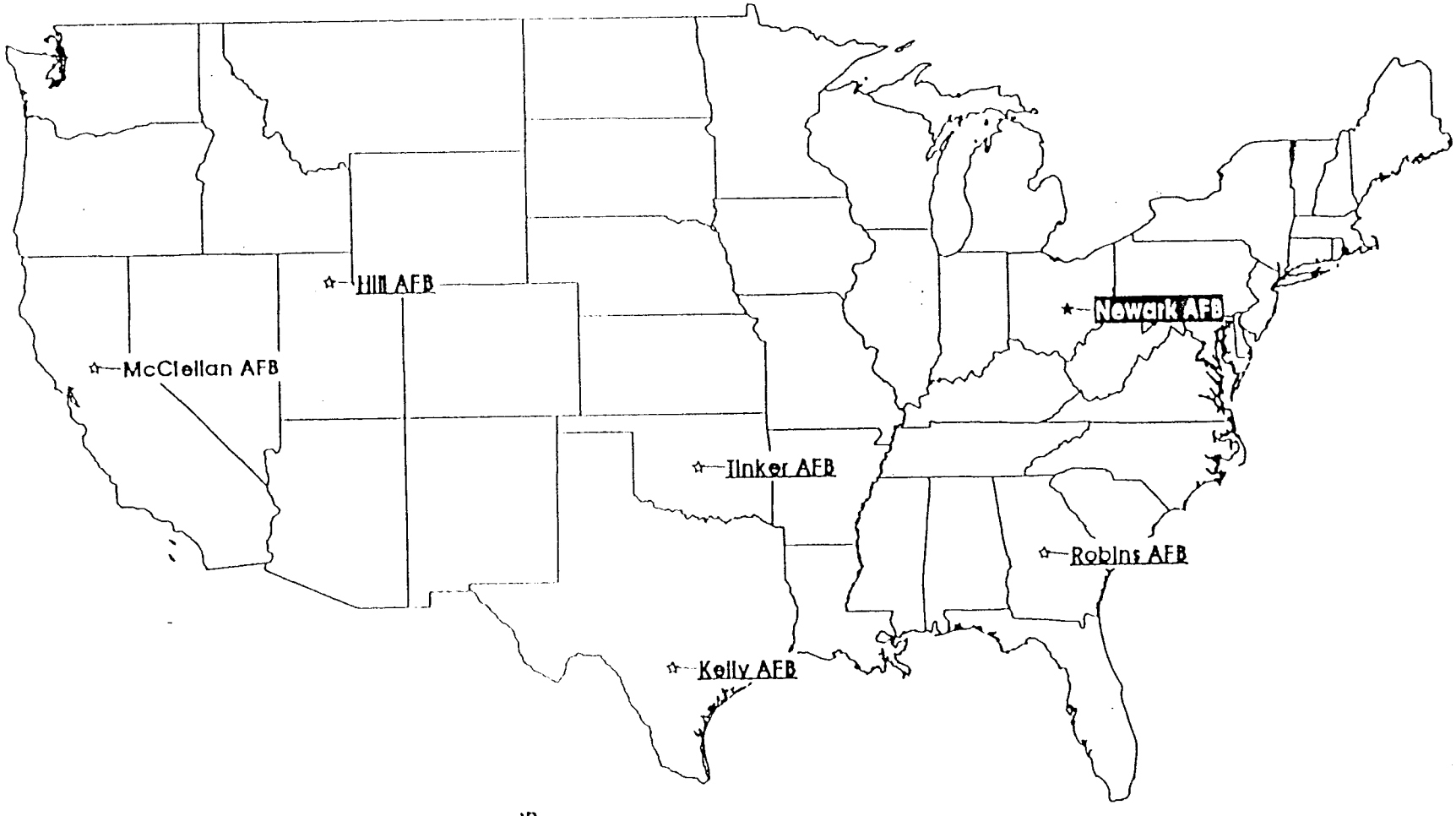

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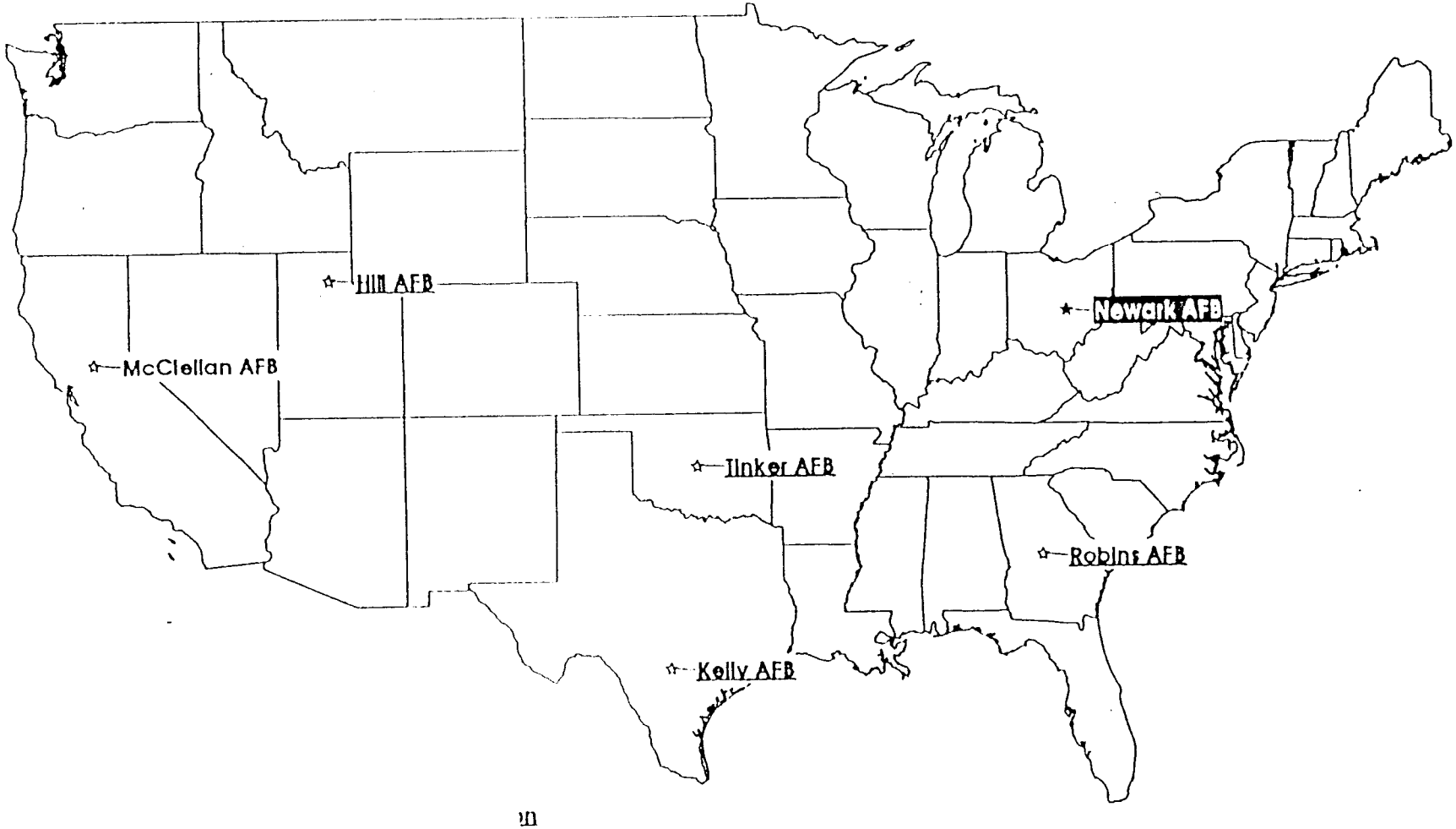
Category: Depots



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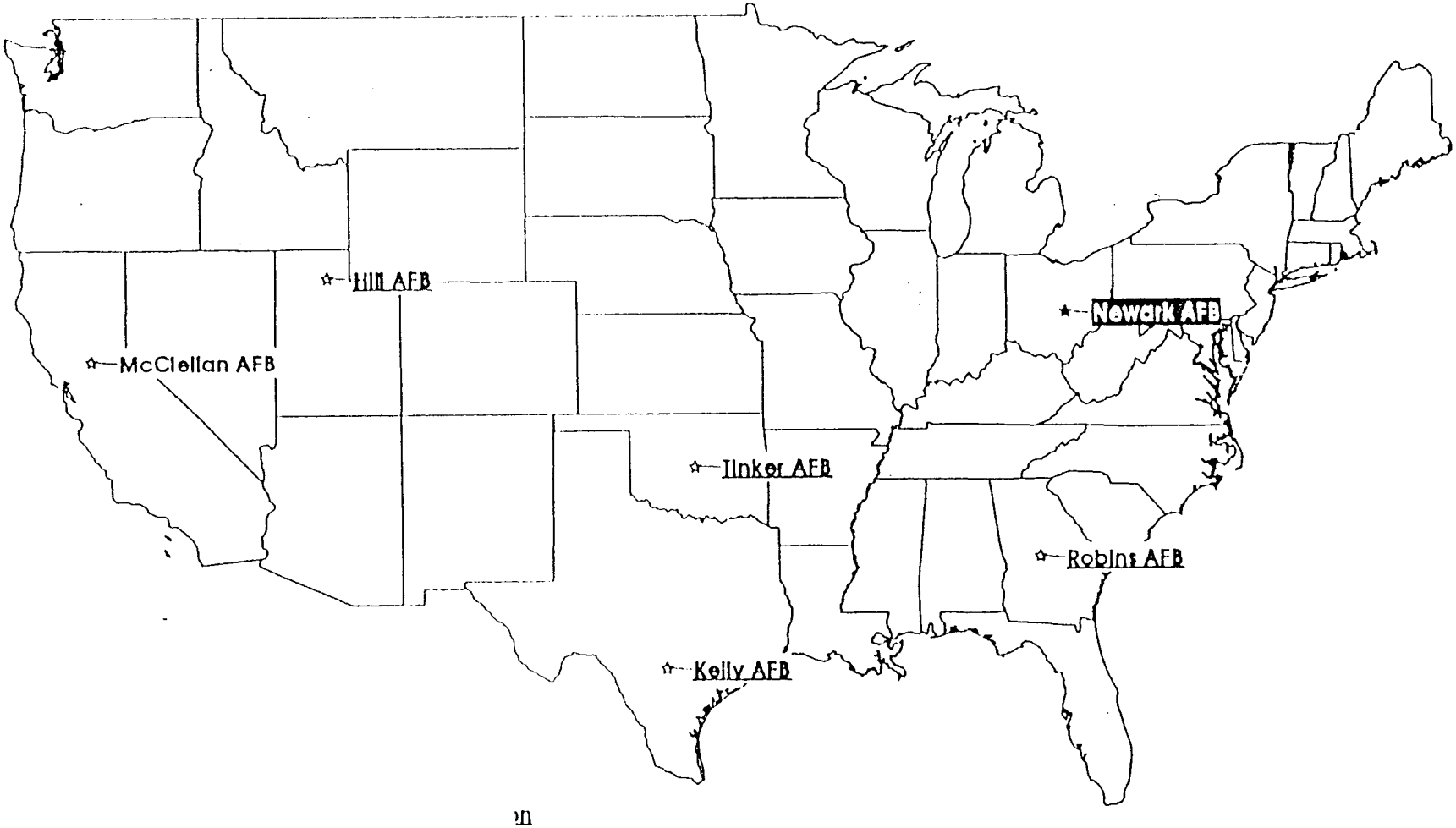
Category: Depots



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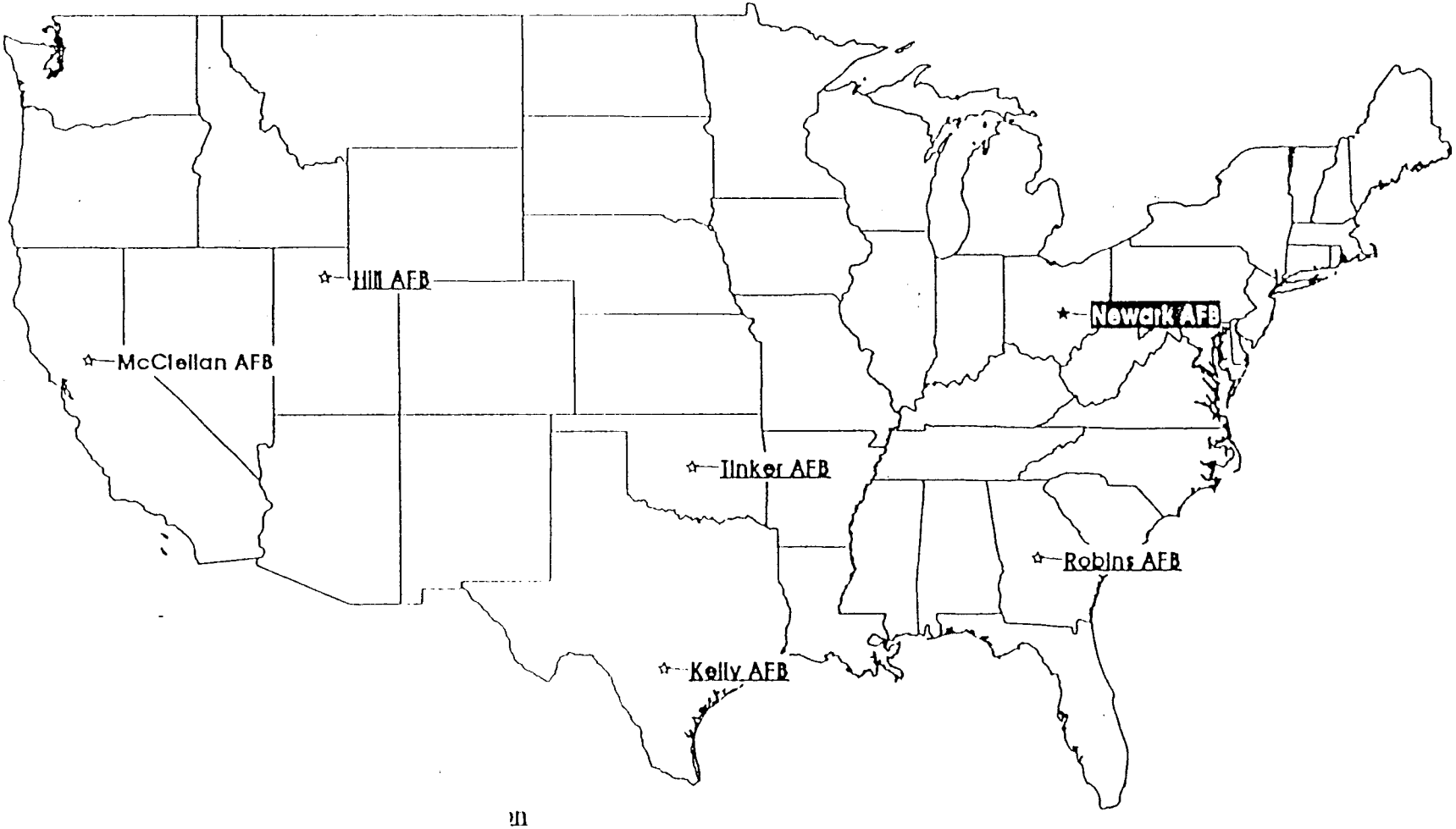

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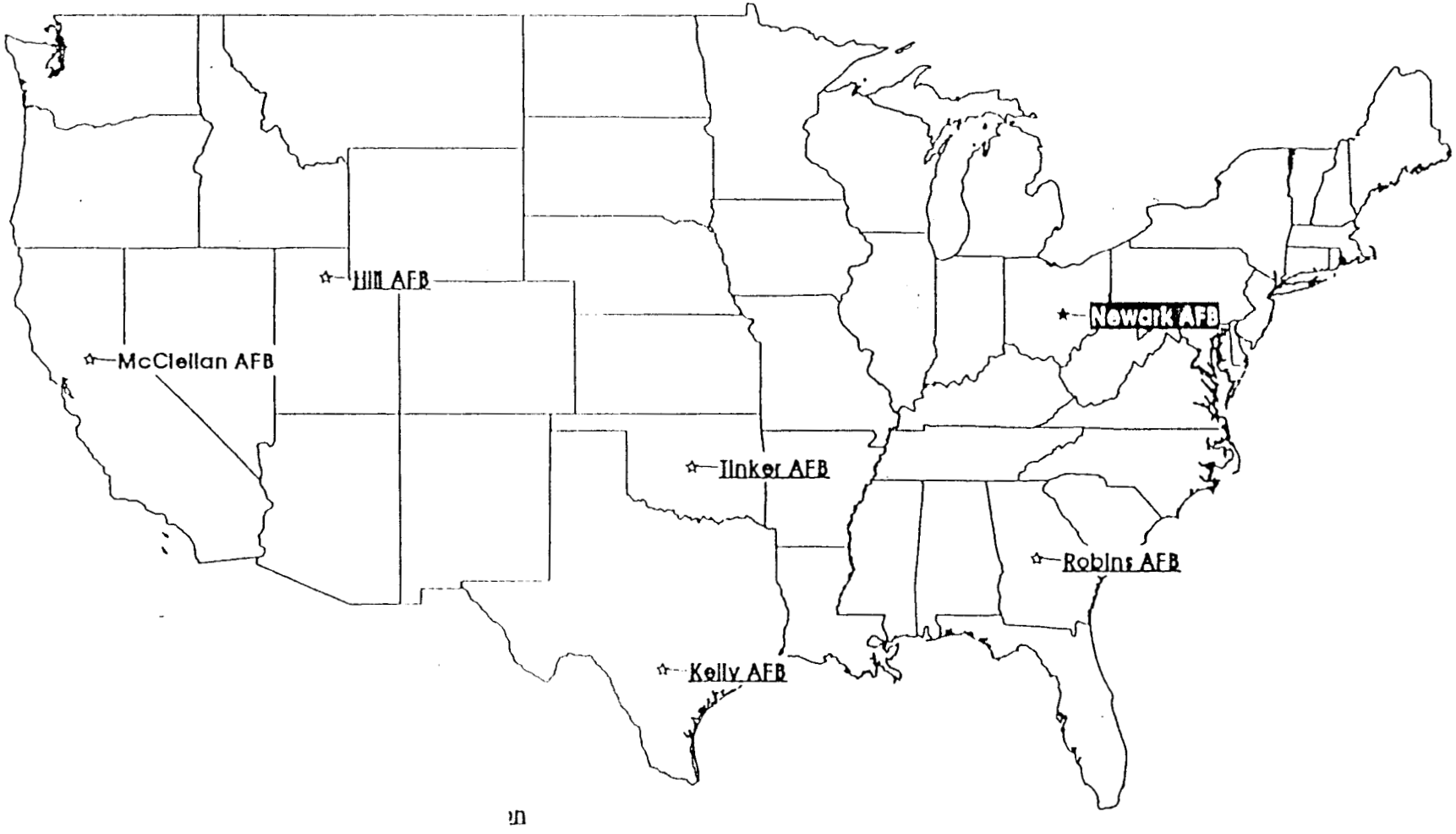

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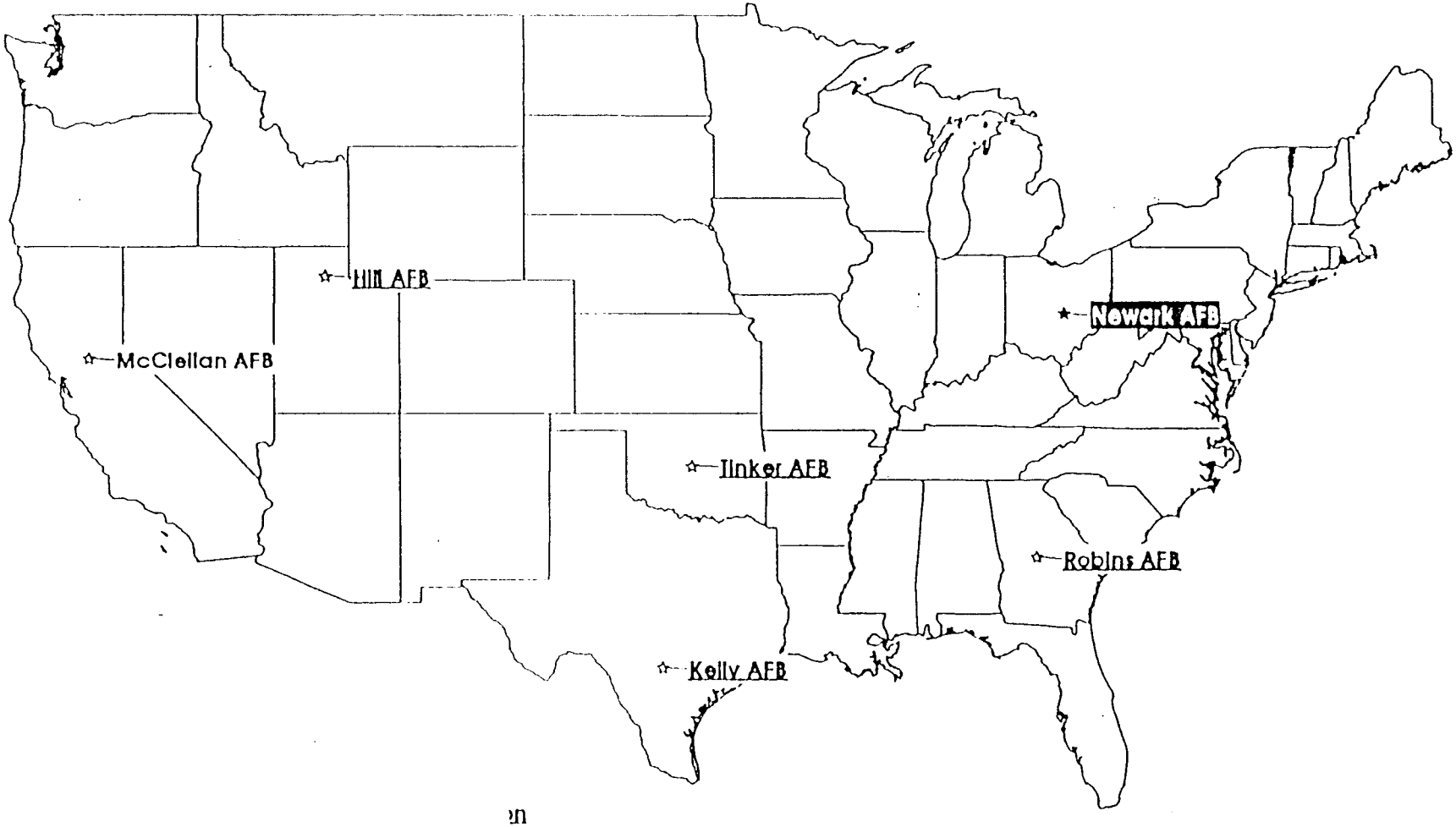

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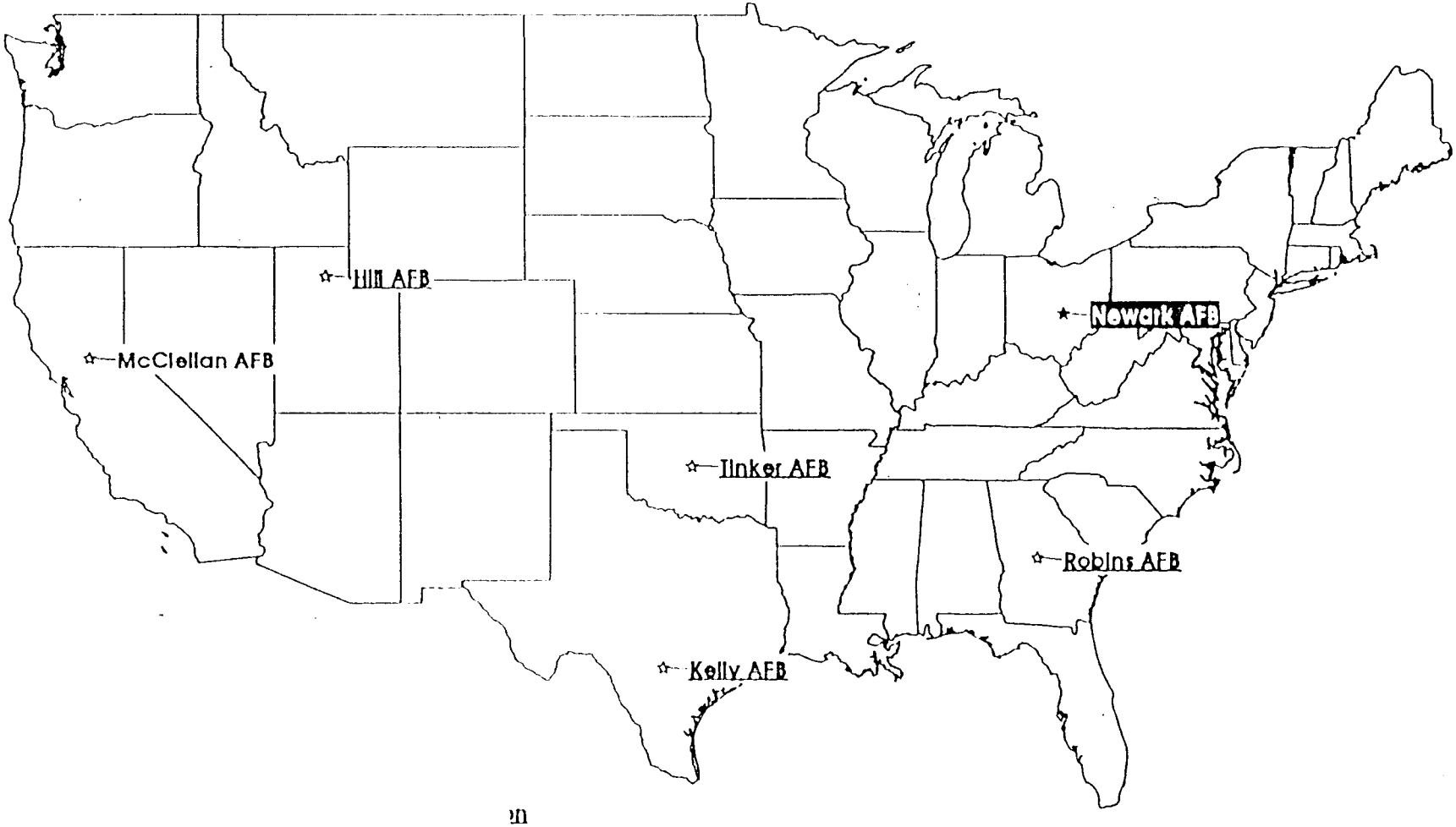

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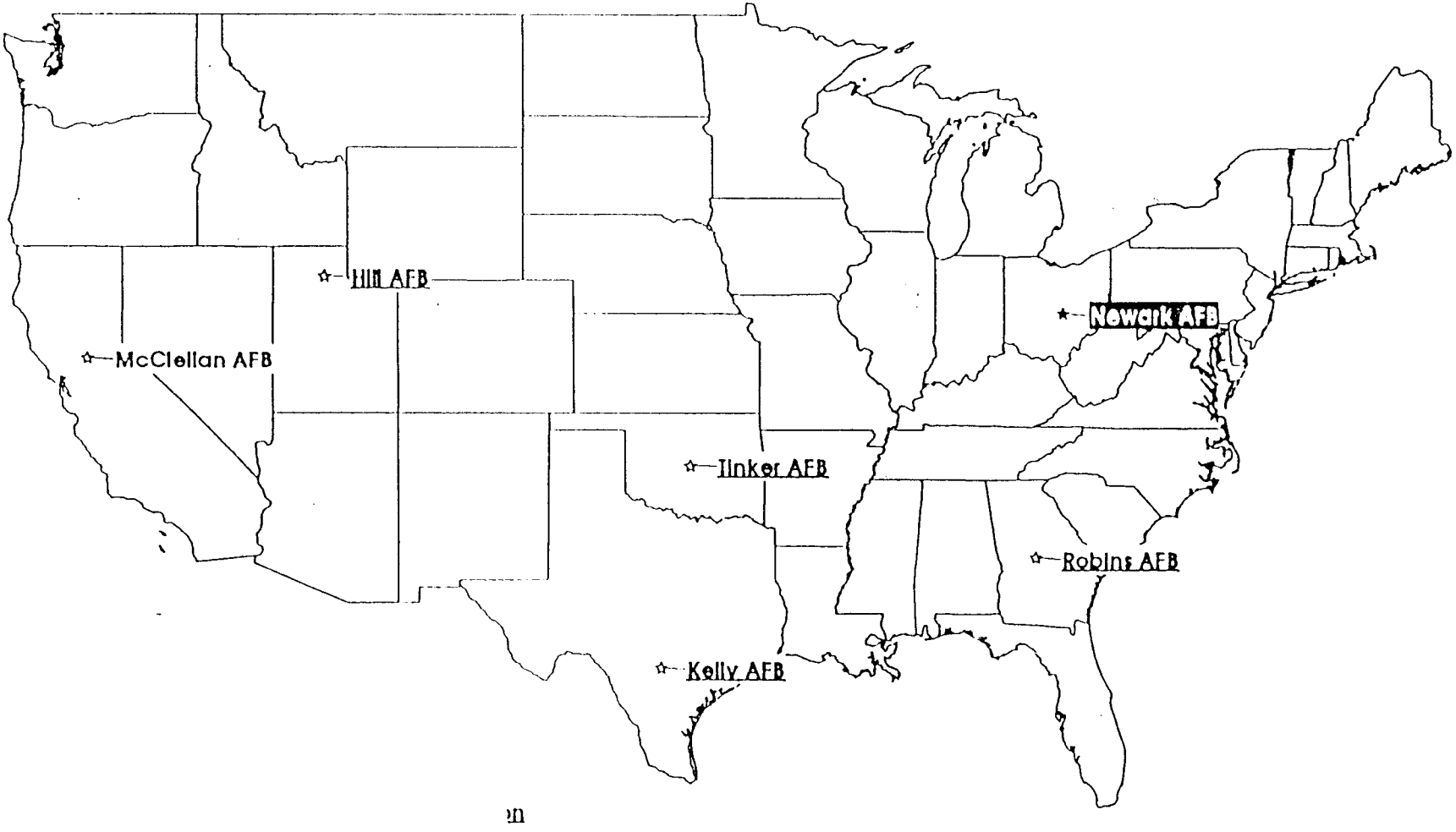

AIR FORCE SUMMARY	AF Current Cap	AF Current Core	AF Avail Cap	AF Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	AF Cap Elim'ntd (Consol)	AF New Core Wkld	Indust Reeng'ng Benefit Factor	AF Reeng'd Core Wkld	AF New Reeng'd Cap	AF Cap Elim'ntd (Total)	AF New Excess Cap	AF Original MPC	AF New MPC
Grand Totals	39545	27010	12534	0	5634	Varies by CG	1324	3057	27010	15%	22959	27010	11928	4052	56693	57930
	103470															
Center:	OC-ALC															
Commodity Group	OC ALC's Current Cap	OC ALC's Current Core	OC ALC's Avail Cap	OC ALC's Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	OC-ALC's Cap Elim'ntd (Consol)	OC-ALC's New Core Wkld	Indust Reeng'ng Benefit Factor	OC-ALC's Reeng'd Core Wkld	OC-ALC's New Reeng'd Cap	OC-ALC's Cap Elim'ntd (Total)	OC-ALC's New Excess Cap	OC ALC's Original MPC	OC ALC's New MPC
Aircraft:																
TTB	2279	2023	256			80%	0	0	2023	15%	1720	2023	256	303	2301	2301
Cmd & Ctrl	289	512	-223			80%	0	0	512	15%	435	512	-223	77	607	607
Components:																
Structures	*403*	*334*	*69*	*-334*	*403*	*10%*	*33*	*370*	*0*	15%	0	0	370	0	*434*	*434*
Hyd	*171*	*121*	*50*	*-121*	*171*	*50%*	*61*	*111*	*0*	15%	0	0	111	0	*544*	*544*
Pnu	*107*	*61*	*46*	*8*	*10*	*50%*	*4*	-	*69*	15%	59	69	38	10	*341*	*341*
Inst	*227*	*264*	*-37*	*-264*	*227*	*75%*	*198*	*29*	*0*	15%	0	0	29	0	*712*	*712*
Avionics	218	93	125			30%	0	0	93	15%	79	93	125	14	218	218
Other	594	131	463			25%	0	0	131	15%	111	131	463	20	817	817
Engines:																
Aircraft	2497	2307	190			25%	0	0	2307	15%	1961	2307	190	346	4912	4912
Bs & Vs	155	76	79			10%	0	0	76	15%	65	76	79	11	529	529
Software:																
Tactical	238	325	-87			50%	0	0	325	15%	276	325	-87	49	240	325
SE	*455*	*299*	*156*	*-57*	*86*	*50%*	*29*	*58*	*242*	15%	206	242	185	36	*455*	*455*
Spec Int Items:																
Bearings	10	15	-5			10%	0	0	15	15%	13	15	0	2	62	62
TMDE	3	0	3			20%	0	0	0	15%	0	0	3	0	4	4
Assoc Fab/Mfg:	*162*	*97*	*65*	*28*	*15*	*5%*	*1*	*14*	*125*	15%	106	125	37	19	*294*	*294*
TOTALS	7808	6658	1150	-740	912		326	580	5918		5030	5918	1575	888	12470	12555

Commodity	OC-ALC	OO-ALC	SA-ALC	SM-ALC	WR-ALC	AMARC		Air Force
Group	Core	Core	Core	Core	Core	Core		Totals
Aircraft:								
TTB	2023	543	821	441	1349			5177
Cmd & Ctrl	512							512
Lt Combat		691		907	1267			2865
Components:								
Structures	***0***	***1080***	***0***	***0***	***147***			***1227***
Hyd	***0***	***0***	***0***	***487***	***0***			***487***
Pnu	***69***		***0***	***0***				***69***
Inst	***0***	***6***	***0***	***622***	***257***			***885***
Lnd Gear		488	4		1			493
Av Ord		104			1			105
Avionics	***93***	***0***	***0***	***0***	***2074***			***2167***
APUs		29	102					131
Other	131	180	93		280			684
Engines:								
Aircraft	2307	102	2626					5035
Bs & Vs	76							76
Missiles:								
Strategic		674	57					731
Tactical		181			13			194
Comm Electronics:								
Radar				430	1			431
Radio				177				177
Wire				118				118
Nav Aids				165				165
EO/NV				109				109
Satellite Cont				32				32
Gen Purpose:								
Munitions Ord			2					2
Ground Gens				62				62
Other		120						120
Software:								
Tactical	325	653	14	211	888			2091
SE	***147***	***0***	***250***	***0***	***1074***			***1471***
Spec Int Items:								
Bearings	15	5						20
TMDE	0		410					410
Other:						109		109
Assoc Fab/Mfg:	***125***	***67***	***135***	***375***	***260***			***962***
TOTALS	5823	4923	4514	4136	7612	109		27117

	Center:	OC-ALC								
Commodity	OC	OC	OC	Com'dty Gp	Green	Red	OC-ALC's	OC-ALC's	OC	OC
Group	ALC's	ALC's	ALC's	Capacity	Center's	Center's	New	New	ALC's	ALC's
	Current	Current	Xfer'ng	Transfer	Gained	Capacity	Total	Total	Original	New
	Cap	Core	Wkld	Factor	Cap	Elim'ntd	Wkld	Cap	MPC	MPC
Aircraft:										
TTB	2279	2023		80%	0	0	2023	2279	2301	2301
Cmd & Ctrl	512	512		80%	0	0	512	512	607	607
Components:										
Structures	***404***	***334***	***-334***	***10%***	***33***	***371***	***0***	***437***	***434***	***437***
Hyd	***171***	***121***	***-121***	***50%***	***61***	***111***	***0***	***232***	***544***	***544***
Pnu	***107***	***61***	***8***	***50%***	***4***	***6***	***69***	***111***	***341***	***341***
Inst	***227***	***264***	***-264***	***75%***	***198***	***29***	***0***	***425***	***712***	***712***
Avionics	218	93		30%	0	0	93	218	218	218
Other	288	131		25%	0	0	131	288	817	817
Engines:										
Aircraft	2497	2307		25%	0	0	2307	2497	4912	4912
Bs & Vs	76	76		10%	0	0	76	76	529	529
Software:										
Tactical	401	325		50%	0	0	325	401	240	401
SE	***328***	***299***	***-152***	***50%***	***76***	***252***	***147***	***404***	***455***	***455***
Spec Int Items:										
Bearings	10	15		10%	0	0	15	10	62	62
TMDE	3	0		20%	0	0	0	3	4	4
Assoc Fab/Mfg:	***162***	***97***	***28***	***5%***	***1***	***14***	***125***	***163***	***294***	***294***
TOTALS	7508	6546	-863		372	768	5823	7880	12110	12274

	Center:	OO-ALC								
Commodity	OO	OO	OO	Com'dty Gp	Green	Red	OO-ALC's	OO-ALC's	OO	OO
Group	ALC's	ALC's	ALC's	Capacity	Center's	Center's	New	New	ALC's	ALC's
	Current	Current	Xfer'ng	Transfer	Gained	Capacity	Total	Total	Original	New
	Cap	Core	Wkld	Factor	Cap	Elim'ntd	Wkld	Cap	MPC	MPC
Aircraft:										
TTB	469	543		80%	0	0	543	469	469	469
Lt Combat	1381	691		80%	0	0	691	1381	1870	1870
Components:										
Structures	*311*	*241*	*839*	*10%*	*84*	*797*	*1080*	*395*	*311*	*395*
Hyd	*41*	*13*	*-13*	*50%*	*7*	*35*	*0*	*48*	*41*	*48*
Pneu				50%						
Inst	*192*	*124*	*-118*	*75%*	*89*	*104*	*6*	*281*	*192*	*281*
Lnd Gear	1028	488		5%	*0*	0	488	1028	1028	1028
Av Ord	419	104		10%	*0*	0	104	419	419	419
Avionics	*511*	*430*	*-430*	*30%*	*129*	*382*	*0*	*640*	*811*	*811*
APUs	89	29		25%	*0*	0	29	89	89	89
Other	493	180		25%	*0*	0	180	493	1103	1103
Engines:										
Aircraft	101	102		25%	*0*	0	203	101	101	101
Missiles:										
Strategic	746	674		50%	*0*	0	674	746	746	746
Tactical	569	181		15%	*0*	0	181	569	569	569
Gen Purpose:										
Other	103	120		10%	*0*	0	120	103	103	103
Software:										
Tactical	755	653		50%	*0*	0	653	755	755	755
SE	*313*	*241*	*-241*	*50%*	*121*	*193*	*0*	*434*	*313*	*434*
Spec Int Items:										
Bearings	20	5		10%	*0*	0	5	20	20	20
Assoc Fab/Mfg:	*74*	*76*	*-9*	*5%*	*0*	*8*	*67*	*74*	*63*	*74*
TOTALS	7615	4895	**28**		428	1518	**5024**	**8043**	9003	9315

	Center:	SA-ALC								
Commodity	SA	SA	SA	Com'dty Gp	Green	Red	SA-ALC's	SA-ALC's	SA	SA
Group	ALC's	ALC's	ALC's	Capacity	Center's	Center's	New	New	ALC's	ALC's
	Current	Current	Xfer'ng	Transfer	Gained	Capacity	Total	Total	Original	New
	Cap	Core	Wkld	Factor	Cap	Elim'ntd	Wkld	Cap	MPC	MPC
Aircraft:										
TTB	1573	821		80%	0	0	821	1573	3251	3251
Admin / Trainers	105	0		80%	0	0	0	105	795	795
Components:										
Structures	***90***	***19***	***-19***	***10%***	***2***	***88***	***0***	***92***	***162***	***162***
Hyd	***0***	***0***	***0***	***50%***	***0***	***0***	***0***	***0***	***1***	***1***
Pnu	***3***	***3***	***-3***	***50%***	***2***	***2***	***0***	***5***	***3***	***5***
Inst	***12***	***5***	***-5***	***75%***	***4***	***8***	***0***	***16***	***24***	***24***
Lnd Gear	8	4		100%	0	0	4	8	15	15
Avionics	***97***	***31***	***-31***	***30%***	***9***	***88***	***0***	***106***	***142***	***142***
APUs	288	102		25%	0	0	102	288	559	559
Other	288	93		25%	0	0	93	288	443	443
Engines:										
Aircraft	5001	2626		25%	0	0	2626	5001	7318	7318
Missiles:										
Strategic	109	57		25%	0	0	57	109	200	200
Gen Purpose:										
Munitions/Ord	3	2		25%	0	0	2	3	6	6
Software:										
Tactical	20	14		50%	0	0	14	20	26	26
SE	***207***	***155***	***95***	***50%***	***48***	***117***	***250***	***255***	***241***	***255***
Spec Int Items:										
TMDE	685	410		20%	0	0	410	685	978	978
Assoc Fab/Mfg:	***417***	***120***	***15***	***5%***	***1***	***15***	***135***	***418***	***1058***	***1058***
TOTALS	7804	3932	37		64	302	**4514**	**7868**	13186	13202

	Center:	SM-ALC								
Commodity	SM	SM	SM	Com'dty Gp	Green	Red	SM-ALC's	SM-ALC's	SM	SM
Group	ALC's	ALC's	ALC's	Capacity	Center's	Center's	New	New	ALC's	ALC's
	Current	Current	Xfer'ng	Transfer	Gained	Capacity	Total	Total	Original	New
	Cap	Core	Wkld	Factor	Cap	Elim'ntd	Wkld	Cap	MPC	MPC
Aircraft:										
TTB	819	441		80%	0	0	441	819	983	983
Lt Combat	1460	907		80%	0	0	907	1460	907	907
Components:										
Structures	***229***	***157***	***-157***	***10%***	***16***	***213***	***0***	***245***	***525***	***525***
Hyd	***485***	***352***	***135***	***50%***	***68***	***146***	***487***	***553***	***805***	***805***
Pnu	***6***	***5***	***-5***	***50%***	***3***	***4***	***0***	***9***	***11***	***11***
Inst	***281***	***193***	***429***	***75%***	***322***	***68***	***622***	***603***	***542***	***603***
Avionics	***457***	***334***	***-334***	***30%***	***100***	***357***	***0***	***557***	***870***	***870***
Comm Elect:										
Radar	702	430		10%	0	0	430	702	1235	1235
Radio	340	177		10%	0	0	177	340	734	734
Wire	214	118		10%	0	0	118	214	233	233
Nav Aids	279	165		10%	0	0	165	279	501	501
EO/NV	180	109		10%	0	0	109	180	215	215
Satellite Cont	173	32		10%	0	0	32	173	186	186
Gen Purpose:										
Ground Gens	101	62		15%	0	0	62	101	113	113
Other	61	0		10%	0	0	0	61	61	61
Software:										
Tactical	401	211		50%	0	0	211	401	452	452
SE	***328***	***184***	***-184***	***50%***	***92***	***236***	***0***	***420***	***358***	***420***
Assoc Fab/Mfg:	***513***	***354***	***21***	***5%***	***1***	***45***	***375***	***514***	***741***	***741***
TOTALS	7029	4231	-95		601	1068	**4136**	**7630**	9472	9595

	Center:	WR-ALC								
Commodity Group	WR ALC's Current Cap	WR ALC's Current Core	WR ALC's Xfer'ng Wkld	Com'dty Gp Capacity Transfer Factor	Green Center's Gained Cap	Red Center's Capacity Elim'ntd	WR-ALC's New Total Wkld	WR-ALC's New Total Cap	WR ALC's Original MPC	WR ALC's Original MPC
Aircraft:										
TTB	2104	1349		80%	0	0	1349	2104	2104	2104
Lt Combat	1084	1267		80%	0	0	1267	1084	1084	1084
Components:										
Structures	***656***	***477***	***-330***	***10%***	***33***	***623***	***147***	***689***	***801***	***801***
Hyd	***0***	***0***	***0***	***50%***	***0***	***0***	***0***	***0***	***0***	***0***
Pnu										
Inst	***412***	***299***	***-42***	***75%***	***32***	***381***	***257***	***444***	***503***	***503***
Lnd Gear	1	1		5%	0	0	1	1	2	2
Av Ord	1	1		10%	0	0	1	1	1	1
Avionics	***1763***	***1280***	***794***	***30%***	***238***	***828***	***2074***	***2001***	***2153***	***2153***
Other	388	280		25%	0	0	280	388	463	463
Missiles:										
Tactical	18	13		15%	0	0	13	18	22	22
Comm Elect:										
Radar	2	1		10%	0	0	1	2	2	2
Software:										
Tactical	795	888		10%	0	0	888	795	1358	1358
SE	***530***	***592***	***1074***	***20%***	***215***	***426***	***1666***	***745***	***906***	***906***
Assoc Fab/Mfg:	***432***	***315***	***-55***	***5%***	***3***	***29***	***260***	***435***	***514***	***514***
TOTALS	8186	6763	1441		520	2287	8204	8706	9913	9913

AF 1985 5943
Totals

Office of the
Assistant Deputy Under Secretary of Defense
for Maintenance Policy, Programs and Resources

TO: Marian Harvey Bennett, U S General Accounting Office

FROM: Jay Berry JB 3/14

DATE: March 14, 1995

SUBJECT: JCSG-DM BRAC 95 Documentation

In response to your fax dated March 9, 1995, please find attached copies of the following documents:

- Service Depot Maintenance Proposals -Summary
- Department of the Air Force Memorandum dated 24 Feb 95; Subject: Correction of Air Force JCSG-DM Information; with attachments
- Navy Depot Workload Distribution Tables
- Army Depot Workload Distribution Tables
- DUSD(L) Memorandum undated; Subject: Assessment of Preliminary Recommendations (BRAC95)
- Department of the Air Force Memorandum, dated 7 Feb 1995; Subject: Analysis of BRAC 95 Maintenance Alternatives (Your Ltr, 25 Jan 95)
- DUSD(L) Memorandum dated 25 Jan 1995; Subject: BRAC 95 Closure and Realignment Recommendations
- DUSD(L) Memorandum dated 25 Jan 1995; Subject: Analysis of Depot Maintenance Alternatives
- Department of the Air Force Memorandum dated 23 Jan 95; Subject: Detailed Analysis of the Joint Cross-Service Group for Depot Maintenance BRAC 95 Alternatives (Your Ltr, 22 Nov 94); with attachment
- Department of the Air Force Memorandum dated 23 Dec 1994; Subject: Nullification of Previously Submitted Certified Joint Depot Maintenance Data

- Department of the Air Force Memorandum dated 20 Dec 1994; Subject: Interservice Manpower Authorizations
- Department of the Air Force Memorandum undated; Subject: Personnel Authorizations Associated with Workload Transfers
- Department of the Air Force Memorandum dated 12 Dec 1994; Subject: Interim Response to the Joint Cross-Service Group for Depot Maintenance BRAC 95 Alternatives (Your Ltr, 22 Nov 94); with attachment
- DUSD(L) Memorandum dated 25 Jan 1995; Subject: Joint Cross-Service Group for Depot Maintenance (JCSG-DM) BRAC 95 Alternative Analysis
- Department of the Army Memorandum dated 1 Dec 1994 (handwritten); Subject: JCSG-DM BRAC 95 Alternatives
- Department of the Air Force Memorandum dated 30 Nov 1994; Subject: Air Force Point of Contact for Certified Data Exchange (Your Ltr, 22 Nov 94)
- Department of the Navy Memorandum dated 28 November 1994; Subject: Joint Cross-Service Group for Depot Maintenance BRAC 95 Alternatives
- DUSD(L) Memorandum dated 22 Nov 1994; Subject: Joint Cross-Service Group for Depot Maintenance (JCSG-DM) BRAC 95 Alternatives; without attachments
- DUSD(L) Memorandum dated 29 Aug 1994; Subject: Base Realignment and Closure (BRAC 95) Joint Cross-Service Group for Depot Maintenance (JCSG-DM)
  Department of the Army Memorandum undated ; Subject: BRAC 95 Joint Cross-Service Group Report on Depot Maintenance

I hope this information is helpful. If I can be of any further assistance, please call.

Attachments: As stated

Service Depot Maintenance Proposals - Summary
(Direct Labor Hours-DLH)

14:44 3/3/95

CAPACITY	Army	Air Force	Marines	Navy	TOTAL
Capacity - Certified Data	17,560,930	40,301,716	2,252,100	58,901,338	119,016,084
less Capacity of closing depots (LEAD, RRAD, NSY-LB, NSW-LO)	-5,718,484			-6,571,816	-12,290,300
Capacity w/closings	11,842,446	40,301,716	2,252,100	52,329,522	106,725,784
less AF reduction in Capacity		-13,182,508			-13,182,508
less reduction in Keyport Capacity				-461,596	-461,596
Capacity - Service Proposals	**11,842,446**	**27,119,208**	**2,252,100**	**51,867,926**	**93,081,680**
CORE					
Core - Certified Data	9,287,000	27,119,208	1,896,800	40,612,937	78,915,945
less Service proposed reductions		-4,055,276		-1,783,107	-5,838,383
Core - Service Proposals	**9,287,000**	**23,063,932**	**1,896,800**	**38,829,830**	**73,077,562**
EXCESS CAPACITY					
Excess Capacity - Certified Data (Capacity-cert data less Core-cert data)	8,273,930	13,182,508	355,300	18,288,401	40,100,139
less Service proposed reductions	-5,718,484	-9,127,232		-5,250,305	-20,096,021
Excess Capacity - Service Proposals	**2,555,446**	**4,055,276**	**355,300**	**13,038,096**	**20,004,118**

Svc Prpsl Sum D950303A.XLS

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Svc Prpsl Sum D950303A.XLS

AIR FORCE SUMMARY	AF Current Cap	AF Current Core	AF Avail Cap	AF Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	AF Cap Elim'ntd (Consol)	AF New Core Wkld	Indust Reeng'ng Benefit Factor	AF Reeng'd Core Wkld	AF New Reeng'd Cap	AF Cap Elim'ntd (Total)	AF New Excess Cap	AF Original MPC	AF New MPC
Grand Totals	39545	27010	12534	0	5634	Varies by CG	1324	3057	27010	15%	22959	27010	11928	4052	56693	57930
	034710															
Center:	OC-ALC															
Commodity Group	OC ALC's Current Cap	OC ALC's Current Core	OC ALC's Avail Cap	OC ALC's Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	OC-ALC's Cap Elim'ntd (Consol)	OC-ALC's New Core Wkld	Indust Reeng'ng Benefit Factor	OC-ALC's Reeng'd Core Wkld	OC-ALC's New Reeng'd Cap	OC-ALC's Cap Elim'ntd (Total)	OC-ALC's New Excess Cap	OC ALC's Original MPC	OC ALC's New MPC
Aircraft:																
TTB	2279	2023	256			80%	0	0	2023	15%	1720	2023	256	303	2301	2301
Cmd & Ctrl	289	512	-223			80%	0	0	512	15%	435	512	-223	77	607	607
Components:																
Structures	*403*	*334*	*69*	*-334*	*403*	*10%*	*33*	*370*	*0*	15%	0	0	370	0	*434*	*434*
Hyd	*171*	*121*	*50*	*-121*	*171*	*50%*	*61*	*111*	*0*	15%	0	0	111	0	*544*	*544*
Pnu	*107*	*61*	*46*	*8*	*10*	*50%*	*4*	-	*69*	15%	59	69	38	10	*341*	*341*
Inst	*227*	*264*	*-37*	*-264*	*227*	*75%*	*198*	*29*	*0*	15%	0	0	29	0	*712*	*712*
Avionics	218	93	125			30%	0	0	93	15%	79	93	125	14	218	218
Other	594	131	463			25%	0	0	131	15%	111	131	463	20	817	817
Engines:																
Aircraft	2497	2307	190			25%	0	0	2307	15%	1961	2307	190	346	4912	4912
Bs & Vs	155	76	79			10%	0	0	76	15%	65	76	79	11	529	529
Software:																
Tactical	238	325	-87			50%	0	0	325	15%	276	325	-87	49	240	325
SE	*455*	*299*	*156*	*-57*	*86*	*50%*	*29*	*58*	*242*	15%	206	242	185	36	*455*	*455*
Spec Int Items:																
Bearings	10	15	-5			10%	0	0	15	15%	13	15	0	2	62	62
TMDE	3	0	3			20%	0	0	0	15%	0	0	3	0	4	4
Assoc Fab/Mfg:	*162*	*97*	*65*	*28*	*15*	*5%*	*1*	*14*	*125*	15%	106	125	37	19	*294*	*294*
TOTALS	7808	6658	1150	-740	912		326	580	5918		5030	5918	1575	888	12470	12555

AIR FORCE SUMMARY	AF Current Cap	AF Current Core	AF Avail Cap	AF Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	AF Cap Elim'ntd (Consol)	AF New Core Wkld	Indust Reeng'ng Benefit Factor	AF Reeng'd Core Wkld	AF New Reeng'd Cap	AF Cap Elim'ntd (Total)	AF New Excess Cap	AF Original MPC	AF New MPC
Grand Totals	39545	27010	12534	0	5634	Varies by CG	1324	3057	27010	15%	22959	27010	11928	4052	56693	57930
	J034716															
Center:	OC-ALC															
Commodity Group	OC ALC's Current Cap	OC ALC's Current Core	OC ALC's Avail Cap	OC ALC's Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	OC-ALC's Cap Elim'ntd (Consol)	OC-ALC's New Core Wkld	Indust Reeng'ng Benefit Factor	OC-ALC's Reeng'd Core Wkld	OC-ALC's New Reeng'd Cap	OC-ALC's Cap Elim'ntd (Total)	OC-ALC's New Excess Cap	OC ALC's Original MPC	OC ALC's New MPC
Aircraft:																
TTB	2279	2023	256			80%	0	0	2023	15%	1720	2023	256	303	2301	2301
Cmd & Ctrl	289	512	-223			80%	0	0	512	15%	435	512	-223	77	607	607
Components:																
Structures	*403*	*334*	*69*	*-334*	*403*	*10%*	*33*	*370*	*0*	15%	0	0	370	0	*434*	*434*
Hyd	*171*	*121*	*50*	*-121*	*171*	*50%*	*61*	*111*	*0*	15%	0	0	111	0	*544*	*544*
Pnu	*107*	*61*	*46*	*8*	*10*	*50%*	*4*	-	*69*	15%	59	69	38	10	*341*	*341*
Inst	*227*	*264*	*-37*	*-264*	*227*	*75%*	*198*	*29*	*0*	15%	0	0	29	0	*712*	*712*
Avionics	218	93	125			30%	0	0	93	15%	79	93	125	14	218	218
Other	594	131	463			25%	0	0	131	15%	111	131	463	20	817	817
Engines:																
Aircraft	2497	2307	190			25%	0	0	2307	15%	1961	2307	190	346	4912	4912
Bs & Vs	155	76	79			10%	0	0	76	15%	65	76	79	11	529	529
Software:																
Tactical	238	325	-87			50%	0	0	325	15%	276	325	-87	49	240	325
SE	*455*	*299*	*156*	*-57*	*86*	*50%*	*29*	*58*	*242*	15%	206	242	185	36	*455*	*455*
Spec Int Items:																
Bearings	10	15	-5			10%	0	0	15	15%	13	15	0	2	62	62
TMDE	3	0	3			20%	0	0	0	15%	0	0	3	0	4	4
Assoc Fab/Mfg:	*162*	*97*	*65*	*28*	*15*	*5%*	*1*	*14*	*125*	15%	106	125	37	19	*294*	*294*
TOTALS	7808	6658	1150	-740	912		326	580	5918		5030	5918	1575	888	12470	12555

AIR FORCE SUMMARY	AF Current Cap	AF Current Core	AF Avail Cap	AF Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	AF Cap Elim'ntd (Consol)	AF New Core Wkld	Indust Reeng'ng Benefit Factor	AF Reeng'd Core Wkld	AF New Reeng'd Cap	AF Cap Elim'ntd (Total)	AF New Excess Cap	AF Original MPC	AF New MPC
Grand Totals	39545	27010	12534	0	5634	Varies by CG	1324	3057	27010	15%	22959	27010	11928	4052	56693	57930
	039470															
Center:	OC-ALC															
Commodity Group	OC ALC's Current Cap	OC ALC's Current Core	OC ALC's Avail Cap	OC ALC's Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	OC-ALC's Cap Elim'ntd (Consol)	OC-ALC's New Core Wkld	Indust Reeng'ng Benefit Factor	OC-ALC's Reeng'd Core Wkld	OC-ALC's New Reeng'd Cap	OC-ALC's Cap Elim'ntd (Total)	OC-ALC's New Excess Cap	OC ALC's Original MPC	OC ALC's New MPC
Aircraft:																
TTB	2279	2023	256			80%	0	0	2023	15%	1720	2023	256	303	2301	2301
Cmd & Ctrl	289	512	-223			80%	0	0	512	15%	435	512	-223	77	607	607
Components:																
Structures	*403*	*334*	*69*	*-334*	*403*	*10%*	*33*	*370*	*0*	15%	0	0	370	0	*434*	*434*
Hyd	*171*	*121*	*50*	*-121*	*171*	*50%*	*61*	*111*	*0*	15%	0	0	111	0	*544*	*544*
Pnu	*107*	*61*	*46*	*8*	*10*	*50%*	*4*	-	*69*	15%	59	69	38	10	*341*	*341*
Inst	*227*	*264*	*-37*	*-264*	*227*	*75%*	*198*	*29*	*0*	15%	0	0	29	0	*712*	*712*
Avionics	218	93	125			30%	0	0	93	15%	79	93	125	14	218	218
Other	594	131	463			25%	0	0	131	15%	111	131	463	20	817	817
Engines:																
Aircraft	2497	2307	190			25%	0	0	2307	15%	1961	2307	190	346	4912	4912
Bs & Vs	155	76	79			10%	0	0	76	15%	65	76	79	11	529	529
Software:																
Tactical	238	325	-87			50%	0	0	325	15%	276	325	-87	49	240	325
SE	*455*	*299*	*156*	*-57*	*86*	*50%*	*29*	*58*	*242*	15%	206	242	185	36	*455*	*455*
Spec Int Items:																
Bearings	10	15	-5			10%	0	0	15	15%	13	15	0	2	62	62
TMDE	3	0	3			20%	0	0	0	15%	0	0	3	0	4	4
Assoc Fab/Mfg:	*162*	*97*	*65*	*28*	*15*	*5%*	*1*	*14*	*125*	15%	106	125	37	19	*294*	*294*
TOTALS	7808	6658	1150	-740	912		326	580	5918		5030	5918	1575	888	12470	12555

AIR FORCE SUMMARY	AF Current Cap	AF Current Core	AF Avail Cap	AF Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	AF Cap Elim'ntd (Consol)	AF New Core Wkld	Indust Reeng'ng Benefit Factor	AF Reeng'd Core Wkld	AF New Reeng'd Cap	AF Cap Elim'ntd (Total)	AF New Excess Cap	AF Original MPC	AF New MPC
Grand Totals	39545	27010	12534	0	5634	Varies by CG	1324	3057	27010	15%	22959	27010	11928	4052	56693	57930
	0039710															
Center:	OC-ALC															
Commodity Group	OC ALC's Current Cap	OC ALC's Current Core	OC ALC's Avail Cap	OC ALC's Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	OC-ALC's Cap Elim'ntd (Consol)	OC-ALC's New Core Wkld	Indust Reeng'ng Benefit Factor	OC-ALC's Reeng'd Core Wkld	OC-ALC's New Reeng'd Cap	OC-ALC's Cap Elim'ntd (Total)	OC-ALC's New Excess Cap	OC ALC's Original MPC	OC ALC's New MPC
Aircraft:																
TTB	2279	2023	256			80%	0	0	2023	15%	1720	2023	256	303	2301	2301
Cmd & Ctrl	289	512	-223			80%	0	0	512	15%	435	512	-223	77	607	607
Components:																
Structures	*403*	*334*	*69*	*-334*	*403*	*10%*	*33*	*370*	*0*	15%	0	0	370	0	*434*	*434*
Hyd	*171*	*121*	*50*	*-121*	*171*	*50%*	*61*	*111*	*0*	15%	0	0	111	0	*544*	*544*
Pnu	*107*	*61*	*46*	*8*	*10*	*50%*	*4*	-	*69*	15%	59	69	38	10	*341*	*341*
Inst	*227*	*264*	*-37*	*-264*	*227*	*75%*	*198*	*29*	*0*	15%	0	0	29	0	*712*	*712*
Avionics	218	93	125			30%	0	0	93	15%	79	93	125	14	218	218
Other	594	131	463			25%	0	0	131	15%	111	131	463	20	817	817
Engines:																
Aircraft	2497	2307	190			25%	0	0	2307	15%	1961	2307	190	346	4912	4912
Bs & Vs	155	76	79			10%	0	0	76	15%	65	76	79	11	529	529
Software:																
Tactical	238	325	-87			50%	0	0	325	15%	276	325	-87	49	240	325
SE	*455*	*299*	*156*	*-57*	*86*	*50%*	*29*	*58*	*242*	15%	206	242	185	36	*455*	*455*
Spec Int Items:																
Bearings	10	15	-5			10%	0	0	15	15%	13	15	0	2	62	62
TMDE	3	0	3			20%	0	0	0	15%	0	0	3	0	4	4
Assoc Fab/Mfg:	*162*	*97*	*65*	*28*	*15*	*5%*	*1*	*14*	*125*	15%	106	125	37	19	*294*	*294*
TOTALS	7808	6658	1150	-740	912		326	580	5918		5030	5918	1575	888	12470	12555

AIR FORCE SUMMARY	AF Current Cap	AF Current Core	AF Avail Cap	AF Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	AF Cap Elim'ntd (Consol)	AF New Core Wkld	Indust Reeng'ng Benefit Factor	AF Reeng'd Core Wkld	AF New Reeng'd Cap	AF Cap Elim'ntd (Total)	AF New Excess Cap	AF Original MPC	AF New MPC
Grand Totals	39545	27010	12534	0	5634	Varies by CG	1324	3057	27010	15%	22959	27010	11928	4052	56693	57930
	0034716															
Center:	OC-ALC															
Commodity Group	OC ALC's Current Cap	OC ALC's Current Core	OC ALC's Avail Cap	OC ALC's Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	OC-ALC's Cap Elim'ntd (Consol)	OC-ALC's New Core Wkld	Indust Reeng'ng Benefit Factor	OC-ALC's Reeng'd Core Wkld	OC-ALC's New Reeng'd Cap	OC-ALC's Cap Elim'ntd (Total)	OC-ALC's New Excess Cap	OC ALC's Original MPC	OC ALC's New MPC
Aircraft:																
TTB	2279	2023	256			80%	0	0	2023	15%	1720	2023	256	303	2301	2301
Cmd & Ctrl	289	512	-223			80%	0	0	512	15%	435	512	-223	77	607	607
Components:																
Structures	*403*	*334*	*69*	*-334*	*403*	*10%*	*33*	*370*	*0*	15%	0	0	370	0	*434*	*434*
Hyd	*171*	*121*	*50*	*-121*	*171*	*50%*	*61*	*111*	*0*	15%	0	0	111	0	*544*	*544*
Pnu	*107*	*61*	*46*	*8*	*10*	*50%*	*4*	*-*	*69*	15%	59	69	38	10	*341*	*341*
Inst	*227*	*264*	*-37*	*-264*	*227*	*75%*	*198*	*29*	*0*	15%	0	0	29	0	*712*	*712*
Avionics	218	93	125			30%	0	0	93	15%	79	93	125	14	218	218
Other	594	131	463			25%	0	0	131	15%	111	131	463	20	817	817
Engines:																
Aircraft	2497	2307	190			25%	0	0	2307	15%	1961	2307	190	346	4912	4912
Bs & Vs	155	76	79			10%	0	0	76	15%	65	76	79	11	529	529
Software:																
Tactical	238	325	-87			50%	0	0	325	15%	276	325	-87	49	240	325
SE	*455*	*299*	*156*	*-57*	*86*	*50%*	*29*	*58*	*242*	15%	206	242	185	36	*455*	*455*
Spec Int Items:																
Bearings	10	15	-5			10%	0	0	15	15%	13	15	0	2	62	62
TMDE	3	0	3			20%	0	0	0	15%	0	0	3	0	4	4
Assoc Fab/Mfg:	*162*	*97*	*65*	*28*	*15*	*5%*	*1*	*14*	*125*	15%	106	125	37	19	*294*	*294*
TOTALS	7808	6658	1150	-740	912		326	580	5918		5030	5918	1575	888	12470	12555

AIR FORCE SUMMARY	AF Current Cap	AF Current Core	AF Avail Cap	AF Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	AF Cap Elim'ntd (Consol)	AF New Core Wkld	Indust Reeng'ng Benefit Factor	AF Reeng'd Core Wkld	AF New Reeng'd Cap	AF Cap Elim'ntd (Total)	AF New Excess Cap	AF Original MPC	AF New MPC
Grand Totals	39545	27010	12534	0	5634	Varies by CG	1324	3057	27010	15%	22959	27010	11928	4052	56693	57930
	034710															
Center:	OC-ALC															
Commodity Group	OC ALC's Current Cap	OC ALC's Current Core	OC ALC's Avail Cap	OC ALC's Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	OC-ALC's Cap Elim'ntd (Consol)	OC-ALC's New Core Wkld	Indust Reeng'ng Benefit Factor	OC-ALC's Reeng'd Core Wkld	OC-ALC's New Reeng'd Cap	OC-ALC's Cap Elim'ntd (Total)	OC-ALC's New Excess Cap	OC ALC's Original MPC	OC ALC's New MPC
Aircraft:																
TTB	2279	2023	256			80%	0	0	2023	15%	1720	2023	256	303	2301	2301
Cmd & Ctrl	289	512	-223			80%	0	0	512	15%	435	512	-223	77	607	607
Components:																
Structures	*403*	*334*	*69*	*-334*	*403*	*10%*	*33*	*370*	*0*	15%	0	0	370	0	*434*	*434*
Hyd	*171*	*121*	*50*	*-121*	*171*	*50%*	*61*	*111*	*0*	15%	0	0	111	0	*544*	*544*
Pnu	*107*	*61*	*46*	*8*	*10*	*50%*	*4*	-	*69*	15%	59	69	38	10	*341*	*341*
Inst	*227*	*264*	*-37*	*-264*	*227*	*75%*	*198*	*29*	*0*	15%	0	0	29	0	*712*	*712*
Avionics	218	93	125			30%	0	0	93	15%	79	93	125	14	218	218
Other	594	131	463			25%	0	0	131	15%	111	131	463	20	817	817
Engines:																
Aircraft	2497	2307	190			25%	0	0	2307	15%	1961	2307	190	346	4912	4912
Bs & Vs	155	76	79			10%	0	0	76	15%	65	76	79	11	529	529
Software:																
Tactical	238	325	-87			50%	0	0	325	15%	276	325	-87	49	240	325
SE	*455*	*299*	*156*	*-57*	*86*	*50%*	*29*	*58*	*242*	15%	206	242	185	36	*455*	*455*
Spec Int Items:																
Bearings	10	15	-5			10%	0	0	15	15%	13	15	0	2	62	62
TMDE	3	0	3			20%	0	0	0	15%	0	0	3	0	4	4
Assoc Fab/Mfg:	*162*	*97*	*65*	*28*	*15*	*5%*	*1*	*14*	*125*	15%	106	125	37	19	*294*	*294*
TOTALS	7808	6658	1150	-740	912		326	580	5918		5030	5918	1575	888	12470	12555

AIR FORCE SUMMARY	AF Current Cap	AF Current Core	AF Avail Cap	AF Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	AF Cap Elim'ntd (Consol)	AF New Core Wkld	Indust Reeng'ng Benefit Factor	AF Reeng'd Core Wkld	AF New Reeng'd Cap	AF Cap Elim'ntd (Total)	AF New Excess Cap	AF Original MPC	AF New MPC
Grand Totals	39545	27010	12534	0	5634	Varies by CG	1324	3057	27010	15%	22959	27010	11928	4052	56693	57930
	034710															
Center:	OC-ALC															
Commodity Group	OC ALC's Current Cap	OC ALC's Current Core	OC ALC's Avail Cap	OC ALC's Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	OC-ALC's Cap Elim'ntd (Consol)	OC-ALC's New Core Wkld	Indust Reeng'ng Benefit Factor	OC-ALC's Reeng'd Core Wkld	OC-ALC's New Reeng'd Cap	OC-ALC's Cap Elim'ntd (Total)	OC-ALC's New Excess Cap	OC ALC's Original MPC	OC ALC's New MPC
Aircraft:																
TTB	2279	2023	256			80%	0	0	2023	15%	1720	2023	256	303	2301	2301
Cmd & Ctrl	289	512	-223			80%	0	0	512	15%	435	512	-223	77	607	607
Components:																
Structures	*403*	*334*	*69*	*-334*	*403*	*10%*	*33*	*370*	*0*	15%	0	0	370	0	*434*	*434*
Hyd	*171*	*121*	*50*	*-121*	*171*	*50%*	*61*	*111*	*0*	15%	0	0	111	0	*544*	*544*
Pnu	*107*	*61*	*46*	*8*	*10*	*50%*	*4*	-	*69*	15%	59	69	38	10	*341*	*341*
Inst	*227*	*264*	*-37*	*-264*	*227*	*75%*	*198*	*29*	*0*	15%	0	0	29	0	*712*	*712*
Avionics	218	93	125			30%	0	0	93	15%	79	93	125	14	218	218
Other	594	131	463			25%	0	0	131	15%	111	131	463	20	817	817
Engines:																
Aircraft	2497	2307	190			25%	0	0	2307	15%	1961	2307	190	346	4912	4912
Bs & Vs	155	76	79			10%	0	0	76	15%	65	76	79	11	529	529
Software:																
Tactical	238	325	-87			50%	0	0	325	15%	276	325	-87	49	240	325
SE	*455*	*299*	*156*	*-57*	*86*	*50%*	*29*	*58*	*242*	15%	206	242	185	36	*455*	*455*
Spec Int Items:																
Bearings	10	15	-5			10%	0	0	15	15%	13	15	0	2	62	62
TMDE	3	0	3			20%	0	0	0	15%	0	0	3	0	4	4
Assoc Fab/Mfg:	*162*	*97*	*65*	*28*	*15*	*5%*	*1*	*14*	*125*	15%	106	125	37	19	*294*	*294*
TOTALS	7808	6658	1150	-740	912		326	580	5918		5030	5918	1575	888	12470	12555

AIR FORCE SUMMARY																
Commodity Group	AF Current Cap	AF Current Core	AF Avail Cap	AF Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	AF Cap Elim'ntd (Consol)	AF New Core Wkld	Indust Reeng'ng Benefit Factor	AF Reeng'd Core Wkld	AF New Reeng'd Cap	AF Cap Elim'ntd (Total)	AF New Excess Cap	AF Original MPC	AF New MPC
Grand Totals	39160	27010	12149	0	5634	Varies by CG	1324	3057	27010	15%	26122	27010	11543	4052	56693	57930
Center:	**OC-ALC**															
Commodity Group	OC ALC's Current Cap	OC ALC's Current Core	OC ALC's Avail Cap	OC ALC's Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Cap Transfer Factor	Gaining Center's Gained Cap	OC-ALC's Cap Elim'ntd (Consol)	OC-ALC's New Core Wkld	Indust Reeng'ng Benefit Factor	OC-ALC's Reeng'd Core Wkld	OC-ALC's New Reeng'd Cap	OC-ALC's Cap Elim'ntd (Total)	OC-ALC's New Excess Cap	OC ALC's Original MPC	OC ALC's New MPC
Aircraft:																
TTB	2279	2023	256			80%	0	0	2023	15%	1720	2023	256	303	2301	2301
Cmd & Ctrl	289	512	-223			80%	0	0	512	15%	435	512	-223	77	607	607
Components:																
Structures	*403*	*334*	*69*	*-334*	*403*	*10%*	*33*	*370*	*0*	15%	0	0	370	0	*434*	*434*
Hyd	*171*	*121*	*50*	*-121*	*171*	*50%*	*61*	*111*	*0*	15%	0	0	111	0	*544*	*544*
Pnu	*107*	*61*	*46*	*8*	*10*	*50%*	*4*	-	*69*	15%	59	69	38	10	*341*	*341*
Inst	*227*	*264*	*-37*	*-264*	*227*	*75%*	*198*	*29*	*0*	15%	0	0	29	0	*712*	*712*
Avionics	218	93	125			30%	0	0	93	15%	79	93	125	14	218	218
Other	288	131	157			25%	0	0	131	15%	0	0	0	0		
Engines:											111	131	157	20	817	817
Aircraft	2497	2307	190			25%	0	0	2307	15%	1961	2307	190	346	4912	491
Bs & Vs	76	76	0			10%	0	0	76	15%	65	76	0	11	529	529
Software:																
Tactical	238	325	-87			50%	0	0	325	15%	276	325	-87	49	240	32
SE	*455*	*299*	*156*	*-57*	*86*	*50%*	*29*	*58*	*242*	15%	206	242	185	36	*455*	*45*
Spec Int Items:																
Bearings	10	15	-5			10%	0	0	15	15%	13	15	0	2	62	6
TMDE	3	0	3			20%	0	0	0	15%	0	0	3	0	4	
Assoc Fab/Mfg:	*162*	*97*	*65*	*28*	*15*	*5%*	*1*	*14*	*125*	15%	106	125	37	19	*294*	2
TOTALS	7423	6658	765	-740	912		326	580	5918		5030	5918	1190	888	12470	12

Center:	OO-ALC														
Commodity Group	OO ALC's Current Cap	OO ALC's Current Core	OO ALC's Avail Cap	OO ALC's Xfer'ng Wkld	Losing Center's Original Cap	Gaining Center's Gained Cap	OO-ALC's Cap Elim'ntd (Consol)	OO-ALC's New Core Wkld	Indust Reeng'ng Benefit Factor	OO-ALC's Reeng'd Core Wkld	OO-ALC's New Reeng'd Cap	OO-ALC's Cap Elim'ntd (Total)	OO-ALC's New Excess Cap	OO ALC's Original MPC	OO ALC's New MPC
Aircraft:															
TTB	469	543	-74			0	0	543	15%	462	543	-74	81	469	543
Lt Combat	1381	691	690			0	0	691	15%	587	691	690	104	1870	1870
Components:															
Structures	*311*	*241*	*70*	*863*	*881*	*86*	-	*1104*	15%	938	1104	-793	166	*311*	*1104*
Hyd	*41*	*13*	*28*	*-13*	*41*	*7*	*35*	*0*	15%	0	0	35	0	*41*	*41*
Inst	*192*	*124*	*68*	*-118*	*192*	*89*	*97*	*6*	15%	5	6	98	1	*192*	*192*
Lnd Gear	1028	488	540			*0*	0	488	15%	415	488	540	73	1028	1028
Av Ord	419	104	315			*0*	0	104	15%	88	104	315	16	419	419
Avionics	511	430	81			0	0	430	15%	366	430	81	65	811	811
APUs	89	29	60			*0*	0	29	15%	25	29	60	4	89	89
Other	493	180	313			*0*	0	180	15%	153	180	313	27	1103	1103
Engines:															
Aircraft	101	102	-1			*0*	0	102	15%	87	102	-1	15	101	102
Missiles:															
Strategic	746	674	72			0	0	674	15%	573	674	72	101	746	746
Tactical	569	181	388			0	0	181	15%	154	181	388	27	569	569
Gen Purpose:															
Other	103	120	-17			0	0	120	15%	102	120	-17	18	103	120
Software:															
Tactical	755	653	102			0	0	653	15%	555	653	102	98	755	755
SE	313	241	72			0	0	241	15%	205	241	72	36	313	313
Spec Int Items:															
Bearings	20	5	15			0	0	5	15%	4	5	15	1	20	20
Assoc Fab/Mfg:	*74*	*76*	*-2*	*-9*	*8*	*0*	*8*	*67*	15%	57	67	7	10	*63*	*67*
TOTALS	7615	4895	2720	723	1122	181	139	5618		4775	5618	1902	843	9003	9892

Center:	SA-ALC															
Commodity Group	SA ALC's Current Cap	SA ALC's Current Core	SA ALC's Avail Cap	SA ALC's Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Capacity Transfer Factor	Gaining Center's Gained Cap	SA-ALC's Cap Elim'ntd (Consol)	SA-ALC's New Core Wkld	Indust Reeng'ng Benefit Factor	SA-ALC's Reeng'd Core Wkld	SA-ALC's New Reeng'd Cap	SA-ALC's Cap Elim'ntd (Total)	SA-ALC's New Excess Cap	SA ALC's Original MPC	SA ALC's New MPC
Aircraft:																
TTB	1573	821	752			80%	0	0	821	15%	698	821	752	123	3251	3251
Admin / Trainers	105	0	105			80%	0	0	0	15%	0	0	105	0	795	795
Components:																
Structures	*90*	*19*	*71*	*-19*	*90*	*10%*	*2*	*88*	*0*	15%	0	0	88	0	*162*	162
Hyd	*1*	*1*	*0*	*-1*	*1*	*50%*	*1*	*1*	*0*	15%	0	0	1	0	*1*	1
Pnu	*3*	*3*	*0*	*-3*	*3*	*50%*	*2*	*2*	*0*	15%	0	0	2	0	*3*	3
Inst	*12*	*5*	*7*	*-5*	*12*	*75%*	*4*	*8*	*0*	15%	0	0	8	0	*24*	24
Lnd Gear	8	4	4			100%	*0*	0	4	15%	3	4	4	1	15	15
Avionics	*97*	*31*	*66*	*-31*	*97*	*30%*	*9*	*88*	*0*	15%	0	0	88	0	*142*	142
APUs	288	102	186			25%	0	0	102	15%	87	102	186	15	559	559
Other	288	93	195			25%	0	0	93	15%	79	93	195	14	443	443
Engines:																
Aircraft	5001	2626	2375			25%	0	0	2626	15%	2232	2626	2375	394	7318	7318
Missiles:																
Strategic	109	57	52			25%	0	0	57	15%	48	57	52	9	200	200
Gen Purpose:																
Munitions/Ord	3	2				25%	0	0	2	15%	2	2	1	0	6	6
Software:																
Tactical	20	14	6			50%	0	0	14	15%	12	14	6	2	26	26
SE	*207*	*155*	*52*	*9*	*150*	*50%*	*5*	*146*	*164*	15%	139	164	43	25	*241*	241
Spec Int Items:																
TMDE	685	410	275			20%	0	0	410	15%	349	410	275	62	978	978
Assoc Fab/Mfg:	*417*	*120*	*297*	*15*	*16*	*5%*	*1*	*15*	*135*	15%	115	135	282	20	*1058*	1058
TOTALS	8907	4463	4443	-35	369	7	22	347	4428		3764	4428	4462	664	15222	15222

Center:	SM-ALC															
Commodity Group	SM ALC's Current Cap	SM ALC's Current Core	SM ALC's Avail Cap	SM ALC's Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Capacity Transfer Factor	Gaining Center's Gained Cap	SM-ALC's Cap Elim'ntd (Consol)	SM-ALC's New Core Wkld	Indust Reeng'ng Benefit Factor	SM-ALC's Reeng'd Core Wkld	SM-ALC's New Reeng'd Cap	SM-ALC's Cap Elim'ntd (Total)	SM-ALC's New Excess Cap	SA ALC's Original MPC	SA ALC's New MPC
Aircraft:																
TTB	819	441	378			80%	0	0	441	15%	375	441	378	66	983	983
Lt Combat	1460	907	553			80%	0	0	907	15%	771	907	553	136	1520	1520
Components:																
Structures	*229*	*157*	*72*	*-157*	*229*	*10%*	*16*	*213*	*0*	15%	0	0	213	0	*525*	*525*
Hyd	*485*	*352*	*133*	*135*	*213*	*50%*	*68*	-	*487*	15%	414	487	-2	73	*805*	*805*
Pnu	*6*	*5*	*1*	*-5*	*6*	*50%*	*3*	*4*	*0*	15%	0	0	4	0	*11*	*11*
Inst	*281*	*193*	*88*	*429*	*390*	*75%*	*322*	-	*622*	15%	529	622	-341	93	*542*	*622*
Avionics	*457*	*334*	*123*	*-334*	*457*	*30%*	*0*	*457*	*0*	15%	0	0	457	0	*870*	*870*
Comm Elect:																
Radar	702	430	272			10%	0	0	430	15%	366	430	272	65	1235	1235
Radio	340	177	163			10%	0	0	177	15%	150	177	163	27	734	734
Wire	214	118	96			10%	0	0	118	15%	100	118	96	18	233	233
Nav Aids	279	165	114			10%	0	0	165	15%	140	165	114	25	501	501
EO/NV	180	109	71			10%	0	0	109	15%	93	109	71	16	215	215
Satellite Cont	173	32	141			10%	0	0	32	15%	27	32	141	5	186	186
Gen Purpose:																
Ground Gens	101	62	39			15%	0	0	62	15%	53	62	39	9	113	113
Other	61	0	61			10%	0	0	0	15%	0	0	61	0	61	61
Software:																
Tactical	401	211	190			50%	0	0	211	15%	179	211	190	32	452	452
SE	*328*	*184*	*144*	*-184*	*328*	*50%*	*92*	*236*	*0*	15%	0	0	236	0	*358*	*358*
Assoc Fab/Mfg:	*513*	*354*	*159*	*21*	*46*	*5%*	*1*	45	*375*	15%	319	375	138	56	*741*	*741*
TOTALS	7029	4231	2798	-95	1669		501	1169	4136		3516	4136	2783	620	10085	10165

Center:	WR-ALC															
Commodity Group	WR ALC's Current Cap	WR ALC's Current Core	WR ALC's Avail Cap	WR ALC's Xfer'ng Wkld	Losing Center's Original Cap	Com'dty Gp Capacity Transfer Factor	Gaining Center's Gained Cap	WR-ALC's Cap Elim'ntd (Consol)	WR-ALC's New Core Wkld	Indust Reeng'ng Benefit Factor	WR-ALC's Reeng'd Core Wkld	WR-ALC's New Reeng'd Cap	WR-ALC's Cap Elim'ntd (Total)	WR-ALC's New Excess Cap	WR ALC's Original MPC	WR ALC's New MPC
Aircraft:																
TTB	2104	1349	755			80%	0	0	1349	15%	1147	1349	755	202	2104	2104
Lt Combat	1084	1267	-183			80%	0	0	1267	15%	1077	1267	-183	190	1084	1267
Components:																
Structures	*656*	*477*	*179*	*-353*	*485*	*10%*	*35*	*450*	*124*	15%	105	124	497	19	*801*	*801*
Hyd	*0*	*0*	*0*			*50%*	*0*	*0*	*0*	15%	0	0	0	0	*0*	*0*
Inst	*412*	*299*	*113*	*-42*	*99*	*75%*	*32*	*68*	*257*	15%	218	257	124	39	*503*	*503*
Lnd Gear	1	1	0			5%	0	0	1	15%	1	1	0	0	2	2
Av Ord	1	1	0			10%	0	0	1	15%	1	1	0	0	1	1
Avionics	*1763*	*1280*	*483*	*365*	*554*	*30%*	*110*	*-*	*1645*	15%	1398	1645	118	247	*2153*	*2153*
Other	388	280	108			25%	0	0	280	15%	238	280	108	42	463	463
Missiles:																
Tactical	18	13	5			15%	0	0	13	15%	11	13	5	2	22	22
Comm Elect:																
Radar	2	1	1			10%	0	0	1	15%	1	1	1	0	2	2
Software:																
Tactical	795	888	-93			50%	0	0	888	15%	755	888	-93	133	1358	1358
SE	*530*	*592*	*-62*	*232*	*392*	*50%*	*116*	*276*	*824*	15%	700	824	-294	124	*906*	*906*
Assoc Fab/Mfg:	*432*	*315*	*117*	*-55*	*32*	*5%*	*3*	*29*	*260*	15%	221	260	169	39	*514*	*514*
TOTALS	8186	6763	1423	147	1562		295	822	6910		5874	6910	1206	1037	9913	1009

NADEP - CHERRY POINT

		OLD	NEW
1A	MPC	597771	597771
	Cap	466412	466412
	Core	196442	196442
	PGM W/L	436630	436630
	Excess	269970	269970
1B	MPC	26279	26279
	Cap	20534	20534
	Core	19112	19112
	PGM W/L	19112	19112
	Excess	1422	1422
1C3	MPC	734056	734056
	Cap	599892	599892
	Core	364560	364560
	PGM W/L	550542	550542
	Excess	235332	235332
1D	MPC	349355	349355
	Cap	246934	246934
	Core	131744	131744
	PGM W/L	229838	229838
	Excess	115190	115190
2A	MPC	364263	364263
	Cap	108932	108932
	Core	90882	90882
	PGM W/L	98488	98488
	Excess	18050	18050
2B	MPC	32664	32664
	Cap	27617	27617
	Core	27519	27519
	PGM W/L	27519	27519
	Excess	98	98
2C	MPC	175634	175634
	Cap	44493	44493
	Core	38565	38565
	PGM W/L	39495	39495
	Excess	5928	5928
2D	MPC	65328	65328
	Cap	12162	12162
	Core	10848	10848
	PGM W/L	11320	11320
	Excess	1314	1314
2E	MPC	39318	39318
	Cap	9474	9474
	Core	8572	8572
	PGM W/L	8818	8818
	Excess	902	902
2F	MPC	10311	10311
	Cap	2688	2688
	Core	249	249
	PGM W/L	2502	2502
	Excess	2439	2439

		OLD	NEW
2G	MPC	28072	28072
	Cap	8811	8811
	Core	6148	6148
	PGM W/L	8201	8201
	Excess	2663	2663
2H	MPC	264342	264342
	Cap	128877	128877
	Core	72474	72474
	PGM W/L	122703	122703
	Excess	56403	56403
2I	MPC	405928	405928
	Cap	405042	405042
	Core	218208	218208
	PGM W/L	389214	389214
	Excess	186834	186834
3A	MPC	862840	862840
	Cap	358322	358322
	Core	261412	261412
	PGM W/L	334039	334039
	Excess	96910	96910
3D	MPC	135014	135014
	Cap	31479	31479
	Core	29300	29300
	PGM W/L	29300	29300
	Excess	2179	2179
13C	MPC	139079	139079
	Cap	92075	92075
	Core	81700	81700
	PGM W/L	85700	85700
	Excess	10375	10375
14	MPC	121439	121439
	Cap	121439	121439
	Core	104955	104955
	PGM W/L	121439	121439
	Excess	16484	16484
15	MPC	291460	291460
	Cap	49422	49422
	Core	45400	45400
	PGM W/L	46000	46000
	Excess	4022	4022
16A	MPC	1086906	1086906
	Cap	887700	887700
	Core	503244	503244
	PGM W/L	826243	826243
	Excess	384456	384456
16C	MPC	5084	5084
	Cap	4801	4801
	Core	0	0
	PGM W/L	4470	4470
	Excess	4801	4801

	OLD	NEW
MPC	5735143	5735143
Cap	3627106	3627106
Core	2211334	2211334
PGM W/L	3391573	3391573
Excess	1415772	1415772

NADEP - JACKSONVILLE

		OLD	DC NEW	LKHRST
1C3	MPC	986437	709591	709591
	Cap	660918	660918	660918
	Core	356644	356644	356644
	PGM W/L	654918	654918	654918
	Excess	304274	304274	304274
1D	MPC	1156739	1097633	1097633
	Cap	1013674	1068324	1068324
	Core	465486	465486	781863
	PGM W/L	994574	1063324	1379701
	Excess	548188	602838	286461
2B	MPC	320983	256545	256545
	Cap	53283	53283	53283
	Core	51929	51929	51929
	PGM W/L	51929	51929	51929
	Excess	1354	1354	1354
2C	MPC	29137	29137	29137
	Cap	27283	27283	27283
	Core	20196	20198	20198
	PGM W/L	23966	23966	23966
	Excess	7087	7085	7085
2D	MPC	8302	8302	8302
	Cap	8302	8302	8302
	Core	5875	5675	5675
	PGM W/L	8302	8302	8302
	Excess	2427	2627	2627
2E	MPC	35719	17232	17232
	Cap	35719	35719	35719
	Core	36549	35549	35549
	PGM W/L	35719	35719	35719
	Excess	-830	170	170
2F	MPC	79091	79091	79091
	Cap	24029	24029	24029
	Core	21438	21438	21438
	PGM W/L	22554	22554	22554
	Excess	2591	2591	2591
2G	MPC	476622	437547	437547
	Cap	105055	105055	105055
	Core	95782	95782	95782
	PGM W/L	98583	98583	98583
	Excess	9273	9273	9273

		OLD	DC NEW	LKHRST
2I	MPC	239108	239108	239108
	Cap	136101	136101	136101
	Core	97473	97473	97473
	PGM W/L	126719	126719	126719
	Excess	38628	38628	38628
3A	MPC	1073873	1076871	1076871
	Cap	428006	444432	444432
	Core	370628	400628	400628
	PGM W/L	414392	444432	444432
	Excess	57378	43804	43804
13C	MPC	104680	92133	92133
	Cap	104680	104680	104680
	Core	87730	87730	87730
	PGM W/L	104680	104680	104680
	Excess	16950	16950	16950
14	MPC	294336	243536	243536
	Cap	254554	254554	254554
	Core	136140	136140	136140
	PGM W/L	238404	238404	238404
	Excess	118414	118414	118414
15	MPC	557692	557692	557692
	Cap	557692	557692	557692
	Core	483964	483964	483964
	PGM W/L	536595	536595	536595
	Excess	73728	73728	73728
16A	MPC	1648000	1698800	1698800
	Cap	1648000	1648000	1648000
	Core	733359	733359	733359
	PGM W/L	1498453	1498453	1498453
	Excess	914641	914641	914641
16B	MPC	134649	122700	122700
	Cap	134649	134649	134649
	Core	122700	170700	170700
	PGM W/L	122700	170700	170700
	Excess	11949	-36051	-36051
16C	MPC	12601	22549	22549
	Cap	12601	12601	12601
	Core	7865	7855	7855
	PGM W/L	12602	12602	12602
	Excess	4736	4746	4746

		OLD	DC NEW	LKHRST
TOTALS	MPC	7157969	6688467	6688467
	Cap	5204546	5275622	5275622
	Core	3093758	3170550	3486927
	PGM W/L	4945090	5091880	5408257
	Excess	2110788	2105072	1788695

NADEP - NORTH ISLAND

		OLD	NEW
1C3	MPC	1066237	1066237
	Cap	745430	745430
	Core	424219	424219
	PGM W/L	676264	676264
	Excess	321211	321211
1C4	MPC	107640	107640
	Cap	73695	73695
	Core	0	0
	PGM W/L	65585	65585
	Excess	73695	73695
1D	MPC	1312000	1312000
	Cap	871266	871266
	Core	482370	482370
	PGM W/L	868480	868480
	Excess	388896	388896
2A	MPC	124488	124488
	Cap	36841	36841
	Core	31550	31550
	PGM W/L	34379	34379
	Excess	5291	5291
2B	MPC	243048	243048
	Cap	40874	40874
	Core	36729	36729
	PGM W/L	40362	40362
	Excess	4145	4145
2C	MPC	183768	183768
	Cap	27648	27648
	Core	23738	23738
	PGM W/L	25555	25555
	Excess	3910	3910
2D	MPC	529568	529568
	Cap	99399	99399
	Core	88510	88510
	PGM W/L	98532	98532
	Excess	10889	10889
2E	MPC	63232	63232
	Cap	27391	27391
	Core	25253	25253
	PGM W/L	25523	25523
	Excess	2138	2138
2F	MPC	27664	27664
	Cap	3627	3627
	Core	2770	2770
	PGM W/L	3401	3401
	Excess	857	857
2G	MPC	563160	563160
	Cap	161572	161572
	Core	157269	157269
	PGM W/L	159524	159524
	Excess	4303	4303

		OLD	NEW
2I	MPC	262896	262896
	Cap	158921	158921
	Core	138914	138914
	PGM W/L	150466	150466
	Excess	20007	20007
3B	MPC	130805	130805
	Cap	103583	103583
	Core	98390	98390
	PGM W/L	102252	102252
	Excess	5193	5193
13A	MPC	65208	65208
	Cap	26466	26466
	Core	26448	26448
	PGM W/L	26448	26448
	Excess	18	18
13B	MPC	148200	148200
	Cap	40654	40654
	Core	40000	40000
	PGM W/L	40000	40000
	Excess	654	654
13C	MPC	286520	286520
	Cap	121144	121144
	Core	96020	96020
	PGM W/L	121020	121020
	Excess	25124	25124
14	MPC	497500	497500
	Cap	365254	365254
	Core	308262	308262
	PGM W/L	366825	366825
	Excess	56992	56992
15	MPC	537432	537432
	Cap	501001	501001
	Core	495500	495500
	PGM W/L	497500	497500
	Excess	5501	5501
16A	MPC	1318000	1318000
	Cap	1114910	1114910
	Core	588019	941704
	PGM W/L	1114934	1468619
	Excess	526891	173206
16B	MPC	106704	106704
	Cap	99121	99121
	Core	98000	98000
	PGM W/L	98000	98000
	Excess	1121	1121
16C	MPC	198267	198267
	Cap	198267	198267
	Core	170813	170813
	PGM W/L	198267	198267
	Excess	27454	27454

	OLD	NEW
MPC	7772337	7772337
Cap	4817064	4817064
Core	3332774	3686459
PGM W/L	4713317	5067002
Excess	1484290	1130605

MCLB - ALBANY

		OLD	NEW
5A	MPC	150100	150100
	Cap	130900	130900
	Core	114300	114300
	PGM W/L	298100	298100
	Excess	16600	16600
5B	MPC	29000	29000
	Cap	13900	13900
	Core	12100	12100
	PGM W/L	31500	31500
	Excess	1800	1800
6B	MPC	50100	50100
	Cap	42700	42700
	Core	37300	37300
	PGM W/L	37600	37600
	Excess	5400	5400
6D	MPC	29400	29400
	Cap	14100	14100
	Core	12300	12300
	PGM W/L	20100	20100
	Excess	1800	1800
7A	MPC	37700	37700
	Cap	34000	34000
	Core	29700	29700
	PGM W/L	23000	23000
	Excess	4300	4300
7B	MPC	155000	155000
	Cap	125100	125100
	Core	109200	109200
	PGM W/L	101600	101600
	Excess	15900	15900
7C	MPC	17000	17000
	Cap	10400	10400
	Core	9100	9100
	PGM W/L	11900	11900
	Excess	1300	1300
7F	MPC	800	800
	Cap	0	0
	Core	0	0
	PGM W/L	1400	1400
	Excess	0	0
10A	MPC	0	0
	Cap	0	0
	Core	0	0
	PGM W/L	59500	59500
	Excess	0	0

		OLD	NEW
8	MPC	202600	202600
	Cap	177200	177200
	Core	154700	154700
	PGM W/L	54700	54700
	Excess	22500	22500
9A	MPC	496000	496000
	Cap	368800	368800
	Core	322000	322000
	PGM W/L	666200	666200
	Excess	46800	46800
9B	MPC	18100	18100
	Cap	13600	13600
	Core	11900	11900
	PGM W/L	12500	12500
	Excess	1700	1700
10B	MPC	408300	408300
	Cap	282800	282800
	Core	246900	246900
	PGM W/L	164000	164000
	Excess	35900	35900
10C	MPC	300	300
	Cap	0	0
	Core	0	0
	PGM W/L	300	300
	Excess	0	0
10D	MPC	5500	5500
	Cap	0	0
	Core	0	0
	PGM W/L	4900	4900
	Excess	0	0
10E	MPC	3600	3600
	Cap	0	0
	Core	1300	1300
	PGM W/L	2300	2300
	Excess	-1300	-1300
12A	MPC	2100	2100
	Cap	0	0
	Core	0	0
	PGM W/L	6200	6200
	Excess	0	0
13C	MPC	113600	113600
	Cap	0	0
	Core	0	0
	PGM W/L	101700	101700
	Excess	0	0
14	MPC	97400	97400
	Cap	1600	1600
	Core	0	0
	PGM W/L	87200	87200
	Excess	1600	1600

	OLD	NEW
MPC	1816600	1816600
Cap	1215100	1215100
Core	1060800	1060800
PGM W/L	1684700	1684700
Excess	154300	154300

MCLB - BARSTOW

		OLD	NEW
4B	MPC	78700	78700
	Cap	14400	14400
	Core	0	0
	PGM W/L	39100	39100
	Excess	14400	14400
5A	MPC	302700	302700
	Cap	189000	189000
	Core	140800	140800
	PGM W/L	367100	367100
	Excess	48200	48200
5B	MPC	8600	8600
	Cap	5000	5000
	Core	3800	3800
	PGM W/L	26700	26700
	Excess	1200	1200
6B	MPC	22200	22200
	Cap	19000	19000
	Core	16800	16800
	PGM W/L	27200	27200
	Excess	2200	2200
6C	MPC	101900	101900
	Cap	88700	88700
	Core	74700	74700
	PGM W/L	15800	15800
	Excess	14000	14000
6D	MPC	2400	2400
	Cap	2000	2000
	Core	1800	1800
	PGM W/L	14900	14900
	Excess	200	200
7A	MPC	49600	49600
	Cap	47100	47100
	Core	41400	41400
	PGM W/L	34700	34700
	Excess	5700	5700
7B	MPC	76800	76800
	Cap	70800	70800
	Core	63300	63300
	PGM W/L	74300	74300
	Excess	7500	7500
7C	MPC	100	100
	Cap	100	100
	Core	100	100
	PGM W/L	36500	36500
	Excess	0	0
10A	MPC	0	0
	Cap	0	0
	Core	0	0
	PGM W/L	11300	11300
	Excess	0	0

		OLD	NEW
7F	MPC	92300	92300
	Cap	86500	86500
	Core	76200	76200
	PGM W/L	8200	8200
	Excess	10300	10300
8	MPC	217200	217200
	Cap	153200	153200
	Core	109300	109300
	PGM W/L	32800	32800
	Excess	43900	43900
9A	MPC	507900	507900
	Cap	332700	332700
	Core	297000	297000
	PGM W/L	656200	656200
	Excess	35700	35700
9B	MPC	5100	5100
	Cap	2700	2700
	Core	2400	2400
	PGM W/L	4800	4800
	Excess	300	300
10B	MPC	3400	3400
	Cap	2900	2900
	Core	2500	2500
	PGM W/L	600	600
	Excess	400	400
10C	MPC	300	300
	Cap	200	200
	Core	0	0
	PGM W/L	200	200
	Excess	200	200
10D	MPC	12000	12000
	Cap	1700	1700
	Core	0	0
	PGM W/L	2900	2900
	Excess	1700	1700
10E	MPC	25700	25700
	Cap	5900	5900
	Core	0	0
	PGM W/L	6400	6400
	Excess	5900	5900
11A	MPC	6800	6800
	Cap	5400	5400
	Core	5000	5000
	PGM W/L	5600	5600
	Excess	400	400
14	MPC	5100	5100
	Cap	4900	4900
	Core	900	900
	PGM W/L	11500	11500
	Excess	4000	4000

	OLD	NEW
MPC	1518800	1518800
Cap	1032200	1032200
Core	836000	836000
PGM W/L	1376800	1376800
Excess	196200	196200

NSY - NORFOLK

		OLD	NEW
7A	MPC	8032	8032
	Cap	5825	5825
	Core	7340	7340
	PGM W/L	8032	8032
	Excess	-1515	-1515
11A	MPC	12776603	12776603
	Cap	9336201	9336201
	Core	6293532	6322802
	PGM W/L	7402567	7926567
	Excess	3042669	3013599
11B	MPC	275397	275397
	Cap	201240	201240
	Core	135656	137494
	PGM W/L	159561	179487
	Excess	65584	336254
11C	MPC	931712	931712
	Cap	673320	673320
	Core	851873	851873
	PGM W/L	931712	931712
	Excess	-178553	-178553
11D	MPC	508024	508024
	Cap	348309	348309
	Core	493600	493600
	PGM W/L	508024	508024
	Excess	-145291	-145291
11E	MPC	1351384	1351384
	Cap	977945	977945
	Core	1234000	1234000
	PGM W/L	1351384	1351384
	Excess	-256055	-256055

		OLD	NEW
TOTALS	MPC	15851152	15851152
	Cap	11542840	11542840
	Core	9016001	9646909
	PGM W/L	10361280	11318206
	Excess	2526839	1895931

NSY - PEARL HARBOR

		OLD	NEW
7A	MPC	18722	18722
	Cap	12897	12897
	Core	7486	7486
	PGM W/L	11495	11495
	Excess	5411	5411
7B	MPC	26217	26217
	Cap	18061	18061
	Core	10483	10483
	PGM W/L	16097	16097
	Excess	7578	7578
7D	MPC	851206	851206
	Cap	586391	586391
	Core	340376	340376
	PGM W/L	522641	522641
	Excess	246015	246015
7E	MPC	42345	42345
	Cap	29171	29171
	Core	16933	16933
	PGM W/L	26000	26000
	Excess	12238	12238
11A	MPC	6606930	6606930
	Cap	4000361	4000361
	Core	2322044	2322044
	PGM W/L	3565455	4164769
	Excess	1678317	1678317

		OLD	NEW
11B	MPC	323096	323096
	Cap	222579	222579
	Core	129196	129196
	PGM W/L	198431	198431
	Excess	93383	93383
11C	MPC	268726	268726
	Cap	185124	185124
	Core	107457	107457
	PGM W/L	164998	164998
	Excess	77667	77667
11D	MPC	478464	478464
	Cap	329611	329611
	Core	191328	191328
	PGM W/L	293777	293777
	Excess	138283	138283
13C	MPC	137641	137641
	Cap	94820	94820
	Core	55039	55039
	PGM W/L	84511	84511
	Excess	39781	39781
15	MPC	78653	78653
	Cap	54184	54184
	Core	31451	31451
	PGM W/L	48293	48293
	Excess	22733	22733

		OLD	NEW
TOTALS	MPC	8832000	8832000
	Cap	5533199	5533199
	Core	3211793	3211793
	PGM W/L	4931698	5531012
	Excess	2321406	2321406

		OLD	NEW
7E	MPC	104000	104000
	Cap	79032	79032
	Core	66979	66979
	PGM W/L	75000	75000
	Excess	12053	12053
7F	MPC	48000	48000
	Cap	35692	35692
	Core	34716	34716
	PGM W/L	36800	36800
	Excess	976	976
11A	MPC	7650816	7650816
	Cap	6122497	6122497
	Core	2978930	2978930
	PGM W/L	3050024	3050024
	Excess	3143567	3143567
11C	MPC	59800	59800
	Cap	38055	38055
	Core	9083	9083
	PGM W/L	5976	5976
	Excess	28972	28972
11D	MPC	96600	96600
	Cap	76960	76960
	Core	86020	86020
	PGM W/L	91184	91184
	Excess	-9060	-9060
11E	MPC	36640	36640
	Cap	29191	29191
	Core	19928	19928
	PGM W/L	20080	20080
	Excess	9263	9263

	OLD	NEW
MPC	7995856	7995856
Cap	6381427	6381427
Core	3195656	3195656
PGM W/L	3279064	3279064
Excess	3185771	3185771

NSY - PUGET SOUND

		OLD	NEW
7B	MPC	11396	11396
	Cap	10276	10276
	Core	9008	9561
	PGM W/L	11500	12053
	Excess	1268	715
7E	MPC	45586	45586
	Cap	41106	41106
	Core	36034	38246
	PGM W/L	46000	48212
	Excess	5072	2860
7F	MPC	56982	56982
	Cap	51383	51383
	Core	45042	47806
	PGM W/L	57500	60264
	Excess	6341	3577
11A	MPC	11814076	11814076
	Cap	10439851	10439851
	Core	8214896	8904801
	PGM W/L	10580264	11270169
	Excess	2224955	1535050
11C	MPC	590000	590000
	Cap	532023	532023
	Core	459865	488089
	PGM W/L	567300	595524
	Excess	72158	43934

		OLD	NEW
11D	MPC	570000	570000
	Cap	513988	513988
	Core	447964	475457
	PGM W/L	547600	575093
	Excess	66024	38531
11E	MPC	1200000	1200000
	Cap	1082080	1082080
	Core	991756	1052624
	PGM W/L	1200000	1260868
	Excess	90324	29456
13C	MPC	58000	58000
	Cap	52301	52301
	Core	45455	48245
	PGM W/L	55000	57790
	Excess	6846	4056
15	MPC	573400	573400
	Cap	517054	517054
	Core	448604	476137
	PGM W/L	555100	582633
	Excess	68450	40917

		OLD	NEW
TOTALS	MPC	14919440	14919440
	Cap	13240062	13240062
	Core	10698624	11540965
	PGM W/L	13620264	14462605
	Excess	2541438	1699097

NSWC - CRANE

		OLD	NEW
2G	MPC	426987	426987
	Cap	282302	282302
	Core	222968	222968
	PGM W/L	247988	904388
	Excess	59334	59334
4A	MPC	29343	29343
	Cap	22193	22193
	Core	0	0
	PGM W/L	0	0
	Excess	22193	22193
4B	MPC	76000	76000
	Cap	37800	37800
	Core	37800	37800
	PGM W/L	37800	37800
	Excess	0	0
7E	MPC	71214	71214
	Cap	29327	29327
	Core	843	843
	PGM W/L	6436	6436
	Excess	28484	28484

		OLD	NEW
7F	MPC	637000	637000
	Cap	156000	156000
	Core	107800	107800
	PGM W/L	144000	144000
	Excess	48200	48200
11A	MPC	31392	31392
	Cap	16998	16998
	Core	5515	5515
	PGM W/L	9800	9800
	Excess	11483	11483
11B	MPC	1168261	1168261
	Cap	423948	423948
	Core	300234	928536
	PGM W/L	389063	954068
	Excess	123714	502588
14	MPC	10774	10774
	Cap	4988	4988
	Core	0	0
	PGM W/L	4200	4200
	Excess	4988	4988

		OLD	NEW
TOTALS	MPC	2450971	2450971
	Cap	973556	973556
	Core	675160	1301562
	PGM W/L	839287	1560692
	Excess	298396	328006

		OLD	NEW
11B	MPC	1141096	1141096
	Cap	1009820	[redacted]
	Core	733969	[redacted]
	PGM W/L	874396	[redacted]
	Excess	275851	275851

	OLD	NEW
MPC	1141096	1141096
Cap	1009820	[redacted]
Core	733969	[redacted]
PGM W/L	874396	[redacted]
Excess	275851	275851

Department of the Navy
Base Structure Analysis Team

Tom Godfrey

917 7593

BSAT

Facsimile Transmission
Cover Sheet

Date: 3 March 1995 # Pages (incl cover): 5

From: **LTCOL Matt Bush**
INDUSTRIAL BASE TEAM
Office: (703) 681-0454 / 0452
Fax: (703) 756-2174

To: Name: Mr. Jay Berry
Orgnz: OSD
Office:
Fax: 693-7037

Message: Hi guys,

I checked with the captain regarding the Long Beach to Puget Sound transfer of workload. In re to the 7 workload, that will be a straight transfer into PS. Disregard the numbers in the PS column. I know that some commodity workload doesn't exactly match from the LB to PS move, i.e., 7a,d,g. or that it exceeds the capacity reported by PS. This is explained in that PS did the same type work but it was performed on the ship vice the backshop. Thus it was reported in 11a or b vice 7a. Even though PS doesn't report the capacity to do some of this work, they in fact do perform the work. It simply wasn't reported in the same manner as LB. The other point is that, if required, the equipment, personnel and functions required to do that work would also transfer to PS.

Second area is commodity 13. This is also a straight transfer. The 6715 DLHs in 13a would go to NADEP NI, 1819 would go to PS in 13c.

The 11 workload is somewhat complex but here goes, we took approximately 500,000 out from the LB 11a W/L and applied it to PS. This was based on a percentage we used of the W/L being transferred. The other workload into PS came from Keyport.

Next, I took the total of 11c and 11e W/L and subtracted it from the total LB W/L. The 11 c and e W/L was a number derived again from a percentage of work coming from LB into PS and based on PS commodity breakout.

Finally, I subtracted the 27,000 or so from the 430,000 in 11d. The remainder is what is going to the commercial sector.

The 11 workload is explained like this:

11a	from LB -	2,426,409	
	to PS -	504,160	+ 185,745 (KP) = 689,905
11b		174,379	263,471 - 89,092 (11c+11e)
11d		403,599	431,092 - 27493
		1,344,271	To commercial sector

OK, lastly, I've attached 3 pages of the changes to the NADEP JX data call that explains the 30,000 in 3a and 48,000 in 16b. That should zero you out in those two categories. The remaining plus ups come from outside the depot maintenance arena, i.e., Lakehurst, NISE E (Norfolk).

Call me if you have any questions V/R Matt Bush

ORIGINAL

AMENDMENT FIFTEEN

112 Cap.D.C.

INSERT THE ATTACHED PAGES INTO

DATA CALL # 8

NADEP JACKSONVILLE

ACTIVITY SECTION
&
JSCG SECTION

15 JANUARY 1995

WC

ACTIVITY UIC: N65886
JACKSONVILLE

13. Core Workloads

13.1 What are your total Core Workloads to be applied against capabilities identified in Tables 12.1a and 12.2a)? Provide your answer (DLH) in Table 13.1.a by commodity group for the Fiscal Year requested.

Table 13.1a Total Core Workloads **R**

Service Type	Capability (DLHs)			
	FY 1996	FY 1997	FY 1998	FY 1999
1. AIRCRAFT AIRFRAMES:				
a. ROTARY	0	0	0	0
b. VSTOL	0	0	0	0
c. FIXED WING				
(1) Transport/Tanker/Bomber	0	0	0	0
(2) Command and Control	0	0	0	0
(3) Light Combat	410,448	395,509	401,461	356,644
(4) Admin/Training	0	0	0	0
d. OTHER (SUB-TOTAL)*	352,844	487,269	423,731	465,486
(1) P-3 (All TMS) *	118,380	118,380	118,380	118,380
(2) Aircraft/Airframe Other*	234,464	368,889	305,351	347,106
2. AIRCRAFT COMPONENTS:				
a. DYNAMIC COMPONENTS	0	0	0	0
b. AIRCRAFT STRUCTURES	55,930	73,859	36,296	51,929
c. HYDRAULIC/PNEUMATIC	32,534	30,478	15,597	20,198
d. INSTRUMENTS	16,744	7,362	6,503	5,675
e. LANDING GEAR	24,401	38,781	44,384	35,549
f. AVIATION ORDNANCE	37,300	24,720	10,658	21,438
g. AVIONICS/ELECTRONICS	105,375	113,289	134,019	95,782
h. APUs	0	0	0	0
i. OTHER	70,179	93,014	88,744	97,473

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ACTIVITY UIC: N65886
JACKSONVILLE

Service Type	Capability (DLHs)				
	FY 1996	FY 1997	FY 1998	FY 1999	
3. ENGINES (GAS TURBINE)					
a. AIRCRAFT (R)	413,420	419,124	418,894	400,628	R
b. SHIP	0	0	0	0	
c. TANK	0	0	0	0	
d. BLADE/VANES (Type 2)	0	0	0	0	
13. SPECIAL INTEREST ITEMS					
a. Bearings & Refurbishment	0	0	0	0	
b. Calibration (Type I)	0	0	0	0	
c. TMDE	101,520	68,831	75,870	87,730	
14. OTHER	87,756	111,791	135,696	136,140	
15. MANUFACTURING	446,275	459,064	483,605	483,964	
16. FLEET SUPPORT					
a. Product Support (Engineering)	330,303	610,281	673,443	733,359	
b. Voyage Repair (R)	146,700	170,700	170,700	170,700	R
c. Customer Service	7,743	7,291	7,828	7,855	
d. BRAC Transition	0	0	0	0	
Total:	R 2,639,472	R 3,111,363	R 3,127,429	R 3,170,550	

* P-3, Aircraft/Airframe Other equal OTHER (SUB-TOTAL).

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TOBYHANNY ARMY DEPOT
JCSG-DM 1

CMDTY	CORE	ABOVE CORE	TOTAL PRGD WKLD	CTC	MPC	JCSG-DM DLH	REALIGNS	ARMY POSITION DLH	REALIGNS TO
2G	271,000	210,000	481,000	390,000	774,000	-271,000	TO NADEP NI	481,000	TOAD
4B	59,000	0	59,000	93,000	129,000	-59,000	TO ANAD	59,000	TOAD
7A	79,000	97,000	176,000	110,000	186,000	-79,000	TO ALC SM	430,410	TOAD
7B	667,000	0	667,000	1,036,000	1,757,000	172,500	FROM MCLB-A/B	177,156	
7C	118,000	0	118,000	311,000	527,000			118,283	
7D	371,000	202,000	573,000	591,000	1,003,000			573,000	
7E	8,000	9,000	17,000	19,000	33,000	-8,000	TO ALC SM	164,844	TOAD
7F		4,000	4,000	5,000	8,000			4,000	
7G		139,000	139,000	242,000	410,000			32,271	
								370	
7H	168,000	0	168,000	337,000	338,000			168,000	
10E		379,000	379,000	320,000	444,000			379,000	
12A	8,000	0	8,000	10,000	16,000			8,000	
13C	43,000	18,000	61,000	168,000	284,000	241,000	FROM ALC SA	241,000	
14		331,000	331,000	127,000	216,000			331,000	
15	512,000	39,000	551,000	874,000	1,481,000			551,000	
TOTAL	2,304,000	1,428,000	3,732,000	4,633,000	7,606,000	-3,500		3,718,334	

TOBYHANNA ARMY DEPOT
JCSG-DM 2

CMDTY	CORE	ABOVE CORE	TOTAL PRGD	CTC	MPC	JCSG-DM	REALIGNS	ARMY POSITION	REALIGNS TO
			WKLD			DLH		DLH	
2G	271,000	210,000	481,000	390,000	774,000	-271,000	TO NADEP NI	481,000	TOAD
4B	59,000	0	59,000	93,000	129,000	-59,000	TO ANAD	59,000	TOAD
7A	79,000	97,000	176,000	110,000	186,000	430,410	FRCM ALC SM	430,410	
						1,125	FROM ALC WR	1,125	
7B	667,000	0	667,000	1,036,000	1,757,000	177,156	FROM ALC SM	177,156	
						31	FROM ALC WR	31	
						172,500	FROM MCLB-A/B	172,500	
						9,989	FROM NSY LB	9,989	
						10,483	FROM NSY PH	10,483	
						9,008	FROM NSY PS	9,008	
7C	118,000	0	118,000	311,000	527,000	118,283	FROM ALC SM	118,283	
						46	FROM ALC SM	46	
7D	371,000	202,000	573,000	591,000	1,003,000			573,000	
7E	8,000	9,000	17,000	19,000	33,000	164,844	FROM ALC SM	164,844	
						105	FROM ALC WR	105	
						4,439	FROM NSY LB	4,439	
						16,933	FROM NSY PH	16,933	
						66,979	FROM NSY PM	66,979	
						843	FROM NSW CR	843	
7F		4,000	4,000	5,000	8,000			4,000	TOAD
7G		139,000	139,000	242,000	410,000	32,271	FROM ALC SM	32,271	
						370	FROM NSY LB	370	
7H	168,000	0	168,000	337,000	338,000			168,000	
10E		379,000	379,000	320,000	444,000			379,000	
12A	8,000	0	8,000	10,000	16,000			8,000	
13C	43,000	18,000	61,000	168,000	284,000	241,000	FROM ALC SA	241,000	
14		331,000	331,000	127,000	216,000			331,000	
15	512,000	39,000	551,000	874,000	1,481,000			551,000	
TOTAL	2,304,000	1,428,000	3,732,000	4,633,000	7,606,000	1,126,815		4,010,815	

RED RIVER ARMY DEPOT

CMDTY	CORE	ABOVE CORE	TOTAL PRGD WKLD	C~C	MPC	JCSG-DM DLH	REALIGNS	ARMY POSITION DLH	REALIGNS TO
2F		37,000	37,000	80,000	274,000			37,000	CCAD
4B	58,000	112,000	170,000	260,000	380,000	-58,000	TO ANAD	170,000	TOAD
6B	1,142,000	0	1,142,000	2,210,000	2,768,000	-1,142,000	TO ANAD	1,142,000	CONCUR
6D	106,000	14,000	120,000	124,000	170,000	-106,000	TO ANAD	120,000	CONCUR
8	17,000	0	17,000	83,000	160,000	-17,000	TO MCLB-A	17,000	ANAD
9A				276,000	399,000				
9B		3,000	3,000	123,000	133,000			3,000	ANAD
10E		4,000	4,000	69,000	360,000			4,000	ANAD
13B				8,000	40,000				
TOTAL	1,323,000	170,000	1,493,000	3,233,000	4,684,000	-1,323,000			

LETTERKENNY ARMY DEPOT

CMDTY	CORE	ABOVE CORE	TOTAL PRGD	CTC	MPC	JCSG-DM	REALIGNS	ARMY POSITION	REALIGNS TO
			WKLD			DLH		DLH	
4B	523,000	979,000	1,502,000	1,471,346	1,572,606	-385,752	TO ANAD	1,502,000	TOAD
						-89,056	TO ALC OG	0	
						-48,192	TO MCLB-B	0	
6A	416,000	0	416,000	868,384	1,446,797	-416,000	TO ANAD	416,000	CONCUR
6C	42,000	0	42,000	85,918	158,030	-42,000	TO MCLB-B	42,000	ANAD
10C				22,246	42,959				
10D				22,247	42,959				
10E		1,000	1,000	15,343	23,014			1,000	ANAD
14					420,385				
TOTAL	981,000	980,000	1,961,000	2,485,484	3,706,750	-981,000		1,961,000	

ANNISTON ARMY DEPOT

CMDTY	CORE	ABOVE CORE	TOTAL PRGD WKLD	CTC	MPC	JCSG-DM DLH	REALIGNS	ARMY POSITION DLH	REALIGNS TO
3C	207,000	178,000	385,000	316,055	923,618			385,000	
4B		67,000	67,000	88,794	107,206	385,752	FROM LEAD	502,752	TOAD
						59,000	FROM TOAD	0	
						58,000	FROM RRAD	0	
6B	1,058,000	0	1,058,000	2,480,829	3,117,542	1,142,000	FROM RRAD	1,142,000	
						54,100	FROM MCLB-A/B	54,100	
6D		0				106,000	FROM RRAD	106,000	
10B	232,000	0	232,000	280,768	329,864	-232,000	TO MCLBA	232,000	ANAD
10C		7,000	7,000	9,000	9,000	1,619	FROM ALC SA	1,619	
10E		12,000	12,000	20,000	20,000			12,000	
13B		2,000	2,000	5,000	5,000			2,000	
TOTAL	1,497,000	266,000	1,763,000	3,200,446	4,512,230	1,574,471		2,437,471	

CORPUS CHRISTI ARMY DEPOT

CMDTY	CORE	ABOVE CORE	TOTAL PRGD WKLD	CTC	MPC	JCSG-DM DLH	REALIGNS	ARMY POSITION DLH	REALIGNS TO
1A	1,871,000	0	1,871,000	1,921,000	1,945,000				
2A	861,000	452,000	1,313,000	1,396,000	1,615,000				
2B	32,000	12,000	44,000	34,000	40,000				
2C	114,000	25,000	139,000	109,000	126,000				
2D	18,000	15,000	33,000	35,000	41,000				
2E	11,000	0	11,000	15,000	17,000	-11,000	TO ALC OG	11,000	CCAD
2F	1,000	0	1,000	1,000	1,000				
2G	7,000	0	7,000	12,000	14,000	-7,000	TO NADEP NI	7,000	CCAD
2H	5,000	0	5,000	7,000	8,000	-5,000	TO NADEP CP	5,000	CCAD
2I	22,000	32,000	54,000	59,000	69,000				
3A	206,000	101,000	307,000	370,000	773,000	-206,000	TO NADEP CP	307,000	CCAD
13A	34,000	14,000	48,000	50,000	65,000	4,818	FROM ALC OG		
						5,182	FROM NSY LB		
TOTAL	3,182,000	651,000	3,833,000	4,009,000	4,714,000	-219,000		330,000	

CLOSE HOLD

ARMY MAINTENANCE DEPOTS
(END STATE CONFIGURATION)

		TOAD				CCAD			
	CORE	ABOVE CORE	TOTAL WKLD	CTC	MPC	CORE	ABOVE CORE	TOTAL WKLD	CTC
1A ROTARY						1,871,000	0	1,871,000	1,921,000
2A DYNAMIC COMP						861,000	452,000	1,313,000	1,396,000
2B AIR STRUCTURES						32,000	12,000	44,000	34,000
2C HYDR/PNEU						114,000	25,000	139,000	109,000
2D INSTRUMENTS						18,000	15,000	33,000	35,000
2E LANDING GEAR						11,000	0	11,000	15,000
2F AV ORDNANCE						1,000	37,000	38,000	1,000
2G AVIONICS/ELECT	271,000	210,000	481,000	390,000	774,000	7,000	0	7,000	12,000
2H APUs						5,000	0	5,000	7,000
2I OTHER AIR COMP						22,000	32,000	54,000	59,000
3A ENGINES (AIR)						206,000	101,000	307,000	370,000
3C ENGINES (TANK)									
4B TACT MISSILES	640,000	1,158,000	1,798,000	93,000	129,000				
6A SP ARTILLERY									
6B TANKS (BFV/M113)									
6C TOWED ARTILLERY									
6D GRD VEH COMP									
7A RADAR	79,000	97,000	176,000	110,000	186,000				
7B RADIO	667,000	0	667,000	1,036,000	1,757,000				
7C WIRE	118,000	0	118,000	311,000	527,000				
7D ELECT WARFARE	371,000	202,000	573,000	591,000	1,003,000				
7E NAV AIDS	8,000	9,000	17,000	19,000	33,000				
7F ELECTRO-OPTICS/NV		4,000	4,000	5,000	8,000				
7G SATELLITE		139,000	139,000	242,000	410,000				
7H CRYPTO	168,000	0	168,000	337,000	338,000				
8 CONST EQUIP									
9B TACT VEH COMP									
10B SMALL ARMS									
10C MUNITIONS/ORD									
10E OTHER GRD GP		379,000	379,000	320,000	444,000				
12A TACT SOFTWARE	8,000	0	8,000	10,000	16,000				
13A BEARINGS						34,000	14,000	48,000	50,0
13B CALIBRATION									
13C TMDE	43,000	18,000	61,000	168,000	284,000				
14 OTHER		331,000	331,000	127,000	216,000				
15 FAB/MANUF	512,000	39,000	551,000	874,000	1,481,000				
TOTAL	2,885,000	2,586,000	5,471,000	4,633,000	7,606,000	3,182,000	688,000	3,870,000	4,009,

CLOSE HOLD

(BASED ON ARMY RECOMENDATIONS)

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, D.C. 20330

7 FEB

MEMORANDUM FOR THE CHAIRMAN, JOINT CROSS-SERVICE GROUP FOR DEPOT MAINTENANCE

FROM: SAF/MII

SUBJECT: Analysis of BRAC 95 Maintenance Alternatives (Your Ltr, 25 Jan 95)

Per your request, we have completed COBRA costing for the two JCSG-DM alternatives by eliminating the depot maintenance entity (only) from the Air Logistic Centers. As you can see, significant savings do not occur in either case. Both alternatives have excessively long return on investment periods.

	DM-1	DM-2
One -Time Cost	$288M	$602M
Net Present Value	$117M	$257M
Steady State Savings	$14M	$28M
ROI	33	35
Personnel Eliminations	227	438

Please refer questions to Lt Col Louise Eckhardt, HQ USAF/RTR, ext 54578.

JAMES F. BOATRIGHT
Deputy Assistant Secretary of the Air Force
(Installations)

DEPARTMENT OF THE ARMY
OFFICE OF THE UNDER SECRETARY
WASHINGTON, D.C. 20310-0102

16 DEC 1994

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF DEFENSE (LOGISTICS)

SUBJECT: Joint Cross-Service group for Depot Maintenance (JCSG-DM) BRAC-95 Alternatives

Your November 22 memorandum seeks a "quick look" analysis of the JCSG-DM initial depot maintenance analysis. Among other things, JCSG-DM recommends depot maintenance closure at Red River and Letterkenny Army Depots.

As part of the Army's own BRAC-95 analysis of five Army depots, these two activities were identified as study candidates for potential closure. Although we have reached no final decisions, analysis thus far suggests that Red River as a closure candidate is much more feasible than Letterkenny. The following, in no particular order, conveys some of our current thinking:

- The Army's operational blueprint which guides our BRAC analysis requires that sufficient depot capacity be retained to meet our CORE capability requirements, centered by commodity group--aircraft, communications-electronics, ground combat vehicles, and missiles. This scheme also provides an alignment, synergy and life cycle linkage with the four major AMC commodity commands. Closure of Red River alone forces us to accept a substantial shortfall of combat vehicle capacity against our full wartime requirement. In this commodity area, alone, additional closure of Letterkenny compounds the CORE shortfall, commodity area, possibly requiring further expansion of Anniston's capabilities. It also breaks our desired alignment with the commodity commands (MICOM).

- Both depots are multi-mission and include major ammunition storage capabilities which we must retain. The two depots differ substantially in their physical configurations. Red River is contiguous to Lone Star Army Ammunition Plant; therefore, the maintenance portion can be closed and its ammunition storage and other tenants can be accommodated by becoming part of

Lone Star. Letterkenny, however, is a "stand-alone" installation. Closure of the maintenance facilities will still require 18,100 acres of ammunition storage and the asociated staffing to be retained.

- Finally, closing Letterkenny would significantly complicate ongoing consolidation of virtually all tactical missile workload directed by BRAC-93. As you know, this consolidation was directed after DoD submitted its plan to close Letterkenny. Apart from the missile consolidation, arguments for closure today do not seem to be any more compelling than those previously rejected; and in fact, DoD would lose the synergy and efficiencies we hoped to gain by consolidating missile maintenance workload and missile storage. We have examined scenarios which would retain and "enclave" this missile maintenance at Letterkenny while closing the remainder, but these do not appear promising at this point in time.

We will continue our COBRA analysis of these two depots.

Joe R. Reeder

Per our discussion, Jim.

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON DC 20301-3000

ACQUISITION AND TECHNOLOGY

25 JAN 1995

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY
(INSTALLATIONS, LOGISTICS AND ENVIRONMENT)
ASSISTANT SECRETARY OF THE NAVY
(INSTALLATIONS AND ENVIRONMENT)
ASSISTANT SECRETARY OF THE AIR FORCE
(MANPOWER, RESERVE AFFAIRS, INSTALLATIONS AND ENVIRONMENT)

SUBJECT: BRAC 95 Closure and Realignment Recommendations

The Deputy Secretary of Defense has directed that Military Department responses to the Joint Cross-Service Group alternatives be provided to the Assistant Secretary of Defense (Economic Security) no later than January 25, 1995. The Joint Cross-Service Group for Depot Maintenance (JCSG-DM) will be meeting on January 30, 1995, to discuss these responses. The Military Departments are requested to brief the complete results of their analysis of JCSG-DM alternatives and Military Department preliminary proposals at that time.

In order to fully evaluate the Military Department proposals, it is requested that workload distribution spreadsheets corresponding to the Military Departments' preliminary proposals be provided at the January 30, 1995, JCSG-DM meeting. These spreadsheets should be similar to those provided to you as part of the JCSG-DM alternatives. Adjustments to capacity and core workloads should be separately identified by commodity and activity. Total organic depot maintenance workload distribution should be provided in the commodity groupings developed by the JCSG-DM and based upon the FY 1999 programmed workloads.

James R. Klugh
Deputy Under Secretary of
Defense (Logistics)

TO: LTCOL LOUISE ECKHARDT
PH: 54578 FAX 39707

FROM: BRIAN SEARCES

CLOSE HOLD

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON DC 20301-3000

ACQUISITION AND TECHNOLOGY

25 JAN 1995

MEMORANDUM FOR THE DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS)

SUBJECT: Analysis of BRAC 95 Depot Maintenance Alternatives

As you are well aware, there is considerable excess depot maintenance capacity within the Air Force. The display of Air Force depot maintenance workloads developed by the Joint Cross-Service Group for Depot Maintenance indicates that the other activities resident on each ALC (such as Inventory Control Point, Procurement, and Maintenance Support) do not necessarily support the maintenance work collocated at that ALC. Consequently, request that you identify and assess the costs and potential economic impact of an alternative that would involve only the elimination of the depot maintenance entity at an ALC exclusive of the entire ALC and rest of the base.

It is my understanding that the Navy BRAC 93 experience indicates that although the savings associated with closing a depot maintenance activity which is a tenant on a base housing other activities is not as much as closing the entire base, the savings are still quite significant.

I realize the Deputy Secretary has directed your preliminary recommendations be submitted by January 25, 1995; however, there is sufficient time remaining in the process to conduct the requested analysis, to include all required COBRA runs. This request is submitted under the authority granted to the Chairman of the Joint Cross-Service Groups in the memorandum issued by the Assistant Secretary of Defense (Economic Security) on December 27, 1994.

James R. Klugh
Deputy Under Secretary
of Defense (Logistics)

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON DC

23 JAN 1995

MEMORANDUM FOR THE CHAIRMAN, JOINT CROSS-SERVICE GROUP FOR DEPOT MAINTENANCE

FROM: SAF/MII

SUBJECT: Detailed Analysis of the Joint Cross-Service Group for Depot Maintenance BRAC 95 Alternatives (Your Ltr, 22 Nov 94)

We have completed our evaluation of the depot closure alternatives cited in your 22 Nov 94 letter. The attached results represent a detailed analysis including COBRA costs and workload impacts. Please refer any questions to Lt Col Louise Eckhardt, HQ USAF/RTR, 54578.

JAMES F. BOATRIGHT
Deputy Assistant Secretary of the Air Force
(Installations)

Attachment:
20 Jan AF/LG letter

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE

20 JAN 1995

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(INSTALLATIONS)

From: AF/LG

Subject: Joint Cross-Service Group for Depot Maintenance (JCSG-DM) BRAC 95 Alternatives
(Ref DUSD (L) ltr, 22 Nov 94)

We completed a full evaluation of the operational feasibility and COBRA costs of the two recommended JCSG-DM alternatives per your request. The results of this evaluation indicate that Alternative DM-1 may be operationally feasible but we have some concerns with cost. While we agree with all the interservice commodity group realignments cited within this alternative, we are still studying several of the recommended in-service workload consolidations. However, our ongoing analysis raises concern that Alternative DM-2 may be neither affordable nor operationally feasible. This concern stems from two factors: substantially higher projected COBRA costs and significantly higher risk to mission readiness. Attachment 1 provides detailed information concerning the Air Force evaluation and COBRA costs of both alternatives.

As initially noted in our 12 Dec 94 "quick look" response, we continue to be concerned that opportunities to achieve higher levels of interservicing in several commodity groups are excluded from JCSG-DM alternatives currently under consideration. For example, no aircraft airframe depot maintenance is recommended for interservicing. Some engine and several aircraft component subcategories also show strong potential for additional interservicing. Attachments 2 and 3 contain detailed Air Force comments and recommendations associated with alternative DM-1 and DM-2.

Finally, the tasking memorandum also recommended evaluation of a variant that would enclave repair of tactical missiles at Letterkenny Army Depot (LEAD). However, because JCSG-DM analysis indicated that LEAD was not among the most valuable depots for retention from either a military value or functional value perspective, DUSD (L) recently instructed the Services to search for another organic depot capable of accepting the entire tactical missile workload. Our preliminary analysis indicates that OO-ALC has both the facilities required and a substantial workforce capability to accept this entire workload within their current infrastructure. Additionally, as some of the facility construction at LEAD is still pending and several of the missile programs have not yet transitioned into that depot, we currently believe approximately $8-10 million of LEAD cost avoidance can be achieved by adopting OO-ALC as the single DOD consolidation site for this workload.

JOHN M. NOWAK, Lt Gen, USAF
Deputy Chief of Staff/Logistics

Attachments:
1. AF Evaluation of JCSG-DM Alternatives DM-1 and DM-2
2. Detailed AF Assessment of JCSG-DM alternative DM-1
3. Detailed AF Assessment of JCSG-DM alternative DM-2

AIR FORCE EVALUATION
OF
JCSG-DM ALTERNATIVES DM-1 AND DM-2

JCSG-DM ALTERNATIVE DM-1:

Potentially acceptable to AF as probably operationally feasible but we have some cost concerns
Rationale: - **Reasonable COBRA costs**
- **Acceptable operational impacts**

Workload Impacts:

Interservice Workload Transfers:	
DPAH Transferring In	530,339
DPAH Transferring Out	533,927
Intraservice Workload Transferring:	5,622,779
Total Transferring Workload:	6,687,045

Preliminary COBRA Costs:

One-Time Costs:	$589 M
20 Year NPV:	$(255) M
Return on Investment:	9 yrs after closure

JCSG-DM ALTERNATIVE DM-2:

Potentially unacceptable to AF as unaffordable and not operationally feasible
Rationale: - **Unreasonable COBRA costs**
- **Anticipated high mission impacts**
  - -- **May disrupt too much workload supporting mission readiness**

Workload Impacts:

Interservice Workload Transfers:	
DPAH Transferring In	236,529
DPAH Transferring Out	1,628,800
Intraservice DPAH Transferring:	7,864,933
Total Transferring Workload:	9,730,262

Preliminary COBRA Costs:

One-Time Costs:	$1,159 M
20 Year NPV:	$(626) M
Return on Investment:	8 yrs after closure

(atch 1)

DETAILED AIR FORCE ASSESSMENT
OF
JCSG-DM ALTERNATIVE DM-1

We support consolidation of most of the commodity groups as recommended in the JCSG-DM alternative DM-1. However, we believe several opportunities for even greater interservicing exist (as outlined below) which should be studied further as part of this process. We offer the following comments and recommendations concerning specific workload consolidations associated with this alternative:

Commodity Group	JCSG-DM Recommendation	AF Comments and Recommendations
Lt Combat	Consolidate Navy at NADEP-NI	Comment: Does not increase interservicing. Recommendation: Study further for possible interservicing options.
Hyd/Pneu	Consolidate within each Service	Comment: Retains more DOD infrastructure than necessary (3 DOD sources of repair (SORs). Recommendation: Two specialized DOD SORs can be achieved by consolidating all DOD Hyd at SM-ALC and all DOD Pneu at OC-ALC.
Instruments	Consolidate within each Service	Comment: Retains more DOD infrastructure than necessary (3 DOD SORs). Recommendation: Two specialized DOD SORs can be achieved by retaining unique instrument repair capabilities (Gyros) at WR-ALC and consolidating all other DOD instrument repair capabilities at SM-ALC.
Av Ord	Consolidate within each Service	Comment: Retains more DOD infrastructure than necessary (3 DOD SORs). Recommendation: Consolidate all DOD workloads at either a single NADEP or OO-ALC.
Avionics	Consolidate AF at WR-ALC, Army and Navy at NADEP-NI	Comment: May not be the most effective solution. Recommendation: Continue studying to fully evaluate feasibility of consolidating to this extent.
Acft Engs	Consolidate within each Service	Comment: Some interservice consolidations may be logical. Recommendation: Consolidate LM2500 & TF39 at NADEP-NI or OC-ALC due to engine commonality.
CE-EO/NV	Consolidate AF & Army at SM-ALC, Navy at NSY-PS, Marine at MCLB-B	Comment: Retains 3 DOD SORs. Recommendation: Study further for full DOD consolidation opportunity at SM-ALC or a single Navy depot.
TMDE	Split SA-ALC wkld to TOAD & NADEP-NI	Comment: Divides a currently consolidated workload. Recommendation: Study further for single site option.

(atch 2)

DETAILED AIR FORCE ASSESSMENT
OF
JCSG-DM ALTERNATIVE DM-2

Our assessment of Alternative 2 is the same as previously stated for Alternative 1 except as follows:

Commodity Group	JCSG-DM Recommendation	AF Comments and Recommendations
Hyd/Pneu	Consolidate within each Service	Comment: Retains more DOD infrastructure than necessary (3 DOD sources of repair (SORs). Recommendation: Consolidate all DOD at a single NADEP or OC-ALC.
Instruments	Consolidate within each Service	Comment: Retains more DOD infrastructure than necessary (3 DOD SORs). Recommendation: Two specialized DOD SORs can be achieved by retaining unique instrument repair capabilities (Gyros) at WR-ALC and consolidating all other DOD instrument repair capabilities at a single NADEP or OC-ALC.
Gnd Gens	Split SM-ALC to MCLB-A & B	Comment: Divides a currently consolidated workload. Recommendation: Study for single site option.

Note: We note the same concerns expressed in the memorandum regarding the potential unacceptable impacts of Alternative 2 on Air Force costs and mission readiness.

(atch 3)

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, D.C. 20330

23 DEC 1994

MEMORANDUM FOR DEPARTMENT OF THE ARMY, THE ARMY BASING STUDY
DEPARTMENT OF THE NAVY, BASE STRUCTURE ANALYSIS TEAM
OFFICE OF THE ASSISTANT DEPUTY UNDERSECRETARY OF DEFENSE FOR MAINTENANCE, POLICY, PROGRAMS & RESOURCES

FROM: HQ USAF/RTR

SUBJECT: Nullification of Previously Submitted Certified Joint Depot Maintenance Data

It has come to our attention that there is a difference in the methodology used by the Services in determining the manpower authorizations for corresponding depot commodity Direct Product Actual Hour (DPAH) transfer. After consulting with Army and Navy representatives 23 December 1994, the Air Force must notify your office that the previously transmitted, certified manpower/DPAH transfer data for depot analysis is hereby rescinded. While that data was correct when a direct ratio analysis was accomplished using the 1615 hour work-year factor and applying overhead and BOS, this method was inconsistent with that taken by the Navy and Army. Any analysis conducted by the Army or Navy using said data does not reflect correct Air Force manpower figures.

The Air Force is currently reevaluating its data to be in compliance with the methodology used by the other services. This information will be forwarded to the Army and Navy as soon as it is received and certified at the Air Staff level, in compliance with the Air Force Internal Control Plan. POC for this action is Lt Col Mark Bruggemeyer, HQ USAF/RTR, 54578.

for WAYNE MAYFIELD, Col, USAF
Chief, Realignment Division

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON DC

20 DEC 1994

MEMORANDUM FOR THE CHAIRMAN, JOINT CROSS SERVICE GROUP FOR DEPOT MAINTENANCE

FROM: HQ USAF/RT

SUBJECT: Interservice Manpower Authorizations

The Air Force sent out 14 interservice data requests associated with workload transferring under the two JCSG-DM alternatives. To date, we have received seven responses from the Navy and Marine Corps and it is apparent the services are using very different methods for computing manpower authorizations.

We do not see any alternative but to stop our COBRA costing process until there is standard methodology across the services. Without consistency, we can not achieve meaningful cost calculations.

Jay D. Blume

JAY D. BLUME, Jr., Maj Gen, USAF
Special Assistant to the CSAF for
Realignment and Transition

12/20

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON DC

MEMORANDUM FOR OFFICE OF OADUSD (MP, P&R)

FROM: HQ USAF/RTR
Attention: Lt Col Louise Eckhardt
1670 Air Force Pentagon
Washington, DC 20330-1670

SUBJECT: Personnel Authorizations Associated with Workload Transfers

Based on preliminary interservice depot data requests and responses, it appears the services are using different assumptions as a basis for transferring manpower authorizations along with workload. Those assumptions will, in turn, drive costs so consistency among the services is important.

Request your assistance in evaluating this process so that the method for deriving personnel transfers is consistent across the Department of Defense.

WAYNE MAYFIELD, Col, USAF
Chairman, Base Closure Working Group

cc:
Dept of the Navy/BSAT
Dept of the Army/TABS

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, D.C. 20330

12 DEC 19

MEMORANDUM FOR THE CHAIRMAN, JOINT CROSS-SERVICE GROUP FOR DEPOT MAINTENANCE

FROM: SAF/MII

SUBJECT: Interim Response to the Joint Cross-Service Group for Depot Maintenance BRAC 95 Alternatives (Your Ltr, 22 Nov 94)

Attached is a quick look analysis of the depot closure alternatives presented in your 22 Nov letter. A more detailed analysis is now in work and will be submitted as soon as possible. Please refer any questions to Lt Col Louise Eckhardt, HQ USAF/RTR, 54578.

JAMES F. BOATRIGHT
Deputy Assistant Secretary of the Air Force
(Installations)

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON DC

12 DEC 1994

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS)

From: AF/LG

Subject: Joint Cross-Service Group for Depot Maintenance (JCSG-DM) BRAC 95) Alternatives (Ref DUSD (L) ltr, 22 Nov 94)

We completed the first step (quick look) of our analysis to make a preliminary determination of the operational feasibility of the two recommended JCSG-DM alternatives per your request. Both proposed alternatives substantially reduce DOD capacity while increasing interservicing and will be studied further and COBRA costed.

However we have concerns affecting both alternatives. First, as noted in the tasking memorandum, we believe there may be other substantial interservicing opportunities that should be pursued. Of special note, no aircraft airframe depot maintenance is recommended for interservicing in either alternative, and several aircraft component subcategories show strong potential for additional interservicing. Second, we have some reservations concerning Alternative 2 which recommends a much higher volume of Air Force workload shifts than Alternative 1. Our initial evaluation indicates this much disruption in our depot maintenance capacity may create an unacceptable risk to mission readiness. Additionally, based on earlier infrastructure studies, we believe the cost of a dual-ALC closure alternative may be unaffordable. Attachment 1 contains detailed Air Force comments to both alternatives.

During our preliminary review we also recognized several discrepancies and omissions between the recommendations, as described in the subject tasking memorandum, and the memo's attached data sheets that reflect the results of the Data Analysis Team's work. In dealing with these discrepancies, we used the data sheets as the authoritative documents. These discrepancies and omissions are detailed in attachment 2.

Finally, the tasking memorandum recommended evaluation of a variant of both alternatives that would enclave repair of tactical missiles at Letterkenny Army Depot (LEAD). Recent analysis within the JCSG-DM indicates, however, that LEAD is not among the most valuable depots for retention from either a military value or functional value perspective. We suggest there may be little advantage in continuing to study this variant. Additionally, as some of the facility construction is still pending and several of the missile programs have not yet transitioned into LEAD, some cost avoidance opportunities associated with the earlier decision may still be possible.

JOHN M. NOWAK, Lt Gen, USAF
Deputy Chief of Staff/Logistics

Attachments:
1. AF evaluation of JCSG-DM alternatives
2. JCSG-DM alternative data discrepancies

DISCREPANCIES BETWEEN TASKING MEMO AND DATA ANALYSIS TEAM DATA SHEETS

During the Air Force preliminary review we recognized several discrepancies between the summary of the recommendations, as described in the subject tasking memorandum, and the attached data sheets that reflect actual results of the Data Analysis Team's (DAT) work. In dealing with these discrepancies, we used the DAT data sheets as the authoritative document.

Alternative 1:

Commodity	Tasking Memo	DAT Data Sheets
Avionics	Consolidate AF at WR-ALC, Army and Navy at NADEP-NI	Consolidate Army at SM-ALC, AF at WR-ALC, and Navy at NADEP-NI
CE-Nav Aids	Not reflected in tasking memo	Consolidate TOAD and NSYs-LB, PH & PM at SM-ALC. Retain workload at NSY-PS
APUs	Not reflected in tasking memo	Consolidate SA-ALC to NADEP-CP
Bearings	Not reflected in tasking memo	Consolidate OC & OO-ALCs to CCAD & NADEP-NI

Alternative 2:

Commodity	Tasking Memo	DAT Data Sheets
APUs	Not reflected in tasking memo	Consolidate SA-ALC to NADEP-CP
CE-All sub groups	Radar (7a), Wire (7c), and Nav Aids (7e) not reflected in tasking memo	Consolidate all AF sub groups to TOAD
GP-Gnd Gens	Consolidate to MCLB-B	Split to MCLB-A & B
Bearings	Not reflected in tasking memo	Consolidate OC & OO-ALCs to CCAD & NADEP-NI

Our review of JCSG-DM data sheets also revealed some administrative errors still exist. These discrepancies are detailed below:

Alternative 1

Commodity	Discrepancy
Landing Gear	4,164 from SA-ALC moves to OC-ALC, not SM-ALC as shown

Alternative 2

Commodity	Discrepancy
Acft Structures	19,200 from SA-ALC moves to OC-ALC, not OO-ALC as shown
Acft Engines	99,103 from OO-ALC moves to OC-ALC, not 3,306 as shown

AIR FORCE EVALUATION
OF
JCSG-DM ALTERNATIVES 1 & 2

Overall, based on our preliminary analysis, we support further consideration of most of the commodity realignments recommended in the two the JCSG-DM alternatives provided for evaluation. However, we do have some specific comments within each of these alternatives.

In Alternative 1 our comments are as follows:

Commodity	Recommendation	AF Comments
Lt Combat	Consolidate Navy at NI	Study for possible interservicing options
Hyd/Pneu	Consolidate in Service	Retains 3 DOD sources of repair (SORs). Two specialized DOD SORs can be achieved by considering consolidating all DOD Hyd at SM-ALC and all DOD Pneu at OC-ALC
Instruments	Consolidate in Service	Retains 3 DOD SORs. Two specialized DOD SORs can be achieved by considering retaining unique Gyro instrument repair at WR-ALC and considering consolidating all other DOD instrument repairs at OC or SM-ALC
Av Ord	Consolidate in Service	Consider consolidating all DOD at OO-ALC or a NADEP
Avionics	Consolidate AF at WR-ALC, Army at SM-ALC, and Navy at NADEP-NI	Study further to fully evaluate feasibility of consolidating to single Service SORs
APUs	Consolidate DOD at NADEP-CP	Also study consolidation of APUs with rotary wing engines at CCAD due to commonality of APUs and rotary wing GTE overhaul repair processes
Acft Engs	Consolidate in Service	Consider consolidating LM2500 & TF39 at NADEP-NI or OC-ALC due high commonality of these two engine types
CE-EO/NV	Consolidate AF & Army at SM-ALC, Navy at PS, Marine at MCLB-B	Study further for full DOD consolidation opportunity at single SOR

Our concerns in Alternative 2 are the same as in Alternative 1 plus the following:

Commodity	Recommendation	AF Comments
Gnd Gens	Split SM-ALC to MCLB-A & B	Study for single site option
TMDE	Split SA-ALC to TOAD & NADEP-NI	Study for single site option

Note: We note the same concerns expressed in the memorandum regarding the potential unacceptable impacts of Alternative 2 on Air Force mission readiness.

1 Dec

Mr Berry

RE: JCSG-DM BRAC 95 alternatives

The DA POC is COL Jones, TABS office, X 30077

[illegible]
Col
SAILE(L)
X 55225

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, D.C. 20330

30 NOV 1994

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF DEFENSE (LOGISTICS)

FROM: SAF/MII

SUBJECT: Air Force Point of Contact for Certified Data Exchange (Your Ltr, 22 Nov 94)

Per your request for a point of contact, Lt Col Louise Eckhardt will be the Air Force POC in AF/RTR for certified depot data requests from other Military Departments. She can be reached at DSN 225-4578/6766.

JAMES F. BOATRIGHT
Deputy Assistant Secretary of the Air Force
(Installations)

CLOSE HOLD

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON DC 20301-3000

22 NOV 1994

ACQUISITION AND TECHNOLOGY

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS)

SUBJECT: Joint Cross-Service Group for Depot Maintenance (JCSG-DM) BRAC 95 Alternatives

The JCSG-DM has completed a comprehensive review of possible realignment and closure alternatives utilizing certified data and military values provided by the Military Departments. The JCSG-DM analysis reduced the number of possible alternatives to the two most promising. Attached are these two alternatives identified as DM-1 and DM-2. For each alternative you will find a narrative description of the alternative and a spreadsheet detailing potential workload shifts by commodity and activity. A commodity key is also provided.

An iterative process provides the best opportunity for the DoD and the Military Departments to effect the proper balance of cost savings while maintaining a high degree of readiness. In order to provide for this iterative process, each Military Department should perform a two-step analysis and provide the results to me in an expeditious manner. The first step, a quick look analysis of these alternatives to determine operational feasibility, is requested by December 1, 1994. The second step, a detailed analysis including COBRA runs, is requested by December 9, 1994. Based upon the results of these analyses, the JCSG-DM may modify the two alternatives and submit them to the Military Departments for incorporation into their final recommendations. Because of extreme sensitivity of this information, your responses should be hand carried to this office in a sealed envelope.

The analyses of the cross-Service commodity realignments will require the Military Departments to exchange certified data. To facilitate this exchange, request you identify a point of contact who will respond to certified data requests from the other Military Departments. This individual will also be responsible for coordinating data accumulations for workload shifts involving multiple sites. Please provide that name to my office no later than November 28, 1994.

James R. Klugh
Deputy Under Secretary of Defense
(Logistics)

Attachments--As stated

CLOSE HOLD

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON DC 20301-3000

ACQUISITION AND
TECHNOLOGY

29 AUG 1994

(L/MPP&R)

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS

SUBJECT: Base Realignment and Closure (BRAC 95) Joint Cross-Service Group for Depot Maintenance (JCSG-DM)

In his January 7, 1994, memorandum, the Deputy Secretary of Defense established six Joint Cross-Service Groups, with Depot Maintenance being one of these six groups. To facilitate the directed cross-Service analyses, I request that the military site values for your installations where depot maintenance activities are performed be provided to the JCSG-DM by September 15, 1994.

In performing the analyses, the JCSG-DM needs to provide for military imperatives and constraints applicable to the optimization model being used by the Joint Cross-Service Groups. In this regard I solicit your recommendations.

Also, we are forming a small team of representatives from the Military Departments who will be available to work full time from September through February, 1995, in performing the actual analyses. In this regard, I request that you designate a primary and an alternate to be members of this small analysis team. Request that suggestions for military imperatives/constraints and primary and alternate names be provided to me by September 1.

James R. Klugh
Deputy Under Secretary of
Defense (Logistics)

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
INSTALLATIONS LOGISTICS AND ENVIRONMENT
110 ARMY PENTAGON
WASHINGTON DC 20310-0110

MEMORANDUM FOR THE DEPUTY UNDER SECRETARY OF DEFENSE (LOGISTICS)

SUBJECT: BRAC 95 Joint Cross-Service Group Report on Depot Maintenance.

As you requested, I have reviewed the BRAC 95 Joint Cross-Service Group (JCSG-DM) Report outlining the underlying analytical foundation for the BRAC 95 review.

The Army strongly supports this report and applauds the collective efforts of the group on such a difficult task. You and your staff are commended for the remarkable consensus achieved on these issues. We are confident that the analytical foundation outlined in this report will enhance the Services' ability to size their depot maintenance infrastructure in a manner that will enchance our collective ability to guarantee responsive support to the combatant commander.

We are concerned, however, with one provision of the General Analytical Concept that requires the Services', for the purpose of BRAC 95, to exactly "size to core." Because the art of warfighting is an inexact science we feel that it is more prudent to size the depot maintenance infrastructure to "core plus," which would recognize inherent fluctuations in workload caused by Procurement Appropriations, FMS, last source of repair, and smart-buyer decisions.

The Army warfighting model is based on a decisive force and includes the requirement for a larger force structure than that outlined in the Defense Planning Guidance (DPG). Conservative planning estimates have been utilized in the Army's core determination, reducing the reconstitution time-line from the two-year period outlined in the FY92 DPG to 17 months. It is absolutely essential that we retain sufficient depot maintenance

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capability to ensure that the Service Secretaries can adequately provide for the warfighting sustainment of their combatant commands.

Eric A. Orsini
Deputy Assistant Secretary of the Army
(Logistics)
OASA(I,L&E)

AFMC 21
OPTIONS I THRU VI DEFINITION

OPTION I

I. Ogden is a **RED** center. Ogden and Sacramento will lose all workloads and send them to the remaining ALCs. All tenants will move to within a 1000 mile radius.

OPTION II

IIa. Ogden is a **RED** center however, Missiles, Munitions, OMEI and Missile Components remain. In keeping these workloads, we assume tenants would also remain at Ogden.

IIb. Ogden is a **RED and Green** center. All items mentioned in Option IIa will remain however, Ogden will also receive all Space Center workloads from SM-ALC, SMC (Los Angeles) and ESC (Hanscomb). All other workloads will be distributed to the other ALCs. In keeping these workloads, we assume tenants would also remain at Ogden.

OPTION III

III. In Option III all ALCs would downsize in place.

OPTION IV

IV. This option consists of several different scenarios. Following is a recap of each scenario.

IVa. Ogden is a **GREEN** center and Missiles, Munitions, OMEI and Missile Components will remain at Ogden. Ogden will also pick up IWSM workload from ASC (Wright Patterson). In keeping these workloads, we assume tenants would also remain at Ogden.

IVe. Ogden is a **GREEN** center. Ogden would keep their existing workload and would also pick up workloads from OC-ALC. All tenants would remain at Ogden.

IVf. Ogden is a **RED** center however, Missiles, Munitions, OMEI and Missile Components will remain at Ogden. All other workloads will be distributed to the four remaining ALCs. In keeping the above mentioned workloads, we assume tenants would remain at Ogden.

IVg. Ogden is a **GREEN** center. Ogden would keep their existing workloads and would also pick up workloads from SA-ALC. All tenants would remain at Ogden.

IVh. Ogden is a **GREEN** center. Ogden would keep their existing workloads and would also pick up workloads from SM-ALC. All tenants would remain at Ogden.

IVi. Ogden is a **GREEN** center. Ogden would keep their existing workloads and would also pick up workloads from WR-ALC. All tenants would remain at Ogden.

IVj. Ogden remains as is.

IVk. Ogden is a **GREEN** center. Ogden would keep their existing workloads and would also pick up workloads from ATDTC (Wright Lab). All tenants would remain at Ogden.

IVl. Ogden remains as is.

OPTION V

V. This option contains several different scenarios based on dual ALC closings. Following is a recap of each scenario.

Va. Ogden is a **RED** center and would distribute all workloads out to other ALCs. Missiles, Munitions, OMEI, and Missile IComponents would remain at Ogden, therefore all tenants would remain at Ogden.

Vb. Ogden is a **GREEN** center and would keep their existing workloads as well as receive workloads from OC-ALC and WR-ALC. All tenants would remain at Ogden.

Vc. Ogden is a **GREEN** center and would keep their existing workloads as well as receive workloads from SA-ALC and SM-ALC. All tenants would remain at Ogden.

OPTION VI

VI. Ogden remains as is.

LATEST REVISION
THURS AFTERNOON → COL
PITCHER 16 FEB '94

AS OF 9 FEB 94

AFMC 21 OPTION I

CLOSE OO-ALC AND SM-ALC

OO-ALC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
6,175	6,300	6,050	6,050	5,675

COMMODITY MOVES (FY94 BASELINE)

F-16	1400	WR
C-130	825	SA
ACFT RELATED (F-16, C-130)	75	WR-60 SA-15
AVIONICS (F-16)	25	WR
ELECTRICAL COMP (F-16)	250	WR
SOFTWARE (F-16)	1225	WR
MISSILE	400	OC
MISSILE COMP	175	OC
OMEI	800	OC
MUNITIONS	175	SA
LANDING GEAR	700	OC
ARMAMENT (GUN MAINT)	50	WR
INSTRUMENTS	125	OC
PHOTONICS	125	WR
NAV COMPONENTS	5	SA
TRAINER/SIMS (PODS)	50	SA
ALCM	1	OC
MAVERICK MISSILE MGT	1 PE	WR
F-4 MGT	28 PEs	WR
STAMP/STRAPP	5 PEs	SA

GAINING CENTERS

	OC	SA	WR	TOTAL
WORKLOAD (000)	2201	1070	3135	6406
PERCENT	34%	17%	49%	100%

AS OF 9 FEB 94

AFMC 21 OPTION I
CLOSE OO-ALC AND SM-ALC

SM-ALC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
6,025	5,925	5,900	5,900	5,925

COMMODITY MOVES (FY94 BASELINE)

F-111	600	WR
A-10	400	SA
C-135	975	OC
F-15	150	WR
AIRCRAFT RELATED (A-10, F-111 & F-15)	250	SA-25 WR-225
AVIONICS (F-111)	50	WR
CMD, CTRL, COMM, INTEL	1275	WR
ELECTRICAL COMP	250	SA
ELECTRO/MECHANICAL	75	SA
ELECT SE	10	SA
HYDRAULICS	350	OC
INSTRUMENTS	225	OC
SOFTWARE (F-111)	725	WR
F-117 MGT	165 PEs	OC
F-22 MGT	97 PEs	WR
DET 42 MGT		OC

GAINING CENTERS

	OC	SA	WR	TOTAL
WORKLOAD (000)	1550	760	3025	5335
PERCENT	29%	14%	57%	100%

AFMC 21 OPTION II A

AS OF 9 FEB 94

CLOSE OO-ALC (ICBMs & air munitions enclaved) AND RETAIN SM AS A SPACE, MISSILE & C4I IWSM CENTER

OO-ALC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
6,175	6,300	6,050	6,050	5,675

COMMODITY MOVES (FY94 BASELINE)

F-16	1400	WR
C-130	825	SA
ACFT RELATED (F-16, C-130)	75	WR-60 SA-15
AVIONICS (F-16)	25	WR
ELECTRICAL COMP (F-16)	250	WR
SOFTWARE (F-16)	1225	WR
MISSILE	400	OO RETAINED
MISSILE COMP	175	OO RETAINED
OMEI	800	OO RETAINED
MUNITIONS	175	OO RETAINED
LANDING GEAR	700	OC
ARMAMENT (GUN MAINT)	50	WR
INSTRUMENTS	125	OC
PHOTONICS	125	WR
NAV COMPONENTS	5	SA
TRAINER/SIMS (PODS)	50	SA
ALCM	1	OC
MAVERICK MISSILE MGT	1 PE	WR
F-4 MGT	28 PEs	WR
STAMP/STRAPP	5 PEs	SA

GAINING CENTERS

	RETAINED				
	OC	OO	SA	WR	TOTAL
WORKLOAD (000)	826	1550	895	3135	6406
PERCENT	13%	24%	14%	49%	100%

AS OF 9 FEB 94

AFMC 21 OPTION II A

CLOSE OO-ALC (ICBMs & air munitions enclaved) AND RETAIN SM AS A SPACE, MISSILE & C4I IWSM CENTER

SM-ALC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
6,025	5,925	5,900	5,900	5,925

COMMODITY MOVES (FY94 BASELINE)

F-111	600	WR
A-10	400	SA
C-135	975	OC
F-15	150	WR
AIRCRAFT RELATED (A-10, F-111 & F-15)	250	SA-25 WR-225
AVIONICS (F-111)	50	WR
SOFTWARE (F-111)	725	WR
GROUND CMD, CTRL, COMM, INTEL	1275	SM RETAINED
ELECTRICAL COMP	250	SM RETAINED
ELECTRO/MECHANICAL	75	SM RETAINED
ELECT SE	10	SM RETAINED
HYDRAULICS	350	OC
INSTRUMENTS	225	OC
F-117 MGT	165 PEs	OC
F-22 MGT	97 PEs	WR
DET 42 MGT		SM RETAINED

GAINING CENTERS

	OC	SA	RETAINED SM	WR	TOTAL
WORKLOAD (000)	1550	425	1650	1750	5335
PERCENT	29%	8%	31%	32%	100%

5

AFMC 21 OPTION II B

AS OF 9 FEB 94

CLOSE SM-ALC AND RETAIN OO AS SPACE, C4I & MISSILE CENTER

OO-ALC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
6,175	6,300	6,050	6,050	5,675

COMMODITY MOVES (FY94 BASELINE)

F-16	1400	WR
C-130	825	SA
ACFT RELATED (F-16, C-130)	75	WR-60 SA-15
AVIONICS (F-16)	25	WR
ELECTRICAL COMP (F-16)	250	WR
SOFTWARE (F-16)	1225	WR
MISSILE	400	OO RETAINED
MISSILE COMP	175	OO RETAINED
OMEI	800	OO RETAINED
MUNITIONS	175	OO RETAINED
LANDING GEAR	700	OC
ARMAMENT (GUN MAINT)	50	WR
INSTRUMENTS	125	OC
PHOTONICS	125	WR
NAV COMPONENTS	5	SA
TRAINER/SIMS (PODS)	50	SA
ALCM	1	OC
MAVERICK MISSILE MGT	1 PE	WR
F-4 MGT	28 PEs	WR
STAMP/STRAPP	5 PEs	SA

GAINING CENTERS

	RETAINED				
	OC	OO	SA	WR	TOTAL
WORKLOAD (000)	826	1550	895	3135	6406
PERCENT	13%	24%	14%	49%	100%

AFMC 21 OPTION II B

AS OF 9 FEB 94

CLOSE SM-ALC AND RETAIN OO AS SPACE, C4I & MISSILE CENTER

SM-ALC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
6,025	5,925	5,900	5,900	5,925

COMMODITY MOVES (FY94 BASELINE)

F-111	600	WR
A-10	400	SA
C-135	975	OC
F-15	150	WR
AIRCRAFT RELATED (A-10, F-111 & F-15)	250	SA-25 WR-225
AVIONICS (F-111)	50	WR
MD, CTRL, COMM, INTEL	1275	OO
ELECTRICAL COMP	250	OO
ELECTRO/MECHANICAL	75	OO
ELECT SE	10	OO
HYDRAULICS	350	OC
INSTRUMENTS	225	OC
SOFTWARE (F-111)	725	WR
F-117 MGT	165 PEs	OC
F-22 MGT	97 PEs	WR
DET 42 MGT		OC

GAINING CENTERS

	OC	OO	SA	WR	TOTAL
WORKLOAD (000)	1550	1610	425	1750	5335
PERCENT	29%	30%	8%	33%	100%

AS OF 9 FEB 94

AFMC 21 OPTION IV

WR-ALC VALIDATION SITE SURVEY SUMMARY

VERIFICATION SITE SURVEY SCHEDULE:

TRAVEL TO WR-ALC ON MON, 14 MAR
SITE SURVEY AT WR-ALC ON TUE (AM), 15 MAR
TRAVEL TO OC-ALC TUE (PM), 15 MAR

INBOUND WORKLOADS

OPTION	RED ALC	WORKLOAD	SURVEY STATUS	EST SIZE
IVE	OC	B-1	SSR	550
		ACFT RELATED (B-1)	SSR	75
		AVIONICS (B-1)	SSR	25
		SOFTWARE (B-1)	SSR	300
IVG	SA	C-17	SSR	25
		SOFTWARE (C-17)	SSR	100

AFMC 21 OPTION IV

AS OF 9 FEB 94

OC-ALC VALIDATION SITE SURVEY SUMMARY

VERIFICATION SITE SURVEY SCHEDULE:

TRAVEL TO OC-ALC ON TUE (PM), 15 MAR
SITE SURVEY AT 0C-ALC ON WED (AM), 16 MAR
TRAVEL TO SA-ALC ON WED (PM), 16 MAR

INBOUND WORKLOADS

OPTION	RED ALC	WORKLOAD	SURVEY STATUS	EST SIZE
IVG	SA	C-5	SSR	1125
		ACFT RELATED (C-5)	SSR	475
		SOFTWARE (C-5)	SSR	100

AS OF 9 FEB 94

AFMC 21 OPTION IV

SA-ALC VALIDATION SITE SURVEY SUMMARY

VERIFICATION SITE SURVEY SCHEDULE:

TRAVEL TO SA-ALC ON WED (PM), 16 MAR
SITE SURVEY AT SA-ALC ON THU (ALL DAY), 17 MAR
TRAVEL HOME FRI, 18 MAR

INBOUND WORKLOADS

OPTION	RED ALC	WORKLOAD	SURVEY STATUS	EST SIZE
IVE	OC	C-135	SSR	1525
		B-52	SSR	425
		ACFT RELATED (B-52)	SSR	200
IVi	WR	C-141	SSR	1725
		ACFT RELATED (C-141)	SSR	200
		SE	SSR	75

AS OF 9 FEB 94

AFMC 21 OPTION IV

OO-ALC VALIDATION SITE SURVEY SUMMARY

VERIFICATION SITE SURVEY SCHEDULE:

TRAVEL TO OO-ALC ON MON (AM), 21 MAR
SITE SURVEY AT OO-ALC ON MON (PM) - TUE (PM), 21 - 22 MAR
TRAVEL TO SM-ALC ON WED (AM), 23 MAR

INBOUND WORKLOADS

OPTION	RED ALC	WORKLOAD	SURVEY STATUS	EST SIZE
IVE	OC	GAS GENERATING	SSR	75
IVG	SA	SE/ATE	SSR	375
		NUKE RELATED	SSR	125
IVH	SM	F-111	SSR	600
		A-10	SSR	400
		ACFT RELATED (F-111 & A-10)	SSR	225
		AVIONICS (F-111)	SSR	50
		SOFTWARE (F-111)	SSR	725
		CMD, CTRL, COMM, INTEL	SSR	1275
		ELECTRICAL COMP	SSR	250
		ELECTRO / MECHANICAL	SSR	75
		ELECT SE	SSR	10
IVI	WR	C-130 (SOF)	SSR	525
		ACFT RELATED (C-130)	SSR	75
		PROPS	SSR	100
		GYROS	SSR	150

AFMC 21 OPTION IV

AS OF 9 FEB 94

SM-ALC VALIDATION SITE SURVEY SUMMARY

VERIFICATION SITE SURVEY SCHEDULE:

TRAVEL TO SM-ALC ON WED (AM), 23 MAR
SITE SURVEY AT SM-ALC ON WED (PM) - FRI (AM), 23-25 MAR
TRAVEL HOME FRI (PM), 25 MAR

INBOUND WORKLOADS

OPTION	RED ALC	WORKLOAD	SURVEY STATUS	EST SIZE
IVE	OC	E-3	SSR	225
		B-2	SSR	25
		ACFT RELATED (E-3)	SSR	25
		SOFTWARE (B-2)	SSR	75
		HYD / PNEU	SSR	250
		ELECTRICAL COMP	SSR	25
		FLT CONTR & ENG INSTR	SSR	250
		ELECTRONIC / MECH INSTR	SSR	5
IVF	OO	F-16	SSR	1400
		ACFT RELATED (F-16)	SSR	60
		AVIONICS (F-16)	SSR	25
		ELECTRICAL COMP (F-16)	SSR	250
		SOFTWARE (F-16)	SSR	1225
		INSTRUMENTS	SSR	125
IVi	WR	F-15	SSR	1425
		ACFT RELATED (F-15)	SSR	125
		INSTRUMENTS (F-15)	SSR	25
		AVIONICS / EW	SSR	1250
		SOFTWARE (F-15, EW, TPS)	SSR	1025
		ELECTRICAL COMP	SSR	50

AFMC 21 OPTION IV

AS OF 9 FEB 94

OC-ALC VALIDATION SITE SURVEYS

INBOUND WORKLOADS

OPTION	RED ALC	WORKLOAD	SURVEY STATUS	EST SIZE
IVF	OO	LANDING GEAR	PCW	700
		ALCM	PCW	1
IVG	SA	C-5	SSR	1125
		ACFT RELATED (C-5)	SSR	475
		SOFTWARE (C-5)	SSR	100
		ENGINES	PCW	3675
		PROVEN ACFT MGT	SSNR	
		FUELS MGT	SSNR	
IVH	SM	C-135	SSNR	975
		HYDRAULICS	PCW	350
		INSTRUMENTS	PCW	225
		F-117 MGT	SSNR	165 PEs
		DET 42 MGT	SSNR	
IVi	WR	JOINT STARS	SSNR	

AS OF 9 FEB 94

AFMC 21 OPTION IV

OO-ALC VALIDATION SITE SURVEYS

INBOUND WORKLOADS

OPTION	RED ALC	WORKLOAD	SURVEY STATUS	EST SIZE
IVE	OC	GAS GENERATING	SSR	75
IVG	SA	SE/ATE	SSR	375
		NUKE RELATED	SSR	125
IVH	SM	F-111	SSR	600
		A-10	SSR	400
		ACFT RELATED (F-111 & A-10)	SSR	225
		AVIONICS (F-111)	SSR	50
		SOFTWARE (F-111)	SSR	725
		CMD, CTRL, COMM, INTEL	SSR	1275
		ELECTRICAL COMP	SSR	250
		ELECTRO / MECHANICAL	SSR	75
		ELECT SE	SSR	10
IVI	WR	C-130 (SOF)	SSR	525
		ACFT RELATED (C-130)	SSR	75
		PROPS	SSR	100
		GYROS	SSR	150
		SOF MGT	SSNR	
		WEAPONS MGT	SSNR	
		TACTICAL MISSILE MGT	SSNR	

AS OF 9 FEB 94

AFMC 21 OPTION IV

SA-ALC VALIDATION SITE SURVEYS

INBOUND WORKLOADS

OPTION	RED ALC	WORKLOAD	SURVEY STATUS	EST SIZE
IVE	OC	C-135	SSR	1525
		B-52	SSR	425
		ACFT RELATED (B-52)	SSR	200
		ENGINES	PCW	2550
		CLS MGT	SSNR	
IVF	OO	NAV COMPONENTS	PCW	5
		TRAINER/SIMS (PODS)	PCW	50
		F-4 MGT	SSNR	28 PEs
		STAMP/STRAPP	SSNR	5 PEs
IVi	WR	C-141	SSR	1725
		ACFT RELATED (C-141)	SSR	200
		SE	SSR	75
		Mach, Ind Plnt Eq, etc. MGT	SSNR	50 PEs

AS OF 9 FEB 94

AFMC 21 OPTION IV

SM-ALC VALIDATION SITE SURVEYS

INBOUND WORKLOADS

OPTION	RED ALC	WORKLOAD	SURVEY STATUS	EST SIZE
IVE	OC	E-3	SSR	225
		B-2	SSR	25
		ACFT RELATED (E-3)	SSR	25
		SOFTWARE (B-2)	SSR	75
		HYD / PNEU	SSR	250
		ELECTRICAL COMP	SSR	25
		FLT CONTR & ENG INSTR	SSR	250
		ELECTRONIC / MECH INSTR	SSR	5
		HYD MGT	SSNR	
IVF	OO	F-16	SSR	1400
		ACFT RELATED (F-16)	SSR	60
		AVIONICS (F-16)	SSR	25
		ELECTRICAL COMP (F-16)	SSR	250
		SOFTWARE (F-16)	SSR	1225
		INSTRUMENTS	SSR	125
IVi	WR	F-15	SSR	1425
		ACFT RELATED (F-15)	SSR	125
		INSTRUMENTS (F-15)	SSR	25
		AVIONICS / EW	SSR	1250
		SOFTWARE (F-15, EW, TPS)	SSR	1025
		ELECTRICAL COMP	SSR	50
		VEHICLE MGT	SSNR	
		FSG 70 MGT	SSNR	

AS OF 9 FEB 94

AFMC 21 OPTION IV

WR-ALC VALIDATION SITE SURVEYS

INBOUND WORKLOADS

OPTION	RED ALC	WORKLOAD	SURVEY STATUS	EST SIZE
IVE	OC	B-1	SSR	550
		ACFT RELATED (B-1)	SSR	75
		AVIONICS (B-1)	SSR	25
		SOFTWARE (B-1)	SSR	300
IVF	OO	C-130	SSNR	825
		ACFT RELATED (C-130)	SSNR	15
		ARMAMENT (GUN MAINT)	PCW	50
		PHOTONICS	PCW	125
		MAVERICK MISSILE MGT	SSNR	1 PE
IVG	SA	C-17	SSR	25
		SOFTWARE (C-17)	SSR	100
IVH	SM	F-15	SSNR	150
		AIRCRAFT RELATED (F-15)	SSNR	25
		F-22 MGT	SSNR	97 PEs

GREEN

AS OF 9 FEB 94

AFMC 21 OPTION IV E
CLOSE OC-ALC

OC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
7,000	6,775	6,650	6,650	6,625

COMMODITY MOVES (FY94 BASELINE)
(all DMIF workloads require site surveys)

C-135	1525	SA
B-52	425	SA
B-1	550	WR
E-3	225	SM
B-2	25	SM
CFT RELATED (B-52, E-3, B-1)	300	SA-200 SM-25 WR-75
AVIONICS (B-1)	25	WR
SOFTWARE (B-1 & B-2)	375	WR-300 SM-75
ENGINES	2550	SA
HYDRAULICS/PNEUDRAULICS	250	SM
ELECTRICAL COMP	25	SM
FLT CONTR & ENG INSTR	250	SM
ELECTRONIC/MECH INSTR	5	SM
GAS GENERATING	75	OO
CLS MGT		SA
HYD MGT		SM

GAINING CENTERS

	OO	SA	SM	WR	TOTAL
WORKLOAD (000)	75	4700	880	950	6605
PERCENT	1%	72%	13%	14%	100%

19

RED

AS OF 9 FEB 94

AFMC 21 OPTION IV F

CLOSE OO-ALC (ICBMs & air munitions enclaved)

OO FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
6,175	6,300	6,050	6,050	5,675

COMMODITY MOVES (FY94 BASELINE)

F-16	1400	SSR	SM	
C-130	825	SSNR	WR	
ACFT RELATED (F-16, C-130)	75	SSR	SM-60	WR-15
AVIONICS (F-16)	25	SSR	SM	
ELECTRICAL COMP (F-16)	250	SSR	SM	
SOFTWARE (F-16)	1225	SSR	SM	
MISSILE	400		OO RETAINED	
MISSILE COMP	175		OO RETAINED	
OMEI	800		OO RETAINED	
MUNITIONS	175		OO RETAINED	
LANDING GEAR	700		OC	
ARMAMENT (GUN MAINT)	50		WR	
INSTRUMENTS	125	SSR	SM	
PHOTONICS	125		WR	
NAV COMPONENTS	5		SA	
TRAINER/SIMS (PODS)	50		SA	
ALCM	1		OC	
MAVERICK MISSILE MGT	1 PE	SSNR	WR	
F-4 MGT	28 PEs	SSNR	SA	
STAMP/STRAPP	5 PEs		SA	

GAINING CENTERS

	OC	RETAINED OO	SA	SM	WR	TOTAL
WORKLOAD (000)	701	1550	55	3085	1015	6406
PERCENT	11%	24%	1%	48%	16%	100%

19

Green

AS OF 9 FEB 94

AFMC 21 OPTION IV G
CLOSE SA-ALC

SA FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
7,375	7,175	5,975	5,250	5,225

COMMODITY MOVES (FY94 BASELINE)
(all DMIF workloads require site surveys)

C-17	25	WR	
C-5	1125	OC	
ACFT RELATED (C-5)	475	OC	
SOFTWARE (C-5 & C-17)	200	OC-100	WR-100
ENGINES	3675	OC	
SE/ATE	375	OO	
NUKE RELATED	125	OO	
PROVEN ACFT MGT		OC	
FUELS MGT		OC	

GAINING CENTERS

	OC	OO	SM	WR	TOTAL
WORKLOAD (000)	5375	500	O	125	6000
PERCENT	90%	8%	0%	2%	100%

GREEN

AS OF 9 FEB 94

AFMC 21 OPTION IV H

CLOSE SM-ALC

SM-ALC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
6,025	5,925	5,900	5,900	5,925

COMMODITY MOVES (FY94 BASELINE)

F-111	600	SSR	OO	
A-10	400	SSR	OO	
C-135	975	SSR	OC	
F-15	150	SSNR	WR	
AIRCRAFT RELATED (F-111 & A-10, F-15)	250	SSR	OO-225	WR-25
AVIONICS (F-111)	50	SSR	OO	
SOFTWARE (F-111)	725	SSR	OO	
MD, CTRL, COMM, INTEL	1275	SSR	OO	
ELECTRICAL COMP	250	SSR	OO	
ELECTRO / MECHANICAL	75	SSR	OO	
ELECT SE	10	SSR	OO	
HYDRAULICS	350		OC	
INSTRUMENTS	225		OC	
F-117 MGT	165 PEs		OC	
F-22 MGT	97 PEs		WR	
DET 42 MGT			OC	

GAINING CENTERS

	OC	OO	SA	WR	TOTAL
WORKLOAD (000)	1550	3610	0	175	5335
PERCENT	29%	68%	0%	3%	100%

GREEN

AS OF 9 FEB 94

AFMC 21 OPTION IV i
CLOSE WR-ALC

WR FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
7,075	6,600	6,600	6,150	6,025

COMMODITY MOVES (FY94 BASELINE)
(all DMIF workloads require site surveys)

F-15	1425	SM
C-130 (SOF)	525	OO
C-141	1725	SA
ACFT RELATED (F-15, C-130, C-141)	400	SM-125 OO-75 SA-200
INSTRUMENTS (F-15)	25	SM
ELECTRICAL COMP (F-15)	50	SM
AVIONICS / EW	1250	SM
SOFTWARE (F-15, EW, TPS)	1025	SM
SE	75	SA
GYROS	150	OO
PROPS	100	OO
JOINT STARS MGT		OC
SOF MGT		OO
WEAPONS MGT		OO
VEHICLE MGT		SM
TACTICAL MISSILE MGT		OO
FSG 70 MGT		SM
Mach, Indust Plnt Eq, etc. MGT	50 PEs	SA

GAINING CENTERS

	OC	OO	SA	SM	TOTAL
WORKLOAD (000)	O	850	2000	3900	6750
PERCENT	0%	12%	30%	58%	100%

AFMC 21 OPTION V A

AS OF 9 FEB 94

CLOSE OO-ALC (ICBMs & air munitions enclaved) AND CLOSE WR-ALC

OO-ALC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
6,175	6,300	6,050	6,050	5,675

COMMODITY MOVES (FY94 BASELINE)

F-16	1400	SM
C-130	825	WR
ACFT RELATED (F-16, C-130)	75	SM-60 WR-15
AVIONICS (F-16)	25	SM
ELECTRICAL COMP (F-16)	250	SM
SOFTWARE (F-16)	1225	SM
MISSILE	400	OO RETAINED
MISSILE COMP	175	OO RETAINED
OMEI	800	OO RETAINED
MUNITIONS	175	OO RETAINED
LANDING GEAR	700	OC
ARMAMENT (GUN MAINT)	50	SM
INSTRUMENTS	125	SM
PHOTONICS	125	SM
NAV COMPONENTS	5	SA
TRAINER/SIMS (PODS)	50	SA
ALCM	1	OC
MAVERICK MISSILE MGT	1 PE	SM
F-4 MGT	28 PEs	SA
STAMP/STRAPP	5PEs	SA

GAINING CENTERS

	RETAINED				
	OC	OO	SA	SM	TOTAL
WORKLOAD (000)	*701*	1550	*55*	*3085*	6406
PERCENT	*11%*	24%	*1%*	*48%*	100%

AFMC 21 OPTION V A

AS OF 9 FEB 94

CLOSE OO-ALC (ICBMs & air munitions enclaved) AND CLOSE WR-ALC

WR- ALC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
7,075	6,600	6,600	6,150	6,025

COMMODITY MOVES (FY94 BASELINE)

F-15	1425	SM
C-130 (SOF)	525	OO
C-141	1725	SA
ACFT RELATED (F-15, C-130, & C141)	400	SM-125 OO-75 SA-200
INSTRUMENTS (F-15)	25	SM
AVIONICS / EW	1250	SM
SOFTWARE (F-15, EW, TPS)	1025	SM
PROPS	100	OO
ELECTRICAL COMP	50	SM
SE	75	SA
GYROS	150	OC
JOINT STARS MGT		OC
SOF MGT		OO
WEAPONS MGT		SM
VEHICLE MGT		SM
TACTICAL MISSILE MGT		SM
FSG 70 MGT		SM

GAINING CENTERS

	OC	SA	SM	TOTAL
WORKLOAD (000)	*0*	*2000*	*3900*	6750
PERCENT	*0%*	*30%*	*58%*	100%

AS OF 9 FEB 94

AFMC 21 OPTION V B

CLOSE OC-ALC AND WR-ALC

OC-ALC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
7,000	6,775	6,650	6,650	6,625

COMMODITY MOVES (FY94 BASELINE)

C-135	1525	SA
B-52	425	SA
B-1	550	WR
E-3	225	SM
B-2	25	SM
ACFT RELATED (B-52, B-1, E-3)	300	SA-200 WR-75 SM-25
VIONICS (B-1)	25	WR
SOFTWARE (B-1 & B-2)	375	WR-300 SM-75
ENGINES	2550	SA
HYDRAULICS/PNEUDRAULICS	250	SM
ELECTRICAL COMP	25	SM
FLT CONTR & ENG INSTR	250	SM
ELECTRONIC / MECH INSTR	5	SM
GAS GENERATING	75	OO
CLS MGT		SA
HYD MGT		SM

GAINING CENTERS

	OO	SA	SM	TOTAL
WORKLOAD (000)	*75*	*4700*	*880*	6605
PERCENT	*1%*	*72%*	*13%*	100%

AS OF 9 FEB 94

AFMC 21 OPTION V B
CLOSE OC-ALC AND WR-ALC

WR- ALC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
7,075	6,600	6,600	6,150	6,025

COMMODITY MOVES (FY94 BASELINE)

F-15	1425	SM
C-130 (SOF)	525	OO
C-141	1725	SA
ACFT RELATED (F-15, C-130, & C141)	400	SM-125 OO-75 SA-200
INSTRUMENTS (F-15)	25	SM
AVIONICS / EW	1250	SM
SOFTWARE (F-15, EW, TPS)	1025	SM
PROPS	100	OO
ELECTRICAL COMP	50	SM
SE	75	SA
GYROS	150	OO
JOINT STARS MGT		OC
SOF MGT		OO
WEAPONS MGT		OO
VEHICLE MGT		SM
TACTICAL MISSILE MGT		OO
FSG 70 MGT		OO

GAINING CENTERS

	OO	SA	SM	TOTAL
WORKLOAD (000)	*850*	*2000*	*3900*	6750
PERCENT	*12%*	*30%*	*58%*	100%

AS OF 9 FEB 94

AFMC 21 OPTION V C

CLOSE SA-ALC AND SM-ALC

SA- ALC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
7,375	7,175	5,975	5,250	5,225

COMMODITY MOVES (FY94 BASELINE)

(SAME AS OPTION IV G)

C-17	25	WR	
C-5	1125	OC	
ACFT RELATED (C-5)	475	OC	
SOFTWARE (C-5 & C-17)	200	OC-100	WR-100
ENGINES	3675	OC	
SE/ATE	375	OO	
NUKE RELATED	125	OO	
PROVEN ACFT MGT		OC	
FUELS MGT		OC	

GAINING CENTERS

	OC	OO	WR	TOTAL
WORKLOAD (000)	5375	500	125	6000
PERCENT	90%	8%	2%	100%

AFMC 21 OPTION V c

AS OF 9 FEB 94

CLOSE SA-ALC AND SM-ALC

SM-ALC FUNDED WORKLOAD FROM FY92 WORKLOAD REVIEW (HOURS IN 000)

FY94	FY95	FY96	FY97	FY98
6,025	5,925	5,900	5,900	5,925

COMMODITY MOVES (FY94 BASELINE)

F-111	600	OO
A-10	400	OO
C-135	975	OC
F-15	150	WR
AIRCRAFT RELATED (F-111& A-10, F-15)	250	OO-225 WR-25
AVIONICS (F-111)	50	OO
CMD, CTRL, COMM, INTEL	1275	OO
ELECTRICAL COMP	250	OO
ELECTRO/MECHANICAL	75	OO
ELECT SE	10	OO
HYDRAULICS	350	OC
INSTRUMENTS	225	OC
SOFTWARE	725	OO
F-117 MGT	165 PEs	OC
F-22 MGT	97 PEs	WR
DET 42 MGT		OC

GAINING CENTERS

	OC	OO	WR	TOTAL
WORKLOAD (000)	*1550*	*3610*	*175*	5335
PERCENT	*29%*	*68%*	*3%*	100%

Ogden 76.88

Tobyhanna 63.37

Sacramento 83.60

DEPOT

MAINTENANCE

OPERATIONS

INDICATORS

REPORT

1st Quarter FY93 Through 4th Quarter FY94

	Hill	Tinker	McClellan	Robins	Kelly
DLH cost	76.88	106.20	83.60	77.49	120.24
Work material	~~62.32~~ 61.50	~~[illegible]~~ 60.46	59.14	53.53	~~[illegible]~~ 62.15

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INTRODUCTION

1.1 Description of the Key Areas and Their Indicators

The Depot Maintenance Operations Indicators System (DMOIS) Report is comprised of three key areas: Theory of Constraints, Timeliness, and Financial. Each key area has one or more indicators that are described below. The formulas employed by each Service and DLA in computing the indicators are documented in the DMOIS Handbook.

1.1.1 Theory of Constraints Indicators

The Theory of Constraints (TOC) represents a philosophy of global system improvement designed to assist organizations in achieving their goals. The TOC indicators are:

a. Throughput. Throughput is defined as the rate at which the system generates money through sales. The formula used to determine Throughput is revenue minus direct material. Revenue is defined as the realized result from the sale of a product or service. Direct material is defined as the material specifically required for the performance of depot maintenance as specified by a work authorization document. Throughput and Operating Expense are displayed on the same chart.

b. Operating Expense. Operating Expense is defined as all the money the system spends in turning inventory into Throughput. The formula used to determine Operating Expense is total actual cost minus direct material. Total actual cost is defined as amounts determined on the basis of costs incurred as distinguished from forecasted costs. Operating Expense and Throughput are displayed on the same chart.

c. Capital Investment Effectiveness. Capital Investment Effectiveness is the ratio of throughput to long term inventory. Long term inventory is defined as the total depreciated value of all capital assets (equipment, buildings, software), excluding land and fixed assets not in use, owned by the depot maintenance activity.

1.1.2 Timeliness

Timeliness Indicators provide information regarding a depot's ability to complete the workload in the agreed upon time. The timeliness indicators are:

a. Schedule Indicator. The Schedule Indicator is a ratio of the units completed on time to the units scheduled. Schedule is defined as the most current schedule for completion of planned or programmed work. Completion is defined as the date when a product is physically completed. On time is defined as completing the workload at the time promised. The Schedule Indicator is reported only by NAVAIR, Air Force and DLA.

b. Process Days. Process Days is calculated as an average for varying commodities. The formula used to calculate Process Days (except by NAVSEA) is the number of days (date completed minus date inducted) divided by the number of items. The formula used by NAVSEA to compute Process Days is scheduled flow days divided by actual flow days.

1.1.3 Financial Indicators

Financial indicators provide information about a depot's ability to manage to its budget. The financial indicators are:

a. Net Operating Results. Net Operating Results are calculated and displayed as two separate indexes, cumulative budgeted and cumulative actual. The cumulative budgeted is a ratio of the cumulative budgeted revenue to the cumulative budgeted cost. The cumulative actual is a ratio of the cumulative actual revenue to the cumulative actual cost.

b. Labor Hour Cost. Labor Hour Cost is a ratio of budgeted labor hour cost to actual labor hour cost. Budgeted labor hour cost is calculated as the total budgeted cost divided by the budgeted total direct labor hours. Actual labor hour cost is calculated as the total actual cost divided by the actual total direct labor hours.

2.1 Structure of the Report

This report portrays data for each Service, or Service Activity Group, and DLA. The depots are presented alphabetically within each Service and DLA grouping. The report presents the Service and DLA data in the following order:

Army
Naval Air Systems Command (NAVAIR)
Naval Sea Systems Command (NAVSEA) Shipyards
Air Force
Marine Corps
Defense Logistics Agency.

The operations indicators for each depot are in the following order for each reporting depot:

Throughput & Operating Expense
Capital Investment Effectiveness
Schedule Indicator
Process Days
Net Operating Results
Labor Hour Cost

2.2 Data Portrayal

For each depot, an introductory page provides supplementary data and an executive summary. The supplementary data includes: depot name, depot location, major workload, personnel levels, and current year budget. The following two pages for each depot reflect a graphic portrayal of all the indicators for that depot with analyses, when appropriate. The fourth page shows the data, the formula for each indicator, and the goal for that indicator.

The data presented covers two fiscal years by quarter, current fiscal year and past fiscal year. Since the first submission of the fiscal year is a mid year submission (1st and 2nd quarters), there are six quarters of data displayed. The last submission for the fiscal year (3rd and 4th quarters) will display eight quarters of data.

3.1 Reporting Activities

The depot maintenance activities that will report to the DMOIS are noted in Appendix A of this report. Depots that the Defense Base Closure and Realignment Commission have voted to close are not required to report.

4.1 Points of Contact

Any inquiries regarding data presented in this report should be referred to the respective Service or DLA representative to the JPMG. These individuals are identified in Appendix B.

5.1 Glossary

A glossary of acronyms used in this report is provided in Appendix C.

ARMY DEPOTS

ANNISTON ARMY DEPOT
ANNISTON, AL

MAJOR WORKLOAD ACCOMPLISHED:

During FY94, Anniston Army Depot repaired 476 M1 RCIRON vehicles, 22 M60/M48 AVLB RCIRON vehicles, 33 M728 RCIRON vehicles, 66 M88A1 RCIRON vehicles, 35 M551/NTC OPFOR vehicles, 15 M551A1 vehicles, 5 M60A1 AVLB overhaul vehicles, 6 M728 overhaul vehicles, and 42 M88A1 overhaul vehicles. ANAD repaired 33 M1 engines, 157 M1 forward modules, 343 M1 rear modules, 169 engines, 233 6V3T engines, and 15 1410 transmissions.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2506
Military:	3

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

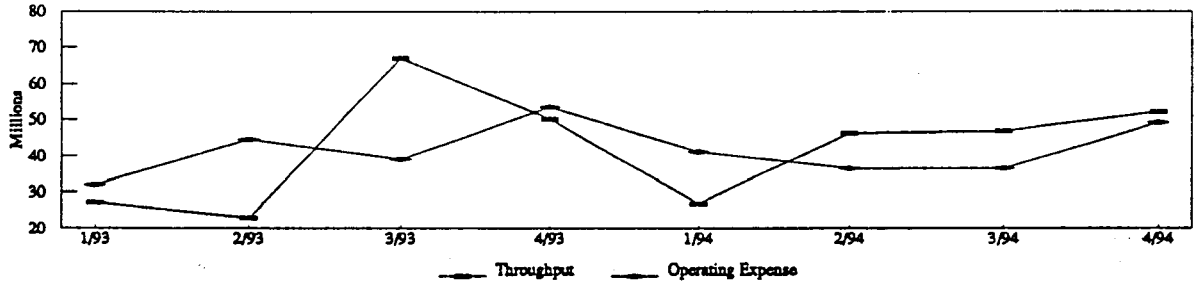
$271,564,000

M1A2 Upgrade Teaming with General Dynamics - A pilot program at ANAD was completed 30 Sept 94. ANAD has completed 49 vehicles on FY94 program and expects to complete the remainder by the end of December for a total of 86 vehicles. An FY95 program for a quantity of 120 is scheduled for induction at the end of October 1994 with production beginning in December 1994 and continuing through December 1995. Mining Equipment Manufacturing Team Effort with United Defense (BMY)- On 18 April, 1994, ANAD and Steel Products Division of United Defense signed a memorandum of agreement to develop specialized mining equipment in the U.S. ANAD is currently in the process of completing cost estimates for the effort to be performed at the depot. Preliminary estimates should be completed in the mid-November timeframe. M1A1 AIM Teaming with General Dynamics - AIM XXI is a public/private venture between ANAD and General Dynamics Land Systems to provide an integrated program for restoration, enhanced maintenance and information management support for the M1A1 Main Battle Tank (MBT). A $35M FY95 pilot program at the Army's National Training Center will restore 58-60 M1A1 tanks to a standard configuration incorporating performance, safety, and reliability improvements and fielding a "zero time," better than new MBT. The pilot program will also demonstrate the added value of enhanced intermediate level maintenance provided by joint OEM/civilian field maintenance support teams. Coupling restored M1A1s with aggressive field support will reduce life cycle maintenance cost and improve readiness.

ANNISTON ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

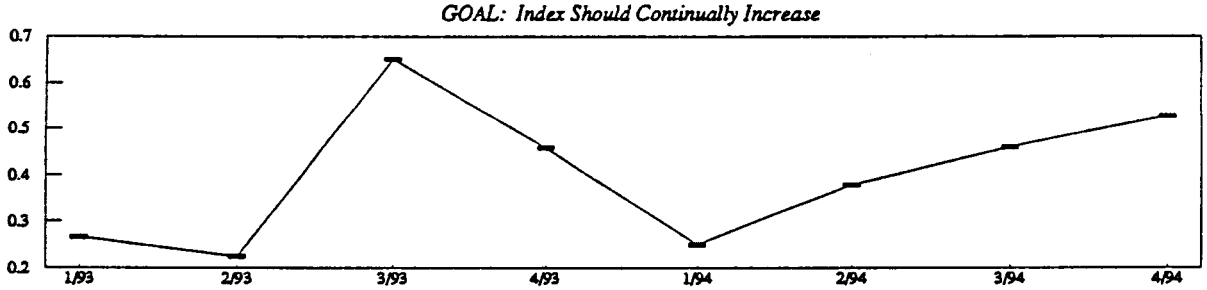
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Throughput has continued to show a positive trend in FY94. Revenue exceeded the plan per direct labor hour due to completion of prior year unliquidated obligations. Operating expenses exceeded the plan due to reimbursements from the Defense Finance and Accounting Service and Defense Logistics Agency which were not in the plan or fixed prices.

CAPITAL INVESTMENT EFFECTIVENESS

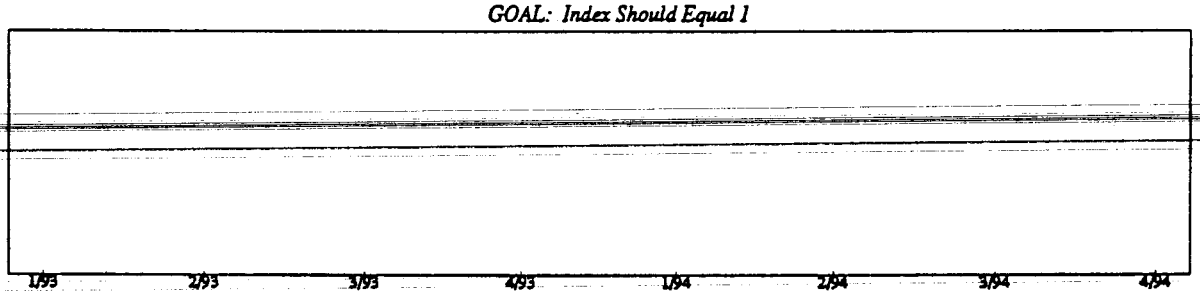
GOAL: Index Should Continually Increase



The positive trend in FY94 was mainly due to an increase in Throughput.

SCHEDULE INDICATOR

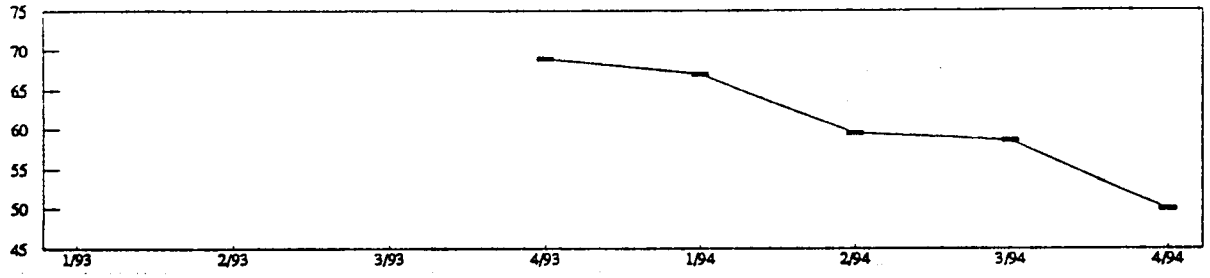
GOAL: Index Should Equal 1



ANNISTON ARMY DEPOT

PROCESS DAYS

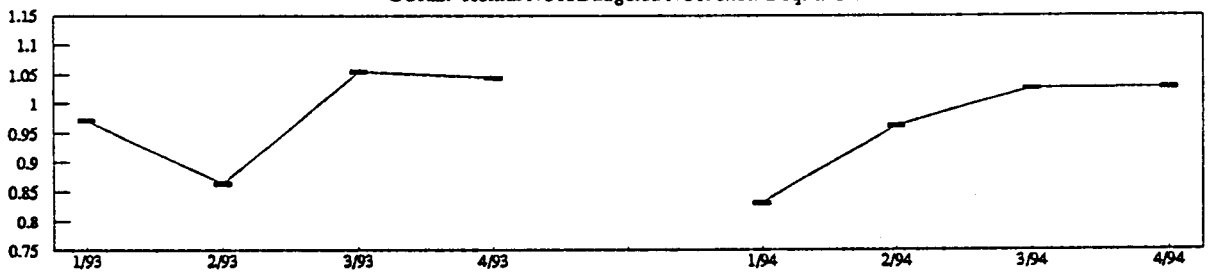
GOAL: Process Days Should show Continual Reduction



In FY94 ANAD reduced actual repair cycle time for M1 RCIRON vehicles from 67 days to 50 days. This was the result of production process improvements via TQM efforts throughout the Maintenance Directorate. Intensive management coupled with employee contributions through statistical process control and process assessment teams resulted in increased Throughput along the critical path of the vehicle production process.

NET OPERATING RESULTS

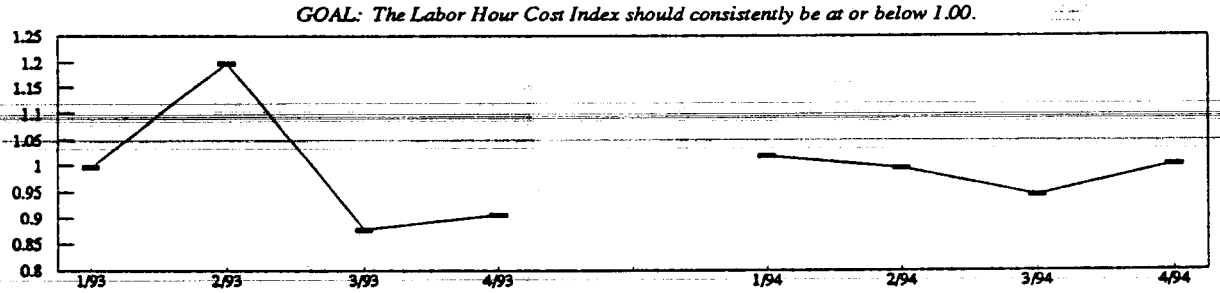
GOAL: Actual NOR/Budgeted NOR should equal 1.00



In FY94, costs are below the plan by nearly $15M. This was primarily due to a more intensive management of material cost. Revenue also exceeded the plan by $1.59 per hour which resulted in a favorable NOR. The NOR exceeded the plan by $7.2M.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Labor Hour Cost exceeded the plan by only $.17 (0.2%). This resulted from the fact that overtime exceeded the plan due to completion of prior year unliquidated obligations and to the completion of year-end production schedules.

ANNISTON ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	62,318,000	75,471,000	52,085,000	68,704,000	52,023,000	67,851,000	63,880,000	81,457,000
Total Cost ($)	67,023,000	97,140,000	24,160,000	71,972,000	66,325,000	58,082,000	53,633,000	78,461,000
Direct Materials ($)	35,075,000	52,519,000	(14,935,000)	18,546,000	25,131,000	21,564,000	17,131,000	29,290,000
Throughput ($)	27,243,000	22,952,000	67,020,000	50,158,000	26,892,000	46,287,000	46,749,000	52,167,000
Operating Expense ($)	31,948,000	44,621,000	39,095,000	53,426,000	41,194,000	36,518,000	36,502,000	49,171,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	27,243,000	22,952,000	67,020,000	50,158,000	26,892,000	46,287,000	46,749,000	52,167,000
Longterm Inventory ($)	101,890,000	102,058,000	102,774,000	109,798,000	107,234,403	122,387,304	101,832,440	98,713,933
INDEX	0.27	0.22	0.65	0.46	0.25	0.38	0.46	0.53

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

M! Tanks Process Days				8,335	6,232	4,641	5,269	5,599
Number of Items				121	93	78	90	112
AVG PROCESS DAYS				68.88	67.01	59.50	58.54	49.99

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	65,775,000	138,872,000	208,678,000	280,517,000	62,540,000	132,211,000	204,268,000	273,208,000
Cum Budg Cost ($)	68,752,000	142,832,000	218,406,000	295,025,000	66,325,000	132,009,000	203,145,000	271,654,000
Budgeted NOR INDEX	0.96	0.97	0.96	0.95	0.94	1.00	1.01	1.01
Cum Actual Revenue ($)	62,318,000	137,789,000	189,874,000	258,578,000	52,023,000	119,874,000	183,735,000	265,211,000
Cum Actual Cost ($)	67,023,000	164,163,000	188,323,000	260,295,000	66,325,000	124,407,000	178,040,000	256,501,000
Actual NOR INDEX	0.93	0.84	1.01	0.99	0.78	0.96	1.03	1.03
NOR INDEX	0.97	0.86	1.06	1.04	0.83	0.96	1.03	1.03

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	68,752,000	142,832,000	218,406,000	295,025,000	66,325,000	132,009,000	203,145,000	271,654,000
Budgeted Total DLH	753,655	1,598,363	2,409,186	3,246,752	744,884	1,565,590	2,391,944	3,178,543
Bud Labor Hour Cost	$91.22	$89.36	$90.66	$90.87	$89.04	$84.32	$84.93	$85.46
Total Actual Cost ($)	67,023,000	164,163,000	188,323,000	260,295,000	66,325,000	124,407,000	178,040,000	256,501,000
Actual Total DLH	737,432	1,532,232	2,367,749	3,161,415	730,900	1,482,197	2,220,203	2,995,334
Actual Labor Hour Cost	$90.89	$107.14	$79.54	$82.33	$90.74	$83.93	$80.19	$85.63
Labor Hour Cost INDEX	1.00	1.20	0.88	0.91	1.02	1.00	0.94	1.00

CORPUS CHRISTI ARMY DEPOT
CORPUS CHRISTI, TX

MAJOR WORKLOAD ACCOMPLISHED:

The depot repairs, overhauls and maintains Army helicopters, including the UH-1 Huey, the AH-1S Cobra, the UH-60 Black Hawk and the CH-47 Chinook. In addition, Corpus Christi is DESCOM's Center of Technical Excellence for the AH-64 Apache attack helicopter, the UH-60 Black Hawk and the new Light Helicopter (LHX) Program (engine and airframe).

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2786
Military:	7

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

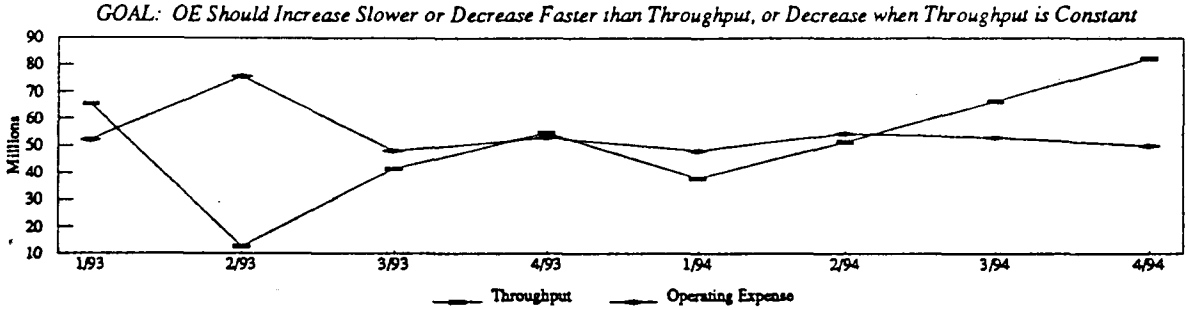
$325,582,000

Customer support and expense reduction continue to be a major focus for the business of the depot. Scheduling work based upon executability and capacity is positively influencing the schedule indicator. Continuing emphasis on process improvements is expected to continue to improve the Process Days Indicator. It is relevant to recognize that process days for the Blackhawk encompasses four types of programs, A1, A2, IO, and BO; and while some predictability of cycle time is appropriate, the condition of the aircraft upon arrival determines the scope of work (time to perform).

CORPUS CHRISTI ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

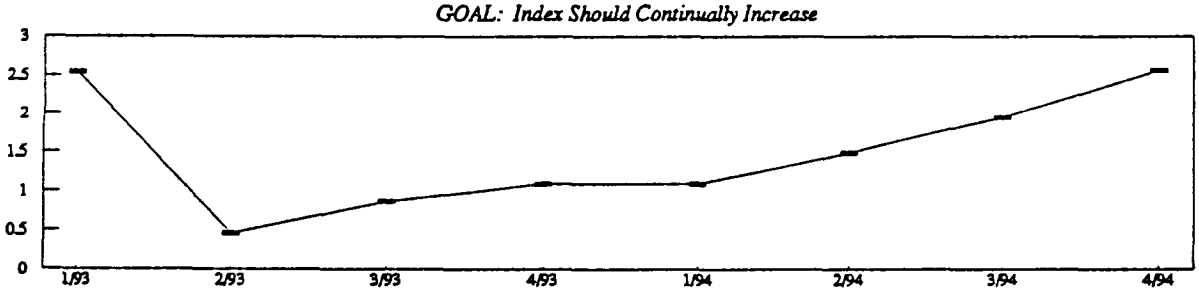
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Revenue increased while actual costs decreased at a steady rate during FY94. Actual Direct Labor Hour costs decreased 12.3% in 4th Qtr FY94 versus 4th Qtr FY93.

CAPITAL INVESTMENT EFFECTIVENESS

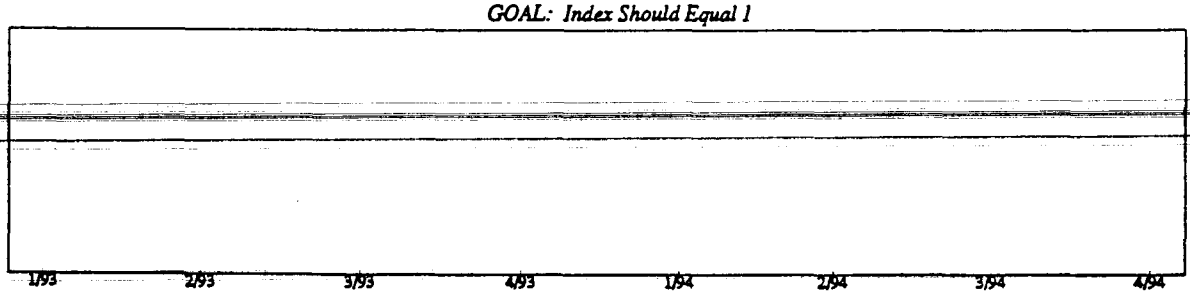
GOAL: Index Should Continually Increase



Increasing Throughput and decreasing book value of assets due to depreciation caused the positive acceleration of the Capital Investment Effectiveness Index.

SCHEDULE INDICATOR

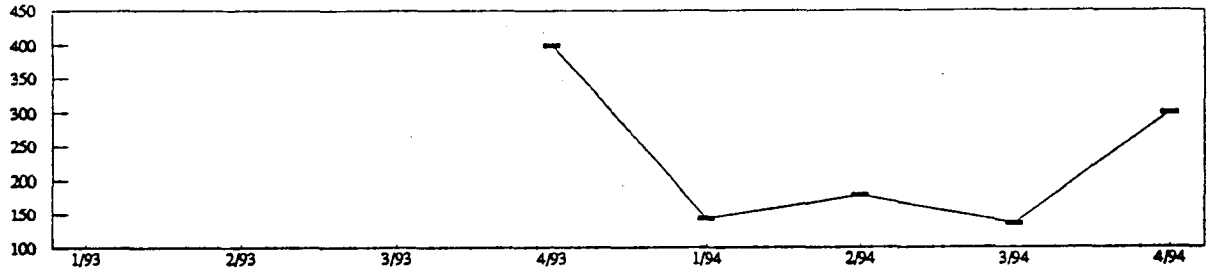
GOAL: Index Should Equal 1



CORPUS CHRISTI ARMY DEPOT

PROCESS DAYS

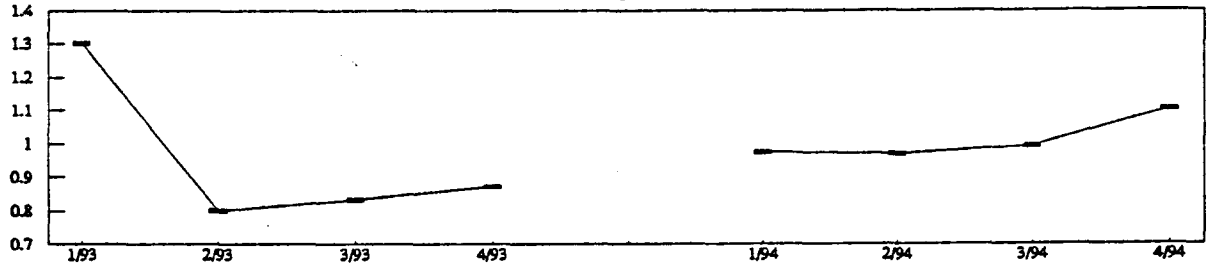
GOAL: Process Days Should show Continual Reduction



Process Days remained constant after declining dramatically from 4th Qtr FY93 until the completion of two crash-damaged aircraft, one from FY86 and the other from FY89. Inspect and Repair completed in the 4th Qtr FY94 increased from 136 to 145 days

NET OPERATING RESULTS

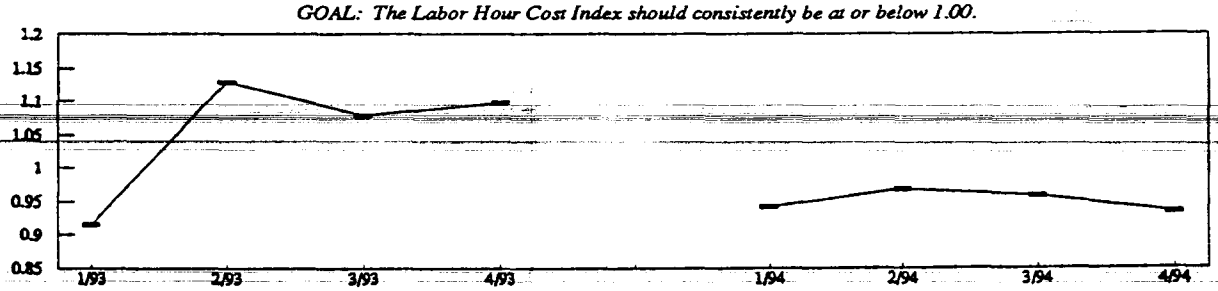
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Renegotiation of several PRONs at year-end IPR was a major reason for actual NOR to exceed budgeted NOR. Actual operating expenses were less than budgeted due to a material return credit of $11M from ATCOM.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Labor Hour Cost show a favorable consistent trend for FY94. Actual direct labor hours were consistently higher than budgeted, while actual costs were consistenetly lower than planned. The $11M material return credit from ATCOM influenced these results.

CORPUS CHRISTI ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	89,816,000	63,020,000	77,884,000	98,809,000	63,042,000	84,258,000	95,189,000	109,097,000
Total Cost ($)	76,318,000	126,148,000	84,495,000	96,942,000	73,167,000	87,406,000	81,528,000	76,725,000
Direct Materials ($)	24,261,000	50,224,000	36,384,000	43,998,000	25,051,000	32,990,000	28,537,000	26,683,000
Throughput ($)	65,555,000	12,796,000	41,500,000	54,811,000	37,991,000	51,268,000	66,652,000	82,414,000
Operating Expense ($)	52,057,000	75,924,000	48,111,000	52,944,000	48,116,000	54,416,000	52,991,000	50,042,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	65,555,000	12,796,000	41,500,000	54,811,000	37,991,000	51,268,000	66,652,000	82,414,000
Longterm Inventory ($)	25,719,000	27,831,000	47,970,000	49,954,000	34,685,914	34,532,339	34,166,524	31,999,721
INDEX	2.55	0.46	0.87	1.10	1.10	1.48	1.95	2.58

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Blackhawk Process Days				4,397	861	2,859	1,497	5,095
Number of Items				11	6	16	11	17
AVG PROCESS DAYS				399.73	143.50	178.69	136.09	299.71

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	83,909,000	179,404,000	283,913,000	387,186,000	66,879,000	150,078,000	245,550,000	325,582,000
Cum Budg Cost ($)	92,818,000	190,357,000	293,964,000	392,724,000	75,672,000	158,561,000	243,099,000	325,582,000
Budgeted NOR INDEX	0.90	0.94	0.97	0.99	0.88	0.95	1.01	1.00
Cum Actual Revenue ($)	89,816,000	152,836,000	230,720,000	329,529,000	63,042,000	147,300,000	242,489,000	351,586,000
Cum Actual Cost ($)	76,318,000	202,466,000	286,961,000	383,903,000	73,167,000	160,573,000	242,101,000	318,826,000
Actual NOR INDEX	1.18	0.75	0.80	0.86	0.86	0.92	1.00	1.10
NOR INDEX	1.30	0.80	0.83	0.87	0.97	0.97	0.99	1.10

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	92,818,000	190,357,000	293,964,000	392,724,000	75,672,000	158,561,000	243,099,000	325,582,000
Budgeted Total DLH	783,811	1,645,249	2,565,501	3,477,742	643,994	1,358,587	2,084,450	2,802,485
Bud Labor Hour Cost	$118.42	$115.70	$114.58	$112.92	$117.50	$116.71	$116.63	$116.18
Total Actual Cost ($)	76,318,000	202,466,000	286,961,000	383,903,000	73,167,000	160,573,000	242,101,000	318,826,000
Actual Total DLH	704,089	1,550,142	2,323,254	3,098,817	661,055	1,422,510	2,168,603	2,936,585
Actual Labor Hour Cost	$108.39	$130.61	$123.52	$123.89	$110.68	$112.88	$111.64	$108.57
Labor Hour Cost INDEX	0.92	1.13	1.08	1.10	0.94	0.97	0.96	0.93

LETTERKENNY ARMY DEPOT
CHAMBERSBURG, PA

MAJOR WORKLOAD ACCOMPLISHED:

Major workload included the production of 128 M109 self-propelled howitzers, 31 light recovery vehicles, 14 towed howitzers, 18 Patriot launchers, 6 complete Hawk systems, 8 Hawk shops, 30 Avenger fire units, and approximately 9,900 secondary items .

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1367
Military:	10

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

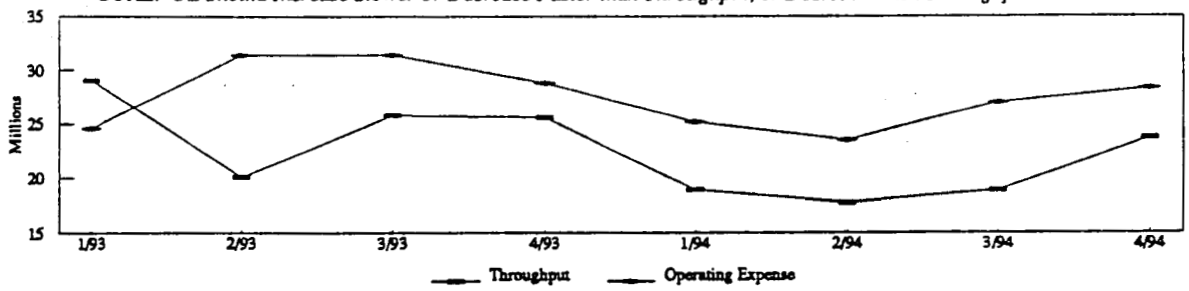
$136,433,000

Transitioning equipment, upgrading maintenance facilities, recruiting, and training all characterize LEAD's present effort in support of the tactical missile consolidation (e.g., during the 3rd Qtr, the AIM-7 test equipment was validated ahead of schedule). Highspeed Anti-Radiation Missile (HARM) peculiar equipment is installed and ready for use. As of May 94, LEAD completed first article test on AVENGER/ATAS Argon Bottle Refurbishment Certification Test Sets. The first Field Artillery Ammunition Supply Vehicle (FAASV) was sent to Yuma Proving Ground for testing. This was the first of 99 to be converted by LEAD to the M992A2 configuration. The converted vehicle is compatable with the M109A6 Paladin self-propelled artillery. FAASVs will be converted on a schedule to match Paladin fielding. LEAD accepted an Air Force program of 30 Sparrow AIM-7M missiles, and a Navy program for 11. Work began in the 4th Qtr. First article test was completed in September for the HELLFIRE launcher. This is the fifth missile to transition. LEAD fielded the second AVENGER system to Europe on schedule and with positive results. The Joint Engineering Data Management Information and Control System (JEDMICS), an automated mass storage system for mechanical data, was installed at LEAD. LEAD is the first depot to receive JEDMICS. Initial FY94 projections showed sufficient workload to execute the budgeted direct labor hours with minimum carryover to FY95. Revisions and decrements cut new orders by 16% and resulted in a carryover of approximately 4.2 months, including exclusions (fabrications/FMS). Available personnel were used in other mission areas, in self-help projects, and in supporting tactical missile. consolidation.

LETTERKENNY ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

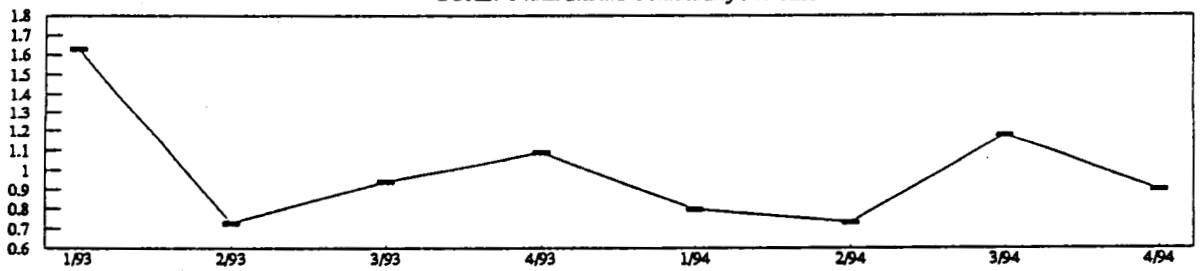
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Letterkenny Army Depot did not receive all of the workload it could accomplish. Because most depot costs are fixed in the year of execution, any decrease in assigned workload will have a negative impact on all indicators.

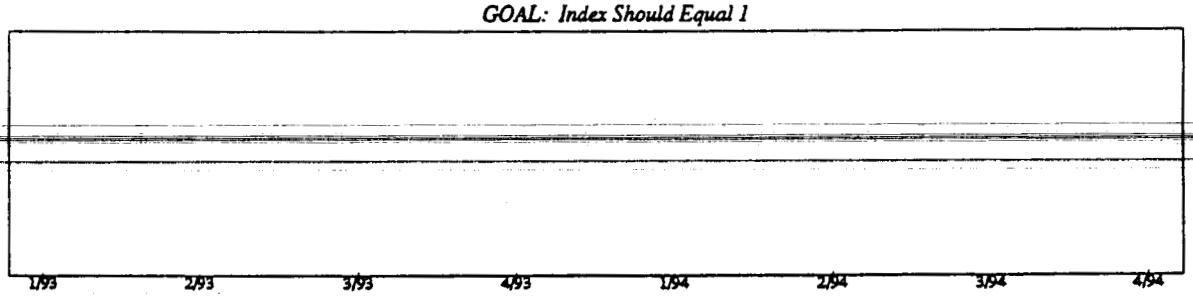
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

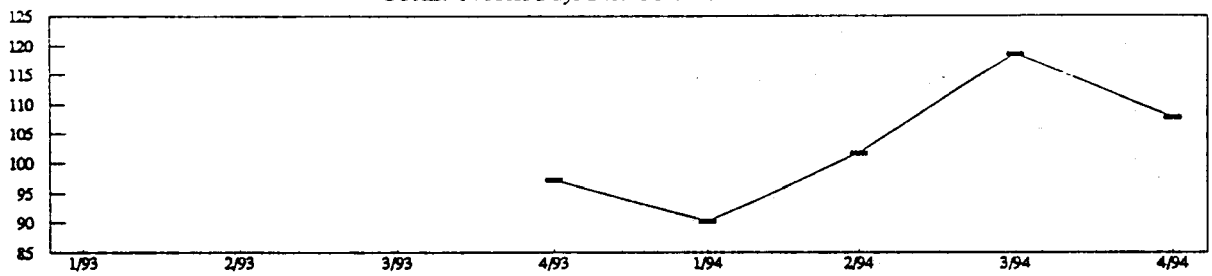
GOAL: Index Should Equal 1



LETTERKENNY ARMY DEPOT

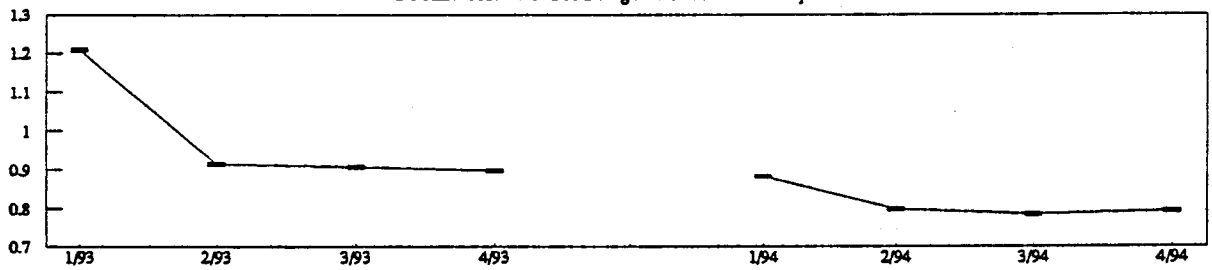
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



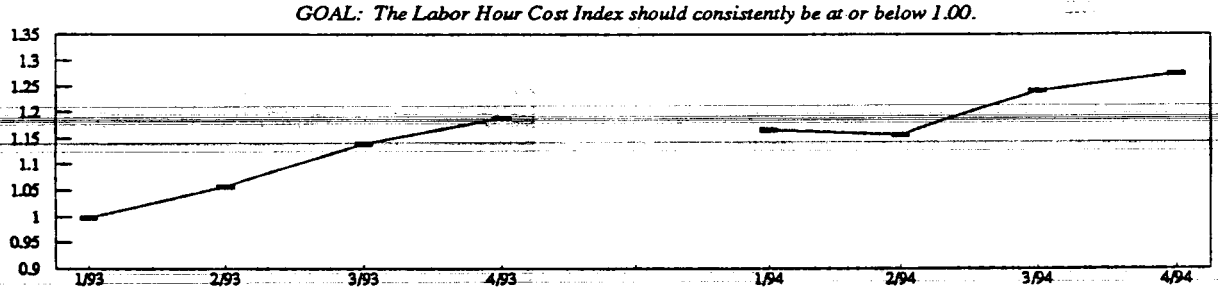
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



LETTERKENNY ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	38,114,000	24,371,000	31,790,000	28,215,000	23,849,000	20,903,000	26,668,000	31,182,000
Total Cost ($)	33,608,000	35,683,000	37,451,000	31,438,000	30,098,000	26,629,000	34,791,000	35,805,000
Direct Materials ($)	9,046,000	4,261,000	6,035,000	2,633,000	4,953,000	3,133,000	7,822,000	7,461,000
Throughput ($)	29,068,000	20,110,000	25,755,000	25,582,000	18,896,000	17,770,000	18,846,000	23,721,000
Operating Expense ($)	24,562,000	31,422,000	31,416,000	28,805,000	25,145,000	23,496,000	26,969,000	28,344,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	29,068,000	20,110,000	25,755,000	25,582,000	18,896,000	17,770,000	18,846,000	23,721,000
Longterm Inventory ($)	17,845,000	27,586,000	27,362,000	23,503,000	23,664,320	24,289,834	16,009,953	26,357,823
INDEX	1.63	0.73	0.94	1.09	0.80	0.73	1.18	0.90

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Paladin Process Days				1,460	1,083	1,424	2,134	971
Number of Items				15	12	14	18	9
AVG PROCESS DAYS				97.33	90.25	101.71	118.56	107.89

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	37,393,000	79,842,000	121,256,000	161,744,000	32,097,000	67,090,000	103,197,000	138,500,000
Cum Budg Cost ($)	39,901,000	81,034,000	124,518,000	163,710,000	35,697,000	67,949,000	103,918,000	136,433,000
Budgeted NOR INDEX	0.94	0.99	0.97	0.99	0.90	0.99	0.99	1.02
Cum Actual Revenue ($)	38,114,000	62,485,000	94,275,000	122,490,000	23,849,000	44,752,000	71,420,000	102,602,000
Cum Actual Cost ($)	33,608,000	69,291,000	106,742,000	138,180,000	30,098,000	56,727,000	91,518,000	127,323,000
Actual NOR INDEX	1.13	0.90	0.88	0.89	0.79	0.79	0.78	0.81
NOR INDEX	1.21	0.92	0.91	0.90	0.88	0.80	0.79	0.79

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	39,901,000	81,034,000	124,518,000	163,710,000	35,697,000	67,949,000	103,918,000	136,433,000
Budgeted Total DLH	458,460	974,499	1,472,858	1,960,062	379,403	788,926	1,218,971	1,648,915
Bud Labor Hour Cost	$87.03	$83.15	$84.54	$83.52	$94.09	$86.13	$85.25	$82.74
Total Actual Cost ($)	33,608,000	69,291,000	106,742,000	138,180,000	30,098,000	56,727,000	91,518,000	127,323,000
Actual Total DLH	386,817	788,250	1,106,478	1,390,986	274,159	568,792	864,973	1,206,475
Actual Labor Hour Cost	$86.88	$87.90	$96.47	$99.34	$109.78	$99.73	$105.80	$105.53
Labor Hour Cost INDEX	1.00	1.06	1.14	1.19	1.17	1.16	1.24	1.28

4,953,000
3,133,000
7822,000
7461,000
23,419,000

127,323,000
23,419,000
103,904,000 ÷ 1,206,475 =
86.15

RED RIVER ARMY DEPOT
TEXARKANA, TX

MAJOR WORKLOAD ACCOMPLISHED:

RRAD is the primary depot for overhaul and conversion of the M113 Armored Personnel Carrier family of vehicles. In the trend to shift to more advanced weapons systems, RRAD has become the designated maintenance point for the overhaul and conversion of the Bradley Fighting Vehicle and Multiple Launch Rocket System. RRAD is also the Army's Theatre Readiness Monitoring Facility for the PATRIOT system.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1642
Military:	5

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

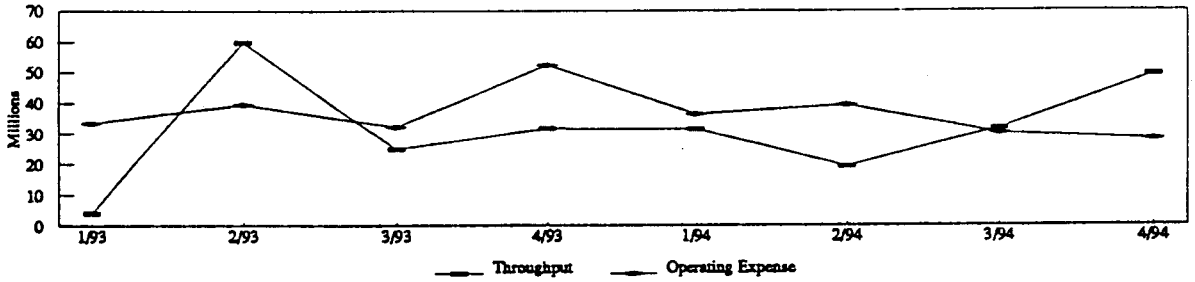
$218,773,000

RRAD is designated the organic source of repair for the M911/M747 Heavy Equipment Transporter System (HETS). For FY94, RRAD produced 358 Bradley Fighting Vehicles, 512 M113 Armored Personnel Carriers, and 12 Multiple Launch Rocket Systems. After a turbulent beginning, RRAD finished FY94 with a NOR loss of approximately $2M, a $14M improvement from the planned loss of $16M.

RED RIVER ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

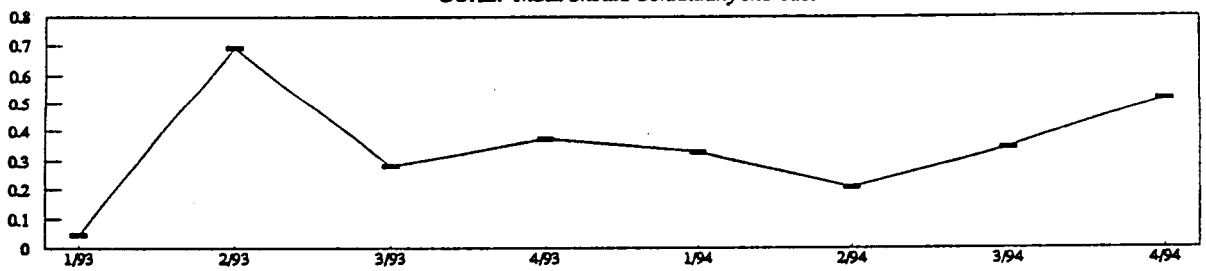
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



The pattern of actual Operating Expenses exceeding actual revenue (Throughput) reflected directed loss of $16M. RRAD finished FY94 with a $2M loss by decreasing operating costs rather than increasing prices/revenue.

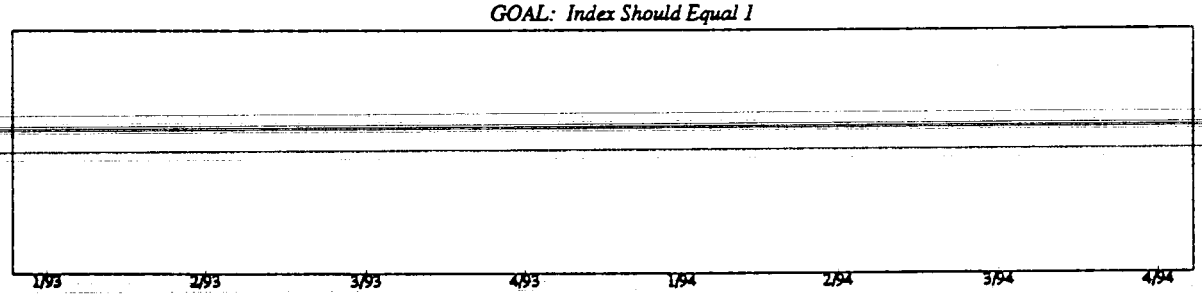
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

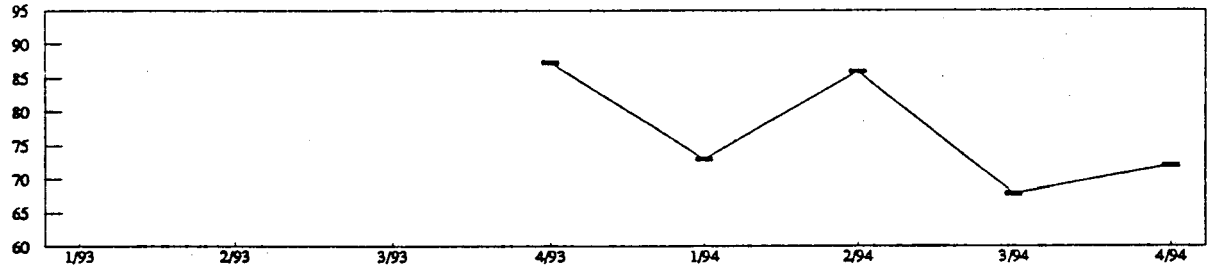
GOAL: Index Should Equal 1



RED RIVER ARMY DEPOT

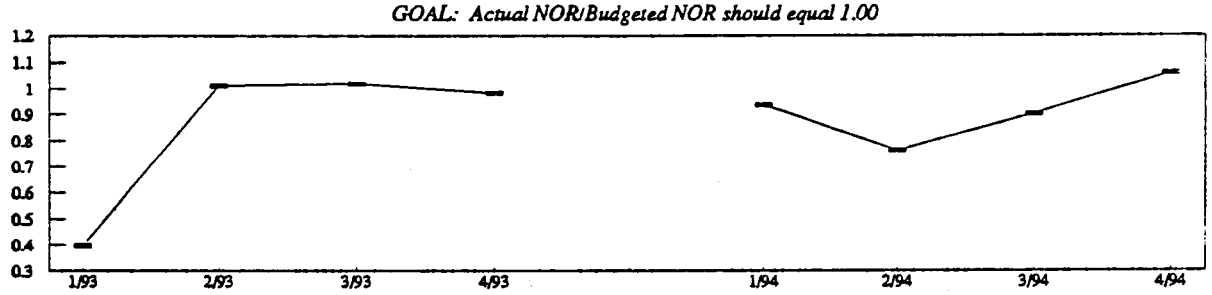
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



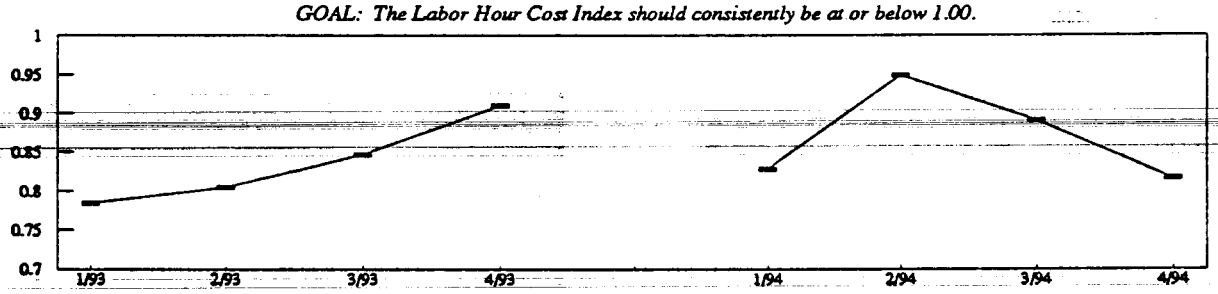
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Labor Hour Cost Index was below 1.00 for both FY93 and FY94, and the 4th Qtr FY94 actual labor hour cost, $79.32, is 12% below the 4th Qtr FY93 cost of $90.14.

RED RIVER ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	15,975,000	72,660,000	53,261,000	52,637,000	33,867,000	32,192,000	43,700,000	55,932,000
Total Cost ($)	45,407,000	52,366,000	60,584,000	73,347,000	38,732,000	52,420,000	42,118,000	34,787,000
Direct Materials ($)	11,953,000	12,735,000	28,412,000	21,000,000	2,350,000	12,990,000	12,078,000	6,630,000
Throughput ($)	4,022,000	59,925,000	24,849,000	31,637,000	31,517,000	19,202,000	31,622,000	49,302,000
Operating Expense ($)	33,454,000	39,631,000	32,172,000	52,347,000	36,382,000	39,430,000	30,040,000	28,157,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	4,022,000	59,925,000	24,849,000	31,637,000	31,517,000	19,202,000	31,622,000	49,302,000
Longterm Inventory ($)	83,668,000	86,415,000	87,954,000	85,014,000	95,409,007	92,857,704	92,012,986	95,055,023
INDEX	0.05	0.69	0.28	0.37	0.33	0.21	0.34	0.52

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Bradleys Process Days				3,841	2,920	4,386	2,848	3,965
Number of Items				44	40	51	42	55
AVG PROCESS DAYS				87.30	73.00	86.00	67.81	72.09

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	55,874,000	118,085,000	179,805,000	241,450,000	43,224,000	93,751,000	147,136,000	203,220,000
Cum Budg Cost ($)	63,375,000	131,874,000	204,900,000	282,542,000	46,277,000	98,599,000	161,000,000	218,773,000
Budgeted NOR INDEX	0.88	0.90	0.88	0.85	0.93	0.95	0.91	0.93
Cum Actual Revenue ($)	15,975,000	88,635,000	141,896,000	194,533,000	33,867,000	66,059,000	109,759,000	165,691,000
Cum Actual Cost ($)	45,407,000	97,773,000	158,357,000	231,704,000	38,732,000	91,152,000	133,270,000	168,057,000
Actual NOR INDEX	0.35	0.91	0.90	0.84	0.87	0.72	0.82	0.99
NOR INDEX	0.40	1.01	1.02	0.98	0.94	0.76	0.90	1.06

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	63,375,000	131,874,000	204,900,000	282,542,000	46,277,000	98,599,000	161,000,000	218,773,000
Budgeted Total DLH	642,239	1,370,316	2,107,969	2,853,688	519,729	1,102,412	1,682,745	2,252,511
Bud Labor Hour Cost	$98.68	$96.24	$97.20	$99.01	$89.04	$89.44	$95.68	$97.12
Total Actual Cost ($)	45,407,000	97,773,000	158,357,000	231,704,000	38,732,000	91,152,000	133,270,000	168,057,000
Actual Total DLH	586,337	1,261,408	1,922,682	2,570,353	524,672	1,073,522	1,562,798	2,118,750
Actual Labor Hour Cost	$77.44	$77.51	$82.36	$90.14	$73.82	$84.91	$85.28	$79.32
Labor Hour Cost INDEX	0.78	0.81	0.85	0.91	0.83	0.95	0.89	0.82

TOBYHANNA ARMY DEPOT
TOBYHANNA, PA

MAJOR WORKLOAD ACCOMPLISHED:

Tobyhanna's major mission responsibilites include the repair, overhaul, modification, conversion, test and new system maintenance planning of both strategic and tactical communications and electronic equipment.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2235
Military:	27

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

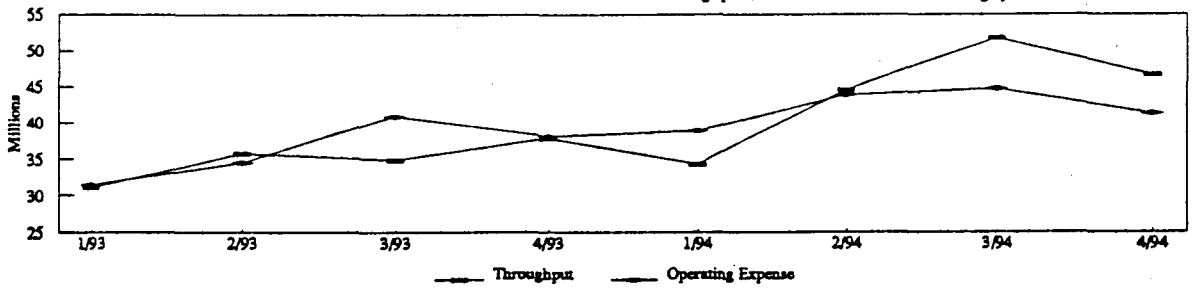
$207,537,000

These operating indicators depict a positive, increasing Throughput. Actual revenue was higher than planned due to the receipt of unprogrammed workload which had less material, supply, and equipment expenditures than the original workload it replaced. The reductions in cost resulted in an increased Net Operating Result Index (NOR) and a reduction in actual cost per direct labor hour.

TOBYHANNA ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

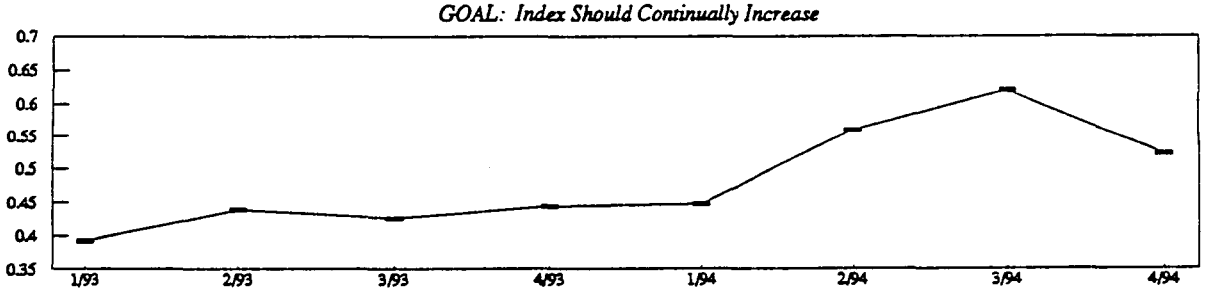
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



FY94 Throughput shows an overall positive trend compared to FY93 due to an increase in customer workload. Operating expenses remained under control as the direct result of cost-cutting measures and year-end adjustments of estimated expenses to actual expenses.

CAPITAL INVESTMENT EFFECTIVENESS

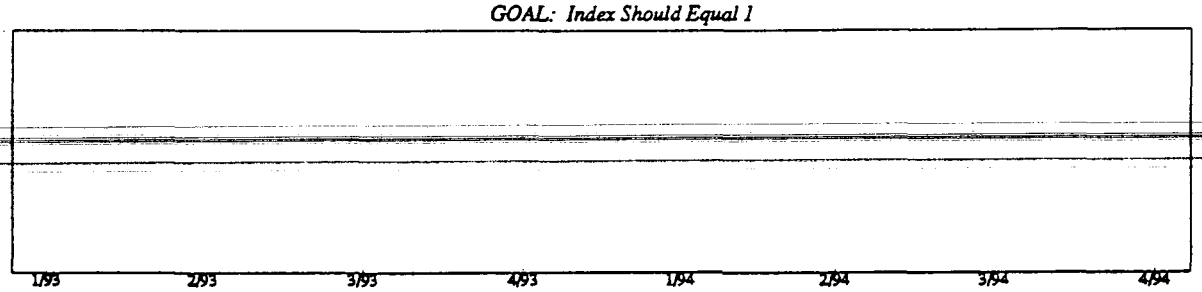
GOAL: Index Should Continually Increase



Capital Investment Effectiveness increased in FY94 due to an increase in customer workload.

SCHEDULE INDICATOR

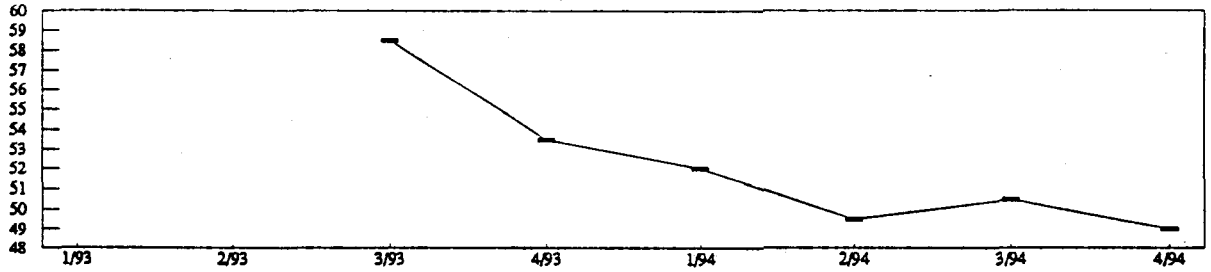
GOAL: Index Should Equal 1



TOBYHANNA ARMY DEPOT

PROCESS DAYS

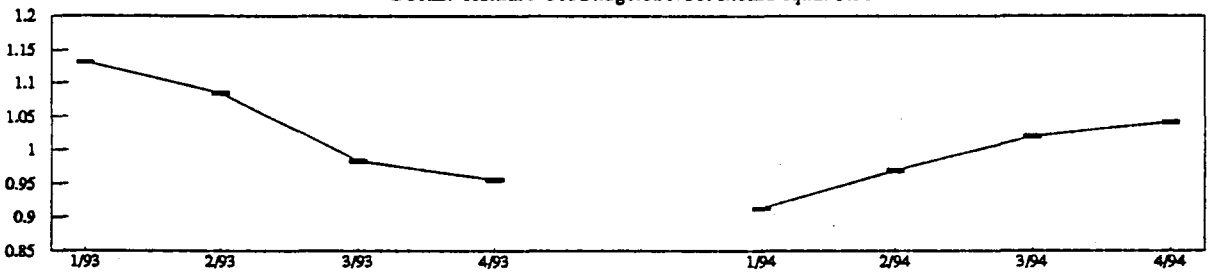
GOAL: Process Days Should show Continual Reduction



Process days for the PCM Tele Terminal reflect a continuing postive downward trend.

NET OPERATING RESULTS

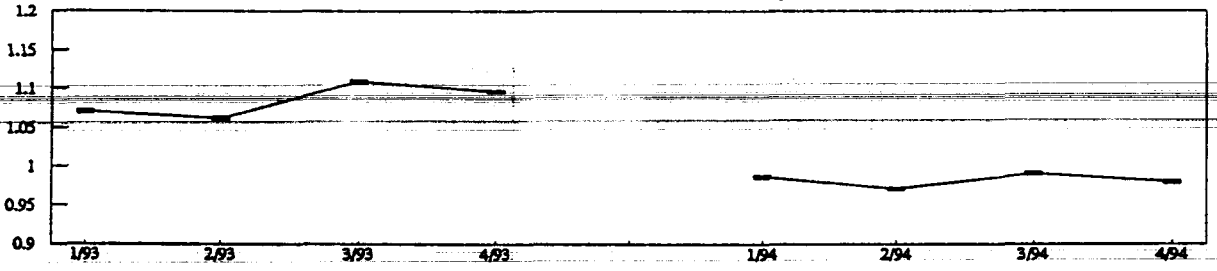
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Completion of unprogrammed workload such as Rack 41's and workload for Army Reserves and National Guard were the primary reasons for the increase of actual revenue over planned revenue. Decreased costs were primarily the result of decreased material, supply and equipment expenditures.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Decrease is attributable to an underacheivement of direct labor hours due to workload shortfalls in overhaul areas, a snow emergency day, and the non-receipt of funding for numerous programs such as the RTC-524, VRC-12, voice multiplexer avionics, and surveillance radar programs. The direct labor hour shortfall has contributed to the cost decrease because of the slow receipt of workable authorizations.

TOBYHANNA ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	39,960,000	46,747,000	45,084,000	45,035,000	41,151,000	51,885,000	61,661,000	54,607,000
Total Cost ($)	40,348,000	45,526,000	51,092,000	45,310,000	45,686,000	51,233,000	54,552,000	49,398,000
Direct Materials ($)	8,849,000	10,946,000	10,188,000	7,243,000	6,814,000	7,360,000	9,842,000	8,015,000
Throughput ($)	31,111,000	35,801,000	34,896,000	37,792,000	34,337,000	44,525,000	51,819,000	46,592,000
Operating Expense ($)	31,499,000	34,580,000	40,904,000	38,067,000	38,872,000	43,873,000	44,710,000	41,383,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	31,111,000	35,801,000	34,896,000	37,792,000	34,337,000	44,525,000	51,819,000	46,592,000
Longterm Inventory ($)	79,285,000	81,650,000	81,994,000	85,214,000	76,764,000	79,562,000	83,508,000	89,261,000
INDEX	0.39	0.44	0.43	0.44	0.45	0.56	0.62	0.52

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

PCM Tele Terminal Process Days			117	107	104	99	101	98
Number of Items			2	2	2	2	2	2
AVG PROCESS DAYS			58.50	53.50	52.00	49.50	50.50	49.00

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	35,084,000	76,902,000	122,433,000	170,438,000	49,814,000	104,698,000	157,114,000	207,537,000
Cum Budg Cost ($)	40,086,000	82,660,000	125,128,000	168,006,000	50,492,000	105,800,000	156,921,000	207,537,000
Budgeted NOR INDEX	0.88	0.93	0.98	1.01	0.99	0.99	1.00	1.00
Cum Actual Revenue ($)	39,960,000	86,707,000	131,791,000	176,826,000	41,151,000	93,036,000	154,697,000	209,304,000
Cum Actual Cost ($)	40,348,000	85,874,000	136,966,000	182,276,000	45,686,000	96,919,000	151,471,000	200,869,000
Actual NOR INDEX	0.99	1.01	0.96	0.97	0.90	0.96	1.02	1.04
NOR INDEX	1.13	1.09	0.98	0.96	0.91	0.97	1.02	1.04

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	40,086,000	82,660,000	125,128,000	168,006,000	50,492,000	105,800,000	156,921,000	207,537,000
Budgeted Total DLH	759,000	1,524,000	2,322,000	3,105,000	767,932	1,587,306	2,406,861	3,211,357
Bud Labor Hour Cost	$52.81	$54.24	$53.89	$54.11	$65.75	$66.65	$65.20	$64.63
Total Actual Cost ($)	40,348,000	85,874,000	136,966,000	182,276,000	45,686,000	96,919,000	151,471,000	200,869,000
Actual Total DLH	713,000	1,490,000	2,291,000	3,072,000	704,089	1,496,517	2,344,000	3,170,000
Actual Labor Hour Cost	$56.59	$57.63	$59.78	$59.33	$64.89	$64.76	$64.62	$63.37
Labor Hour Cost INDEX	1.07	1.06	1.11	1.10	0.99	0.97	0.99	0.98

3814
7360
9842
801.5
32,031,000

200,869,000
32,031,000
168,838,000 ÷ 3,170,000
$53.26

NAVAL AVIATION DEPOTS

NADEP CHERRY POINT
CHERRY POINT, NC

MAJOR WORKLOAD ACCOMPLISHED:

AIRCRAFT: AV-8B Harrier II, A-4 Skyhawk, C-130 Hercules, F-4 Phantom II (Drone Conversion, USAF RF-4C, F4-E &F-4G), H-46 Sea Knight and CH-53 Sea Stallion

ENGINES: F402, J79, T400, T58, T64 and T76

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	3614
Military:	74

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

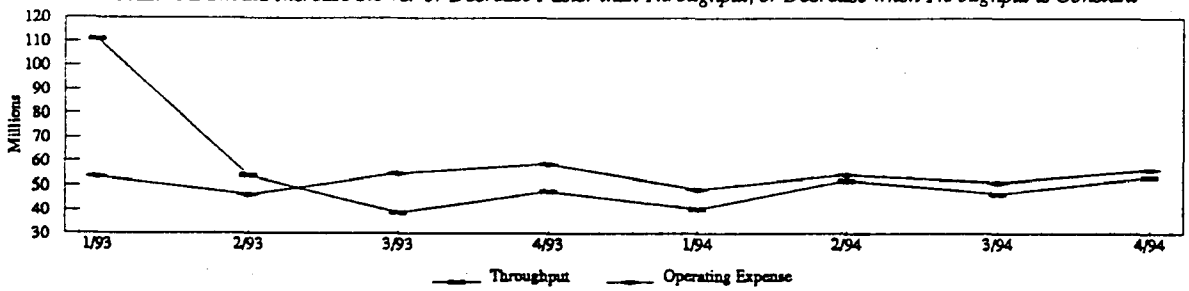
$349,162,996

Throughout FY94, NADEP Cherry Point continued to make improvements in its financial and overall process days indicators, while placing a great deal of emphasis on the transition of workload and personnel as a result of BRAC 93 decisions. During FY94, Cherry Point's rolls grew by 725 individuals. NADEP Cherry Point began transitioning the H-1, H-2, H3, H-53, H-60 and A-4 manufacturing workload. The NADEP also established capability for 247 H-53 components. Cherry Point has successfully transitioned the CH-53E aircraft from Pensacola, completing the first aircraft 44 calendar days ahead of schedule. Prototype inductions of the CH-53D, MH-53E and the RH-53D aircraft have been accomplished on schedule.

NADEP CHERRY POINT

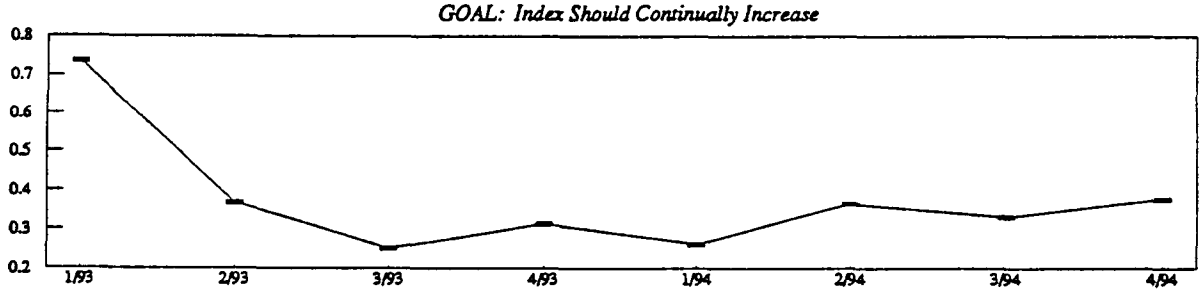
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



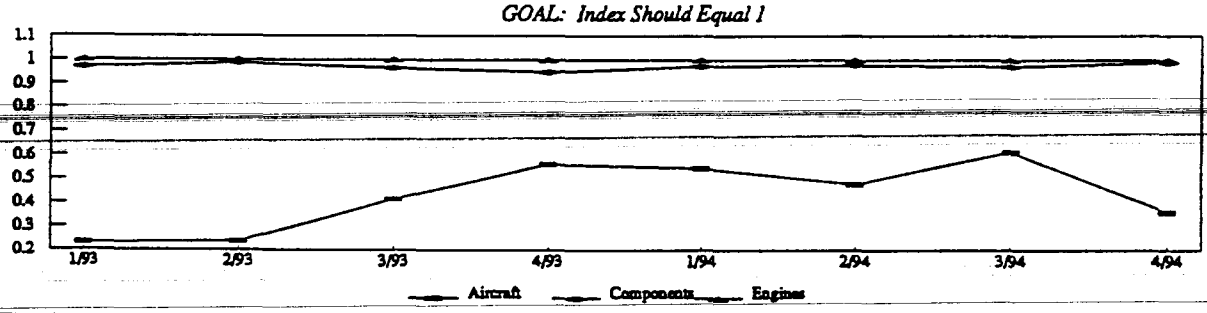
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

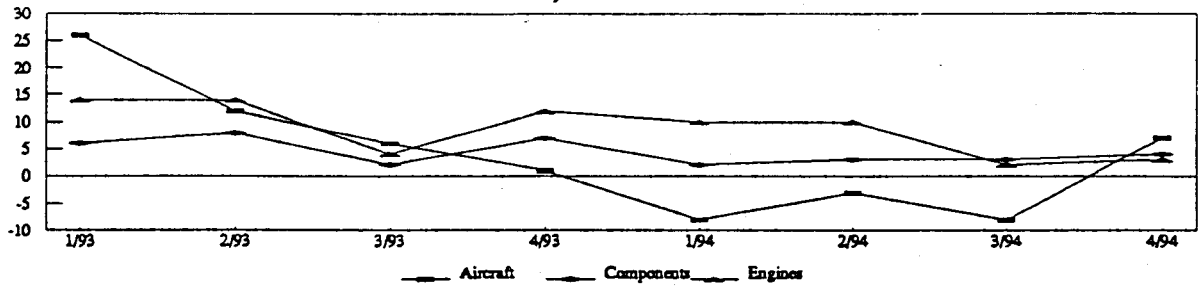


The Schedule Indicator for aircraft shows overall improvement although it was slightly down in the 4th Qtr FY94. Experienced depot personnel have been reassigned to aircraft programs that are transitioning to Cherry Point and there is an overall learning curve associated with the new programs. A breakdown by the number of days aircraft missed schedule is: 5 aircraft < 10 days, 4 aircraft < 20 days, and 7 aircraft >20 days.

NADEP CHERRY POINT

PROCESS DAYS

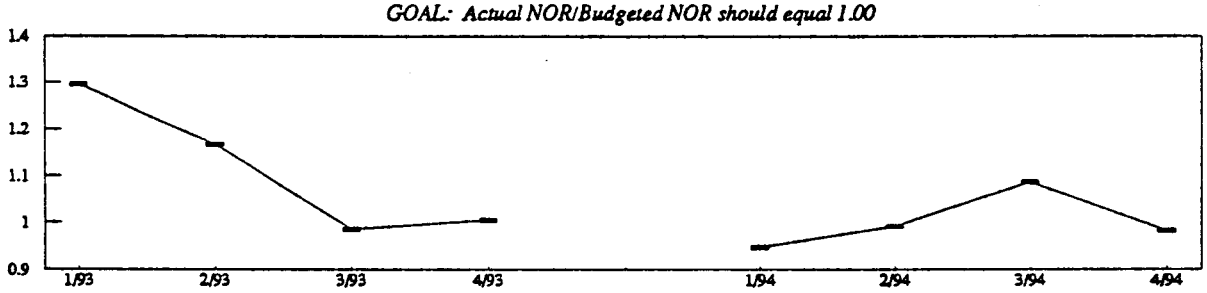
GOAL: Process Days Should show Continual Reduction



The slight rise in aircraft Process Days in the 4th Qtr FY94 was a result of increased emphasis on the product line of a major customer.

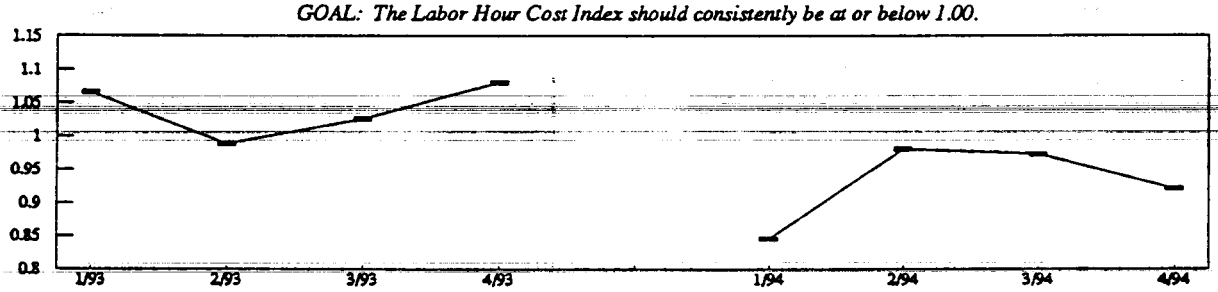
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



NADEP CHERRY POINT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue	148,921,214	82,727,888	72,614,456	80,742,869	68,316,637	85,517,345	81128023	85500122
Total Cost	91,592,760	74,957,009	88,561,174	91,779,039	76,403,144	87,852,085	85614928	88558573
Direct Materials	37,975,147	28,567,052	33,582,562	32,961,667	27,825,216	33,289,236	34275681	32031346
Throughput	110,946,067	54,160,836	39,031,894	47,781,202	40,491,421	52,228,109	46,852,342	53,468,776
Operating Expense	53,617,613	46,389,957	54,978,612	58,817,372	48,577,928	54,562,849	51,339,247	56,527,227

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput	110,946,067	54,160,836	39,031,894	47,781,202	40,491,421	52,228,109	46,852,342	53,468,776
Longterm Inventory	150,663,991	147,362,957	154,971,548	152,405,903	154,080,793	143,292,994	142,115,251	141,832,131
INDEX	0.74	0.37	0.25	0.31	0.26	0.36	0.33	0.38

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	26	21	29	16	11	23	26	25
Aircraft Completed	6	5	12	9	6	11	16	9
INDEX	0.23	0.24	0.41	0.56	0.55	0.48	0.62	0.36
Components Scheduled	2,835	2,521	3,987	4,445	3,999	3,646	3815	4087
Components Completed	2,750	2,488	3,856	4,223	3,897	3,571	3711	4044
INDEX	0.97	0.99	0.97	0.95	0.97	0.98	0.97	0.99
Engines Scheduled	130	109	92	93	70	94	86	100
Engines Completed	130	109	92	93	70	94	86	100
INDEX	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	74	84	68	42	115	119	109	97
Aircraft Actual	100	96	74	43	107	116	101	104
VARIANCE	26	12	6	1	-8	-3	-8	7
Components Planned	30	28	26	24	27	28	27	29
Components Actual	36	36	28	31	29	31	30	33
VARIANCE	6	8	2	7	2	3	3	4
Engines Planned	39	39	32	30	41	34	34	31
Engines Actual	53	53	36	42	51	44	36	34
VARIANCE	14	14	4	12	10	10	2	3

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue	105,626,000	207,238,000	305,553,000	371,837,000	77,062,000	157,215,000	223,444,000	353,914,000
Cum Budg Cost	84,227,000	173,895,000	252,447,000	336,561,000	81,693,000	166,421,000	258,391,000	367,024,000
Budgeted NOR INDEX	1.25	1.19	1.21	1.10	0.94	0.94	0.86	0.96
Cum Actual Revenue	148,921,214	231,649,101	304,263,557	385,007,426	68,316,637	153,833,982	234,962,004	320,462,126
~~Cum Actual Cost~~	~~91,592,780~~	~~166,549,790~~	~~255,110,963~~	~~346,890,003~~	~~76,428,055~~	~~164,255,229~~	~~249,870,157~~	~~338,428,730~~
Actual NOR INDEX	1.63	1.39	1.19	1.11	0.89	0.94	0.94	0.95
NOR INDEX	1.30	1.17	0.99	1.00	0.95	0.99	1.09	0.98

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost	84,227,000	173,895,000	252,447,000	336,561,000	81,693,000	166,421,000	258,391,000	367,024,000
Budgeted Total DLH	769,000	1,590,000	2,294,000	3,084,000	611,000	1,441,000	2,204,000	3,030,000
Bud Labor Hour Cost	109.53	109.37	110.05	109.13	133.70	115.49	117.24	121.13
Total Actual Cost	91,592,780	166,549,790	255,110,963	346,890,003	76,428,055	164,255,229	249,870,157	338,428,730
Actual Total DLH	784,792	1,540,291	2,260,262	2,941,452	675,883	1,449,773	2,188,559	3,033,821
Actual Labor Hour Cost	116.71	108.13	112.87	117.93	113.08	113.30	114.17	111.55
Labor Hour Cost INDEX	1.07	0.99	1.03	1.08	0.85	0.98	0.97	0.92

NADEP JACKSONVILLE
JACKSONVILLE, FL

MAJOR WORKLOAD ACCOMPLISHED:

P-3 Orions, A-7E's, Components, and Engines (J52 and F404), calibration, GSE, engineering and manufacturing.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	3109
Military:	29

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$343,130,648

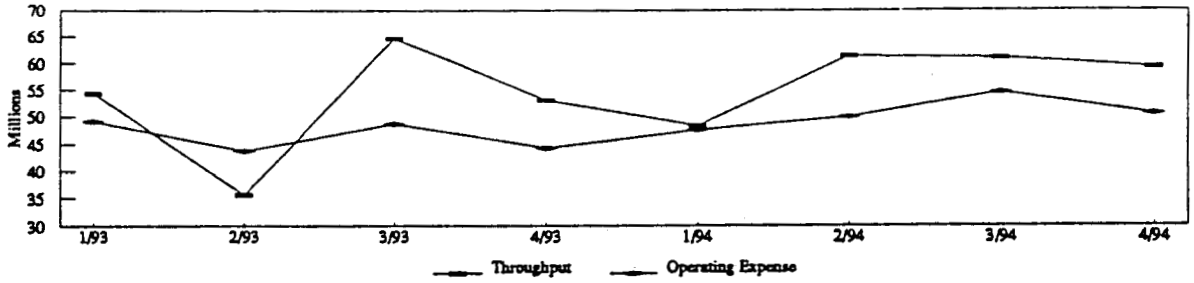
NADEP JAX was awarded the 1994 Florida Governor's Business Leadership Award.

The J52 engine contract was begun in second quarter.

NADEP JACKSONVILLE

THROUGHPUT & OPERATING EXPENSE

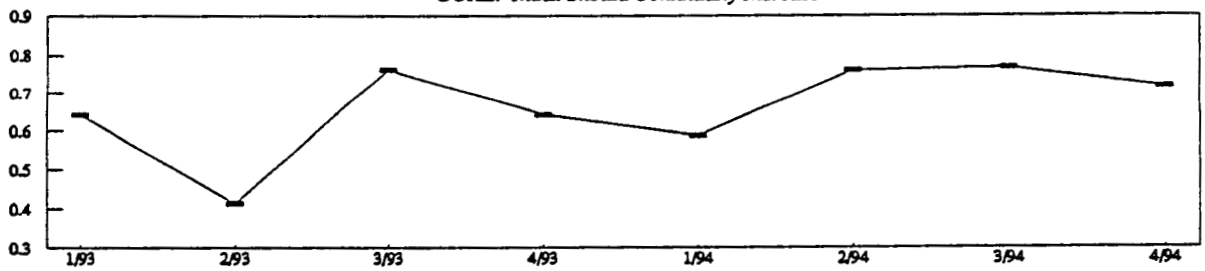
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



BRAC-93 funding delays reduced Throughput and year end close-out adjustments caused the apparent reduction in operating expense.

CAPITAL INVESTMENT EFFECTIVENESS

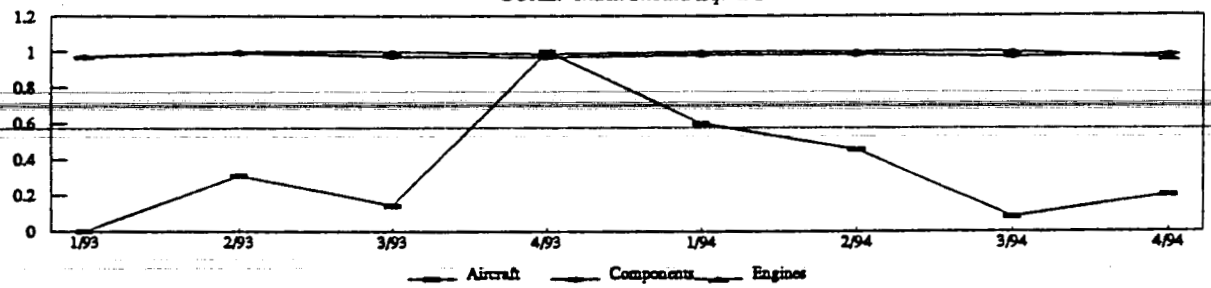
GOAL: Index Should Continually Increase



The BRAC-93 funding delays have disrupted this indicator.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

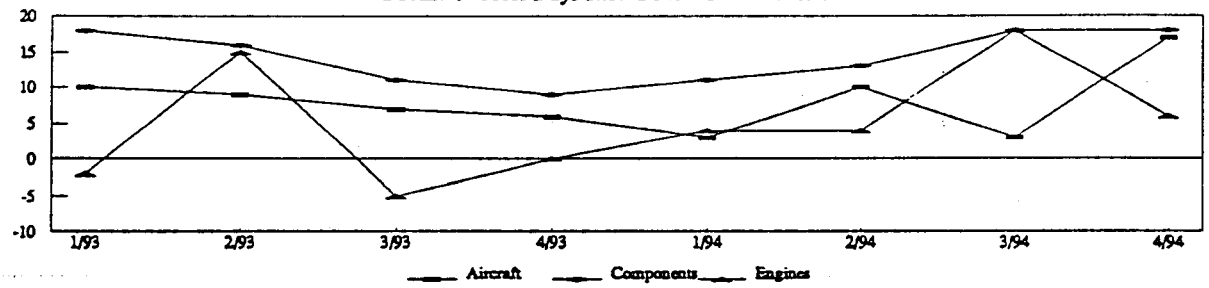


Aircraft not completed on schedule either required major repairs or were intentionally delayed to accelerate work on other aircraft to meet mandatory customer completion dates.

NADEP JACKSONVILLE

PROCESS DAYS

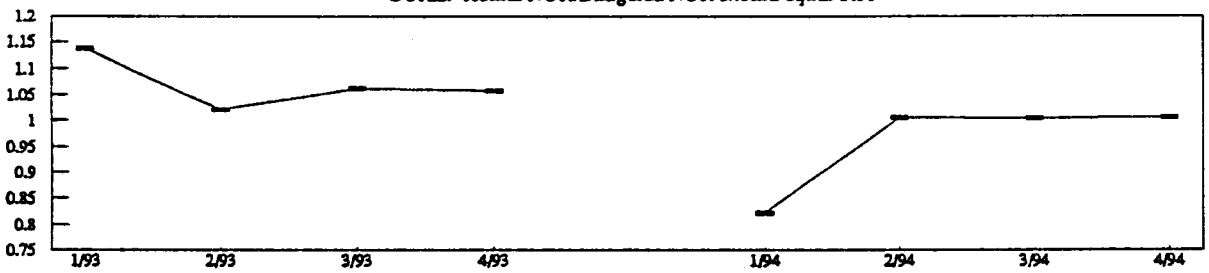
GOAL: Process Days Should show Continual Reduction



Some aircraft completed in FY94 required major repairs which increased process days. Increase in process days for engines was mostly attributable to material constraints.

NET OPERATING RESULTS

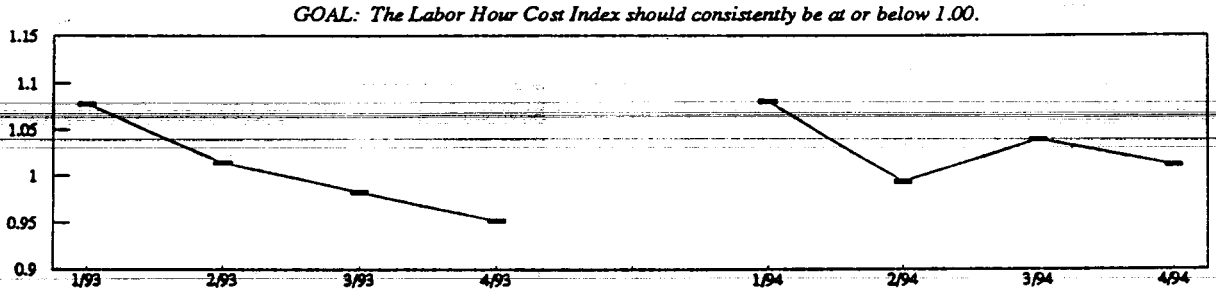
GOAL: Actual NOR/Budgeted NOR should equal 1.00



NADEP JAX was the only naval aviation depot to complete FY94 with a positive NOR.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Delay of the BRAC-93 workload transition due to lack of funding, combined with staffing action to accomplish those transitions have put upward pressure on the labor hour cost. This was offset by year end close-out adjustments.

NADEP JACKSONVILLE

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	98,730,000	82,512,000	107,661,000	99,057,000	86,077,000	93,358,000	98,875,000	88,691,000
Total Cost ($)	93,394,000	90,684,000	91,661,000	90,226,000	85,295,000	82,009,000	92,581,000	80,100,000
Direct Materials ($)	44,260,000	46,864,000	42,966,000	45,888,000	37,738,000	31,975,000	37,870,000	29,367,000
Throughput ($)	54,470,000	35,648,000	64,695,000	53,169,000	48,339,000	61,383,000	61,005,000	59,324,000
Operating Expense ($)	49,134,000	43,820,000	48,695,000	44,338,000	47,557,000	50,034,000	54,711,000	50,733,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	54,470,000	35,648,000	64,695,000	53,169,000	48,339,000	61,383,000	61,005,000	59,324,000
Longterm Inventory ($)	84,880,000	86,300,000	84,593,000	82,768,000	82,373,000	80,481,000	79,186,000	82,169,000
INDEX	0.64	0.41	0.76	0.64	0.59	0.76	0.77	0.72

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	9	13	7	7	5	11	13	10
Aircraft Completed	0	4	1	7	3	5	1	2
INDEX	0.00	0.31	0.14	1.00	0.60	0.45	0.08	0.20
Components Scheduled	3,955	3,402	5,623	5,893	5,638	5,269	5,067	4,961
Components Completed	3,838	3,370	5,474	5,705	5,533	5,180	4,924	4,848
INDEX	0.97	0.99	0.97	0.97	0.98	0.98	0.97	0.98
Engines Scheduled	150	154	137	147	152	129	86	135
Engines Completed	146	154	137	145	152	129	86	129
INDEX	0.97	1.00	1.00	0.99	1.00	1.00	1.00	0.96

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	125	61	80	30	65	52	52	73
Aircraft Actual	135	70	87	36	68	62	55	56
VARIANCE	10	9	7	6	3	10	3	17
Components Planned	27	26	25	25	25	25	24	23
Components Actual	45	42	36	34	36	38	42	41
VARIANCE	18	16	11	9	11	13	18	18
Engines Planned	43	38	50	43	35	37	37	12
Engines Actual	41	53	45	43	39	41	55	18
VARIANCE	-2	15	-5	0	4	4	18	6

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	85,726,000	177,939,000	277,442,000	378,959,000	99,397,000	182,750,000	277,031,000	375,190,000
Cum Budg Cost ($)	92,241,000	184,482,000	281,288,000	378,095,000	81,090,000	171,277,000	259,736,000	349,434,000
Budgeted NOR INDEX	0.93	0.96	0.99	1.00	1.23	1.07	1.07	1.07
Cum Actual Revenue ($)	98,730,000	181,241,000	288,903,000	387,959,000	86,077,000	179,435,000	278,310,000	367,001,000
Cum Actual Cost ($)	93,394,000	184,077,000	275,738,000	365,965,000	85,295,000	167,304,000	259,885,000	339,986,000
Actual NOR INDEX	1.06	0.98	1.05	1.06	1.01	1.07	1.07	1.08
NOR INDEX	1.14	1.02	1.06	1.06	0.82	1.01	1.00	1.01

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	92,241,000	184,482,000	281,288,000	378,095,000	81,090,000	171,277,000	259,736,000	349,434,000
Budgeted Total DLH	745,000	1,506,000	2,267,000	2,990,000	696,000	1,492,000	2,347,000	3,203,000
Bud Labor Hour Cost	123.81	122.50	124.08	126.45	116.51	114.80	110.67	109.10
Total Actual Cost ($)	93,394,000	184,077,000	275,738,000	365,965,000	85,295,000	167,304,000	259,885,000	339,986,000
Actual Total DLH	700,000	1,481,000	2,261,000	3,039,000	678,000	1,466,000	2,258,000	3,079,000
Actual Labor Hour Cost	133.42	124.29	121.95	120.42	125.80	114.12	115.10	110.42
Labor Hour Cost INDEX	1.08	1.01	0.98	0.95	1.08	0.99	1.04	1.01

NADEP NORTH ISLAND
SAN DIEGO, CA

MAJOR WORKLOAD ACCOMPLISHED:

F/A-18 Hornet, C-2 Greyhound, E-2 Hawkeye, S-3 Viking, F-14 In-Service Repair, F/A-18 Center Barrel Splice, ASO/DMISA/FMS components, LM2500 and T64 engines, manufacturing, mobile (van) manufacturing, F-5/T38 adversary support, avionics, support equipment, shipboard repair, calibration, and engineering/software.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	3587
Military:	29

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

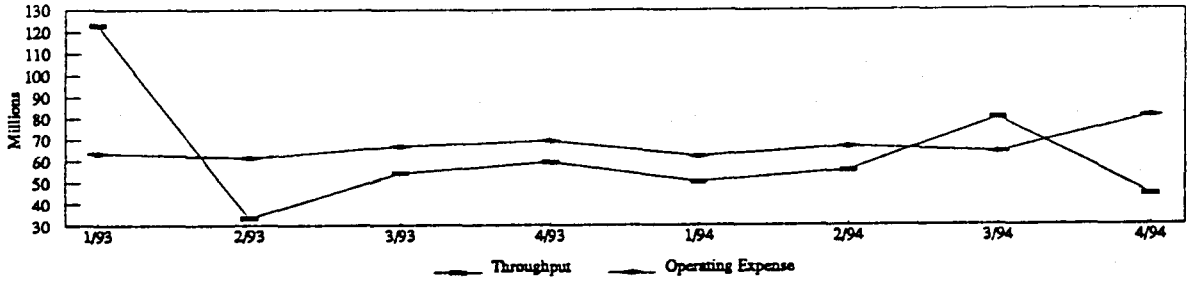
$328,715,000

Naval Aviation Depot North Island provides a wide range of engineering, calibration, manufacturing, overhaul and repair services performed on aircraft, engines, ships, and components. The Depot's Primary Standards Laboratory provides primary calibration standards for Navy and other DoD agencies. In addition to functioning as the Navy's largest bearing repair facility, the Depot dispatches field teams to deployed ships and aviation units world wide. North Island is also one of the three DoD depots that has large engine overhaul capability. Management of the Depot is committed to Total Quality Leadership involving suppliers, customers and fellow NAVAIR TEAM as an integral part of operational planning. Over a quarter of the Depot's work effort is dedicated to support of the Navy's frontline F/A-18, E-2, C-2, and S-3 carrier aircraft. The Depot's extensive engineering and software specialists provide state of the art cradle to grave support for aircraft and other customer programs. North Island's cost and financial performance is generally improving. In particular, Net Operating Results and Labor Hour Cost are significantly improved, while Capital Investment Effectiveness shows continuing dramatic gains. The F/A-18 Aircraft schedule and process days performance has improved significantly as compared to the first two quarters of FY94. The improvement is due to the completion of all "must meet" scheduled aircraft, which caused priority shifts. The second contributor centered around specific process improvements such as revalidation of the work requirement specification and its resultant process streamlining, material requirements forecasting and disciplined asset management, and schedule accounting at all levels of aircraft process. These elements accounted for 80% of the total performance improvement illustrated.

NADEP NORTH ISLAND

THROUGHPUT & OPERATING EXPENSE

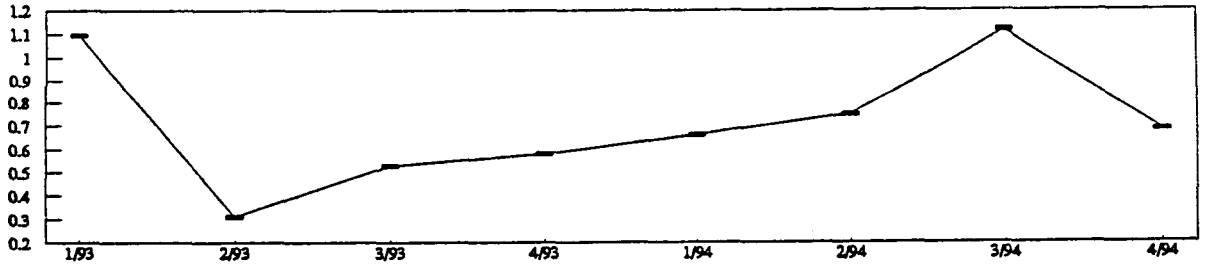
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



In 1st and 2nd Qtr FY93, Throughput data exhibited anomalous variations because of a Defense Business Operating Fund accounting policy change. And, a financial programming change (revenue recognition) incorporated in 3rd Qtr FY94 and removed in 4th Qtr FY94 caused revenue to be overstated in 3rd Qtr FY94. The Throughput and Operating Expense index is constant with previous quarters if 3rd Qtr aberrations are ignored.

CAPITAL INVESTMENT EFFECTIVENESS

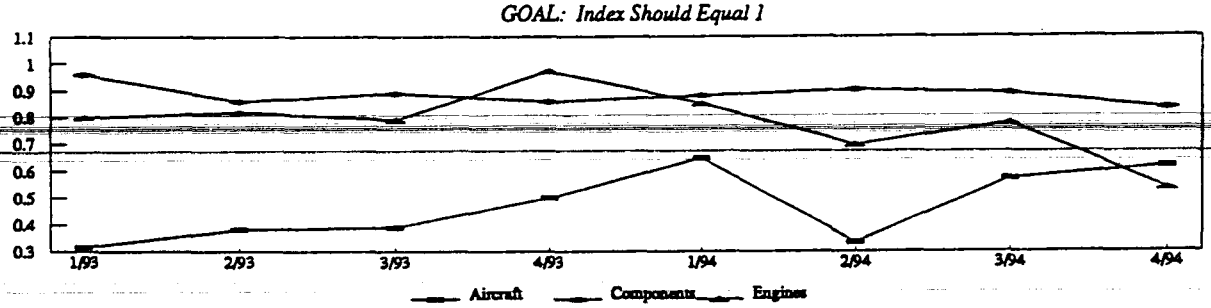
GOAL: Index Should Continually Increase



Long-term inventory has decreased from $143M at the end of FY92 to $65M at the end of FY94. A steady upward trend in this index has been the result. Note: The financial programming change previously explained also impacted this index in 4th Qtr FY94.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

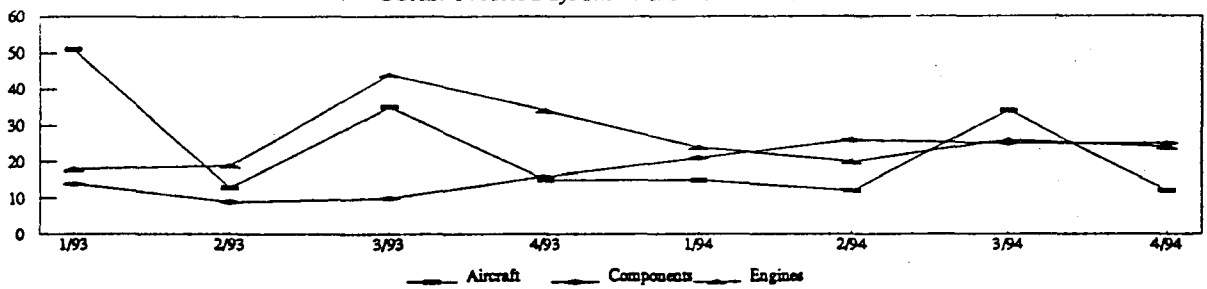


Aircraft schedule performance improvements illustrated above are due to enhanced material management, and the employment of a "standardized" program management/scheduling tool.

NADEP NORTH ISLAND

PROCESS DAYS

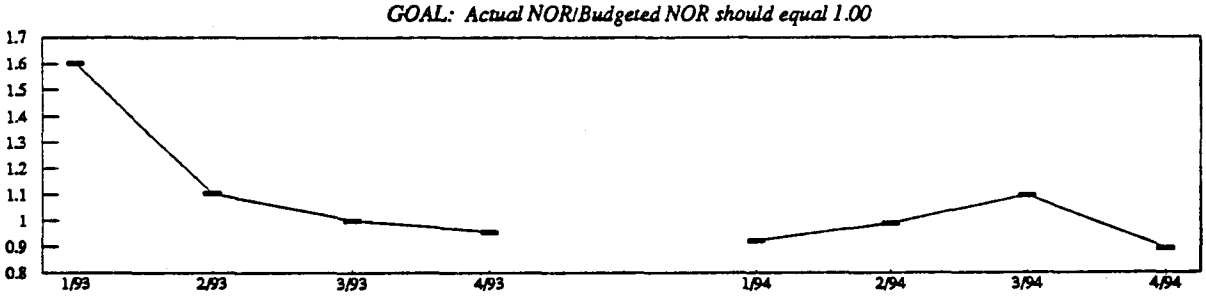
GOAL: Process Days Should show Continual Reduction



Aircraft process days performance has improved due to work requirement specification revalidation, and the resulting process of "tailoring" to optimize process operation integration.

NET OPERATING RESULTS

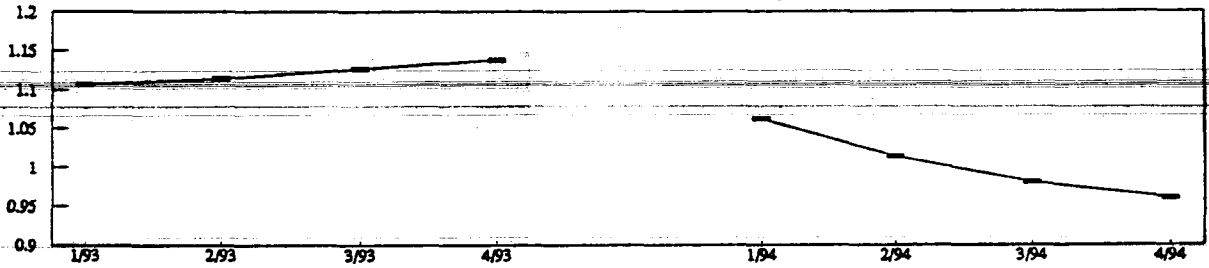
GOAL: Actual NOR/Budgeted NOR should equal 1.00



This index is impacted by revenue and exhibits the same type of 3rd Qtr FY94 spike found in the Throughput and Operating Expense index. Normalized data reflects a favorable indexing trend.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Current performance reflects a concerted effort to reduce indirect costs within the depot.

NADEP NORTH ISLAND

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	142,279,930	58,470,677	77,311,100	80,146,185	67,412,008	77,838,189	100,944,845	60,754,116
Total Cost ($)	82,888,620	86,547,802	89,837,567	90,073,560	79,374,182	88,901,343	84,824,684	97,464,829
Direct Materials ($)	19,251,286	25,001,962	23,047,106	20,666,717	17,131,273	22,122,878	20,815,123	16,363,547
Throughput ($)	123,028,644	33,468,715	54,263,994	59,479,468	50,280,735	55,715,311	80,129,722	44,390,569
Operating Expense ($)	63,637,334	61,545,840	66,790,461	69,406,843	62,242,909	66,778,465	64,009,561	81,101,282

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	123,028,644	33,468,715	54,263,994	59,479,468	50,280,735	55,715,311	80,129,722	44,390,569
Longterm Inventory ($)	112,242,283	107,441,605	102,762,506	102,372,051	76,208,285	74,396,575	71,824,858	65,099,304
INDEX	1.10	0.31	0.53	0.58	0.66	0.75	1.12	0.68

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	19	21	18	12	17	27	14	13
Aircraft Completed	6	8	7	6	11	9	8	8
INDEX	0.32	0.38	0.39	0.50	0.65	0.33	0.57	0.62
Components Scheduled	2,296	2,748	3,579	4,084	4,284	3,820	3,845	3,750
Components Completed	2,202	2,364	3,184	3,508	3,772	3,445	3,419	3,123
INDEX	0.96	0.86	0.89	0.86	0.88	0.90	0.89	0.83
Engines Scheduled	50	50	43	35	27	23	18	15
Engines Completed	40	41	34	34	23	16	14	8
INDEX	0.80	0.82	0.79	0.97	0.85	0.70	0.78	0.53

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	230	261	262	269	258	376	332	233
Aircraft Actual	281	274	297	284	273	388	366	245
VARIANCE	51	13	35	15	15	12	34	12
Components Planned	30	30	27	25	25	25	25	24
Components Actual	44	39	37	41	46	51	50	49
VARIANCE	14	9	10	16	21	26	25	25
Engines Planned	45	46	47	47	69	69	69	69
Engines Actual	63	65	91	81	93	89	95	93
VARIANCE	18	19	44	34	24	20	26	24

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	69,785,000	145,691,000	224,046,000	302,401,000	76,000,000	141,037,000	218,472,000	322,185,000
Cum Budg Cost ($)	65,117,000	135,947,000	209,061,000	282,175,000	82,634,000	161,817,000	246,862,000	328,715,000
Budgeted NOR INDEX	1.07	1.07	1.07	1.07	0.92	0.87	0.88	0.98
Cum Actual Revenue ($)	142,279,930	200,750,607	278,061,707	358,207,892	67,412,008	145,250,197	246,195,042	306,949,158
Cum Actual Cost ($)	82,888,620	169,436,422	259,273,989	349,347,549	79,374,182	168,275,525	253,100,209	350,565,038
Actual NOR INDEX	1.72	1.18	1.07	1.03	0.85	0.86	0.97	0.88
NOR INDEX	1.60	1.11	1.00	0.96	0.92	0.99	1.10	0.89

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	65,117,000	135,947,000	209,061,000	282,175,000	82,634,000	161,817,000	246,862,000	328,715,000
Budgeted Total DLH	808,000	1,686,000	2,594,000	3,501,000	883,000	1,622,000	2,470,000	3,205,000
Bud Labor Hour Cost	80.59	80.63	80.59	80.60	93.58	99.76	99.94	102.56
Total Actual Cost ($)	82,888,620	169,436,422	259,273,989	349,347,549	79,374,182	168,275,525	253,100,209	350,565,038
Actual Total DLH	929,394	1,885,888	2,855,144	3,808,726	798,846	1,663,128	2,582,939	3,560,266
Actual Labor Hour Cost	89.19	89.84	90.81	91.72	99.36	101.18	97.99	98.47
Labor Hour Cost INDEX	1.11	1.11	1.13	1.14	1.06	1.01	0.98	0.96

NAVAL SHIPYARDS

LONG BEACH NAVAL SHIPYARD
LONG BEACH, CA

MAJOR WORKLOAD ACCOMPLISHED:

Surface ship overhaul, alteration and repair.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2955
Military:	33

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$327,980,000

Long Beach Naval Shipyard completed 5 ships in FY94. Three were completed on time and two were completed late for a total of 15 days late for the FY. The late completions were due to new work and material delays.

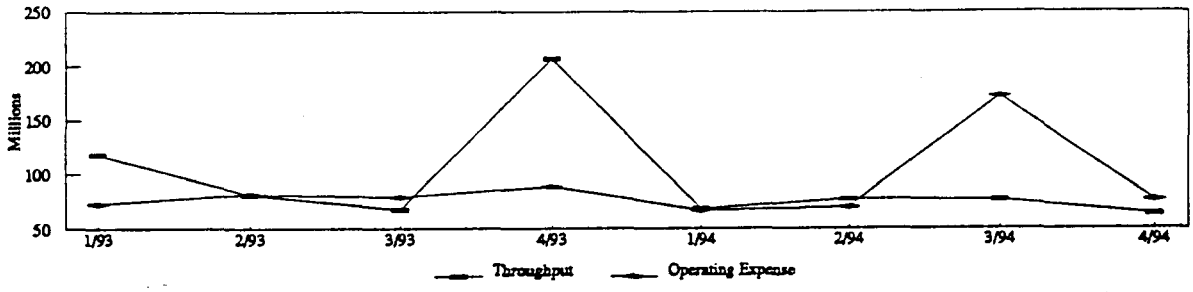
Operating expenses exceeded Throughput due to an unplanned reduction in workload. The shipyard budgeted for 3,781,044 direct labor manhours of workload and only executed 3,475,343 manhours. This loss of workload caused labor costs to exceed the budgeted rate by about 8% and actual NOR to exceed the budgeted NOR by 7%.

Naval shipyard workloads are generally being reduced across the board due to reductions in force structure.

LONG BEACH NAVAL SHIPYARD

THROUGHPUT & OPERATING EXPENSE

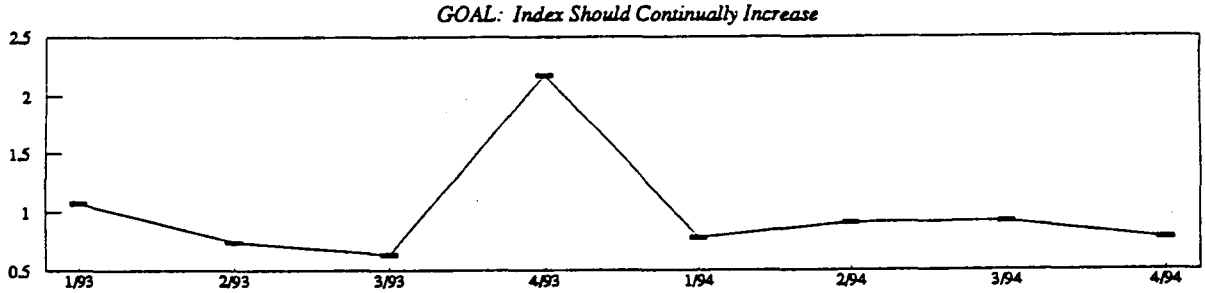
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Shipyard operating expeenses exceeded Throughput slightly due to the unplanned loss in workload for the year.

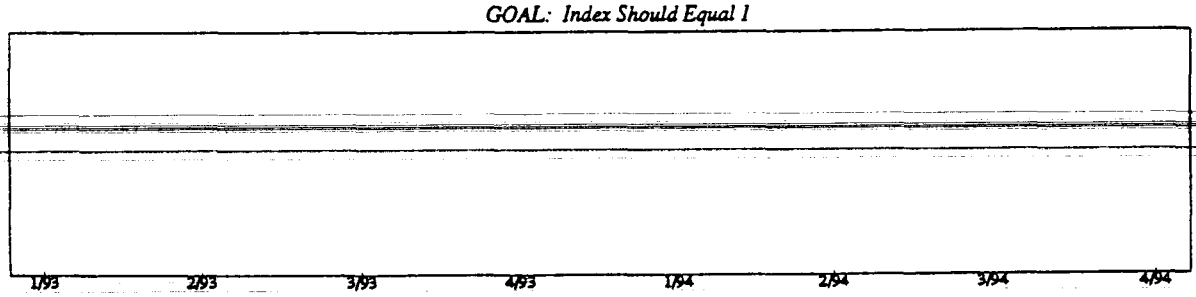
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

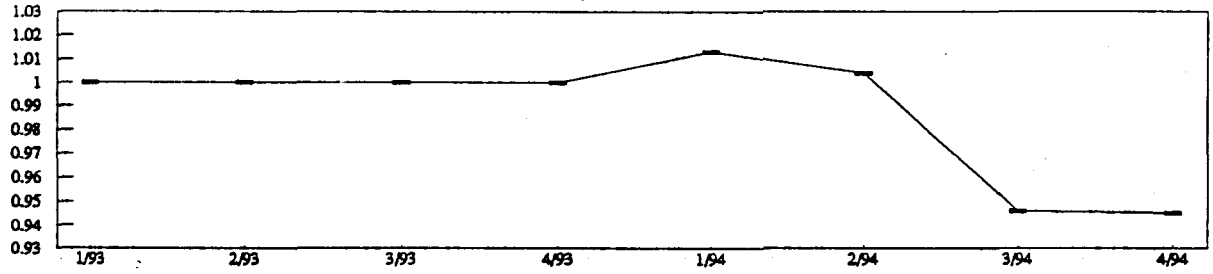


NAVSEA does not report on this indicator.

LONG BEACH NAVAL SHIPYARD

PROCESS DAYS

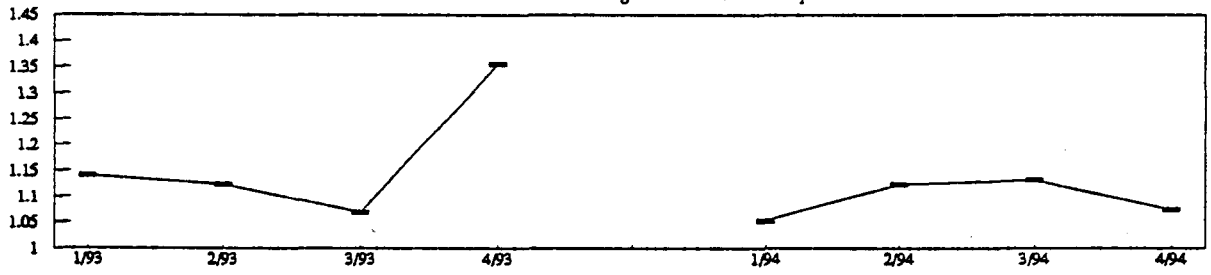
GOAL: Process Days Index Should be 1.00 or Above



The 3rd and 4th Qtr FY94 index is attributable to three ships which were completed slightly late due to new work and material delays.

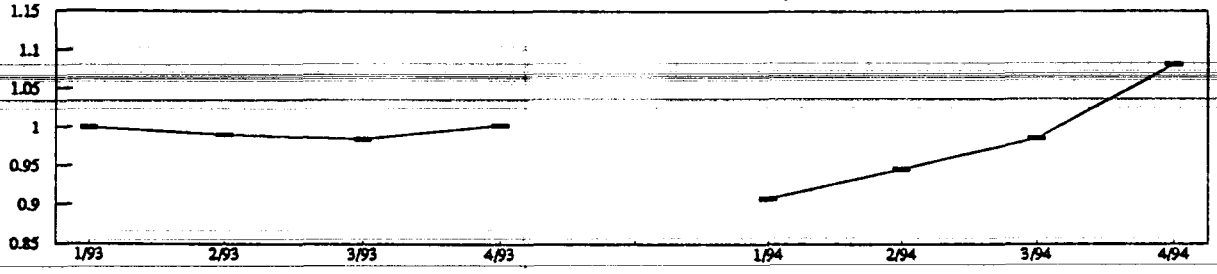
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



LONG BEACH NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	124,583,857	89,155,324	75,511,819	213,345,000	72,196,000	83,418,000	82,336,000	69,796,000
Total Cost ($)	79,193,092	89,670,861	86,941,047	95,337,000	70,596,000	76,053,000	177,973,000	82,450,000
Direct Materials ($)	6,312,334	7,936,631	7,833,035	6,531,000	3,937,000	6,373,000	6,075,000	6,080,000
Throughput ($)	118,271,523	81,218,693	67,678,784	206,814,000	68,259,000	77,045,000	76,261,000	63,716,000
Operating Expense ($)	72,880,758	81,734,230	79,108,012	88,806,000	66,659,000	69,680,000	171,898,000	76,370,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	118,271,523	81,218,693	67,678,784	206,814,000	68,259,000	77,045,000	76,261,000	63,716,000
Longterm Inventory ($)	109,763,853	109,248,725	106,751,062	94,876,000	87,495,000	84,793,000	82,977,000	82,525,000
INDEX	1.08	0.74	0.63	2.18	0.78	0.91	0.92	0.77

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	676	396	109	457	540	256	475	242
Actual Flow Days	676	396	109	457	533	255	502	256
INDEX	1.00	1.00	1.00	1.00	1.01	1.00	0.95	0.95

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	117,549,000	182,920,000	257,381,000	344,745,000	80,001,000	154,440,000	225,259,000	288,202,000
Cum Budg Cost ($)	85,278,000	162,443,000	243,336,000	326,532,000	82,393,000	163,600,000	240,760,000	308,842,000
Budgeted NOR INDEX	1.38	1.13	1.06	1.06	0.97	0.94	0.94	0.93
Cum Actual Revenue ($)	124,583,857	213,739,181	289,251,000	502,596,000	72,196,000	155,614,000	237,950,000	307,746,000
Cum Actual Cost ($)	79,193,092	168,863,953	255,805,000	351,142,000	70,596,446	146,649,000	224,622,000	307,072,000
Actual NOR INDEX	1.57	1.27	1.13	1.43	1.02	1.06	1.06	1.00
NOR INDEX	1.14	1.12	1.07	1.36	1.05	1.12	1.13	1.07

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	85,278,000	162,443,000	243,336,000	326,532,000	82,393,000	163,600,000	240,760,000	308,842,000
Budgeted Total DLH	1,311,936	2,304,776	3,373,776	4,436,520	918,680	1,792,180	2,756,041	3,781,044
Bud Labor Hour Cost	$65.00	$70.48	$72.13	$73.60	$89.69	$91.29	$87.36	$81.68
Total Actual Cost ($)	79,193,092	168,863,953	255,805,000	351,142,000	70,596,000	146,649,000	224,622,000	307,072,000
Actual Total DLH	1,218,067	2,418,292	3,599,997	4,752,007	866,538	1,696,494	2,605,941	3,475,343
Actual Labor Hour Cost	$65.02	$69.83	$71.06	$73.89	$81.47	$86.44	$86.20	$88.36
Labor Hour Cost INDEX	1.00	0.99	0.99	1.00	0.91	0.95	0.99	1.08

NORFOLK NAVAL SHIPYARD
PORTSMOUTH, VA

MAJOR WORKLOAD ACCOMPLISHED:

Overhaul, repair, alteration and inactivation of submarines, surface ships, and aircraft carriers and reactor compartment disposal and hull recycling.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	7563
Military:	108

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$656,660,000

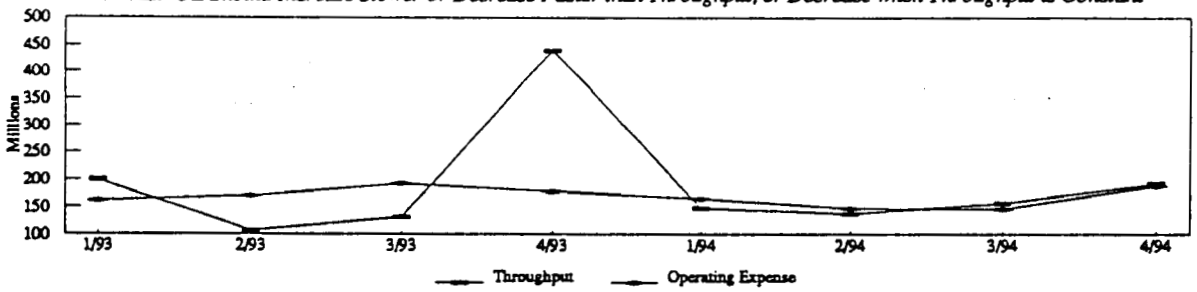
The shipyard completed 11 depot maintenance availabilities for the Fleet during FY94. The 3rd Qtr completions were slightly ahead of schedule and the 4th Qtr ships were slightly behind schedule. The two 4th Qtr ships were late by a total of 33 days due to new work directed by the customer.

Throughput exceeded operating expenses slightly. The shipyard executed less direct labor manhours of workload than budgeted, causing an increase in the hourly rate for the year.

NORFOLK NAVAL SHIPYARD

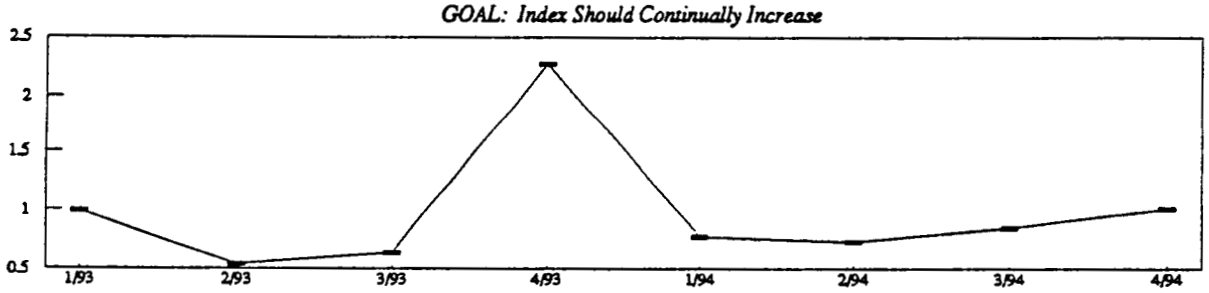
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



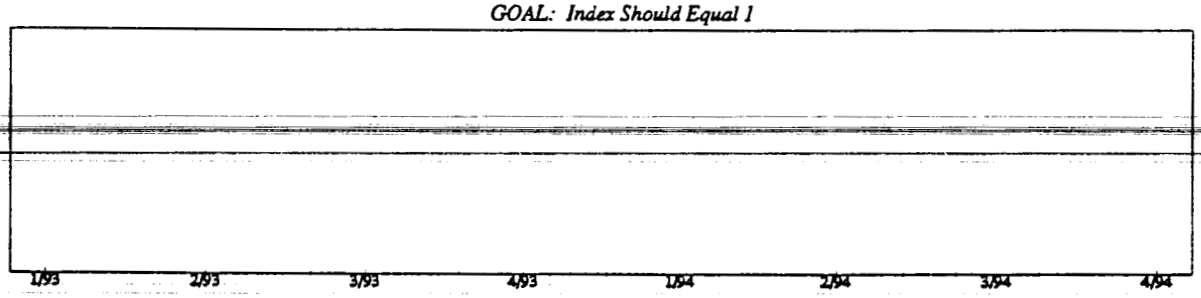
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

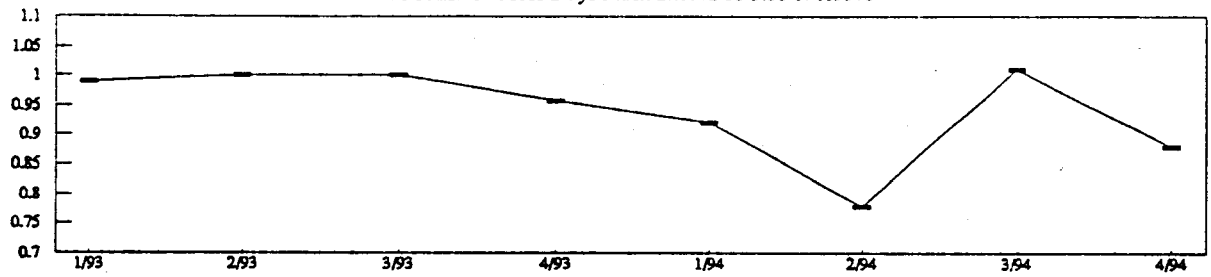


NAVSEA does not report this indicator.

NORFOLK NAVAL SHIPYARD

PROCESS DAYS

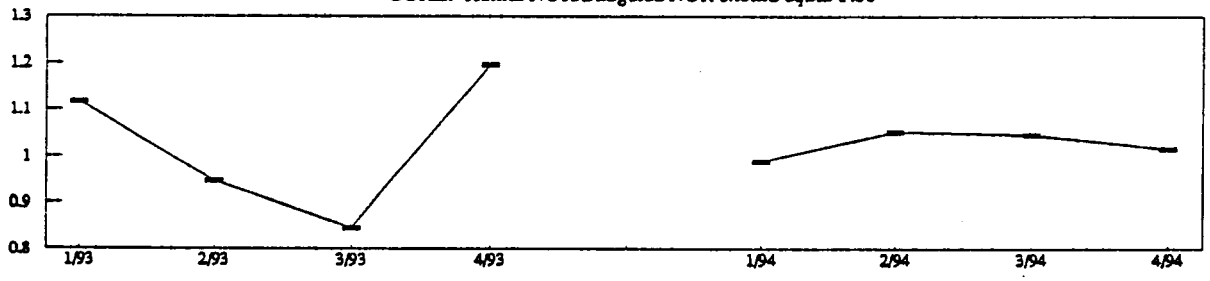
GOAL: Process Days Index Should be 1.00 or Above



The 3rd Qtr FY94 completions have been adjusted for subsequent schedule extensions. The 4th Qtr FY94 index is attributable to new work on two ships.

NET OPERATING RESULTS

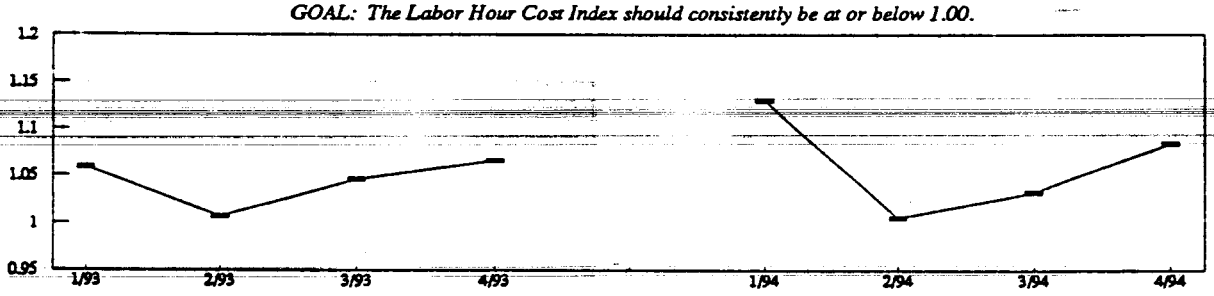
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The actual NOR index exceeded the budgeted NOR index slightly due to the loss of workload.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The actual labor costs exceeded the budgeted labor hour costs by 8% due to the unplanned loss of workload and delayed RIF approval during FY94.

NORFOLK NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	215,947,510	123,623,025	147,184,465	455,881,000	164,183,000	146,384,000	170,792,000	212,957,000
Total Cost ($)	177,566,217	187,707,348	208,834,435	194,713,000	181,711,000	156,291,000	160,091,000	208,749,000
Direct Materials ($)	16,421,623	16,898,566	15,948,811	15,874,000	16,345,000	8,967,000	13,484,000	19,542,000
Throughput ($)	199,525,887	106,724,459	131,235,654	440,007,000	147,838,000	137,417,000	157,308,000	193,415,000
Operating Expense ($)	161,144,594	170,808,782	192,885,624	178,839,000	165,366,000	147,324,000	146,607,000	189,207,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	199,525,887	106,724,459	131,235,654	440,007,000	147,838,000	137,417,000	157,308,000	193,415,000
Longterm Inventory ($)	201,445,994	196,714,592	204,012,000	193,935,000	190,975,000	187,651,000	185,962,000	191,317,000
INDEX	0.99	0.54	0.64	2.27	0.77	0.73	0.85	1.01

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	434	454	364	480	624	1338	313	240
Actual Flow Days	439	454	364	501	678	1717	310	273
INDEX	0.99	1.00	1.00	0.96	0.92	0.78	1.01	0.88

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	170,090,000	318,634,000	485,593,000	652,553,000	139,840,000	272,659,000	450,618,000	634,437,000
Cum Budg Cost ($)	156,264,000	324,322,000	484,747,000	637,588,000	153,122,000	312,661,000	488,293,000	656,660,000
Budgeted NOR INDEX	1.09	0.98	1.00	1.02	0.91	0.87	0.92	0.97
Cum Actual Revenue ($)	215,947,510	339,570,535	486,755,000	942,636,000	164,183,000	310,567,000	481,359,000	694,316,000
Cum Actual Cost ($)	177,566,217	365,273,565	574,108,000	768,821,000	181,711,000	338,002,000	498,093,000	706,842,000
Actual NOR INDEX	1.22	0.93	0.85	1.23	0.90	0.92	0.97	0.98
NOR INDEX	1.12	0.95	0.85	1.20	0.99	1.05	1.05	1.02

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	156,264,000	324,322,000	483,987,000	637,588,000	153,122,000	312,661,000	488,293,000	656,660,000
Budgeted Total DLH	3,003,832	5,550,976	8,332,000	10,897,864	2,371,721	4,626,801	7,115,164	9,759,050
Bud Labor Hour Cost	$52.02	$58.43	$58.09	$58.51	$64.56	$67.58	$68.63	$67.29
Total Actual Cost ($)	177,566,217	365,273,565	574,108,000	768,821,000	181,711,000	338,002,000	498,093,000	706,842,000
Actual Total DLH	3,223,063	6,207,238	9,447,690	12,324,121	2,490,207	4,973,143	7,026,541	9,684,280
Actual Labor Hour Cost	$55.09	$58.85	$60.77	$62.38	$72.97	$67.97	$70.89	$72.99
Labor Hour Cost INDEX	1.06	1.01	1.05	1.07	1.13	1.01	1.03	1.08

PEARL HARBOR NAVAL SHIPYARD
PEARL HARBOR, HA

MAJOR WORKLOAD ACCOMPLISHED:

Submarine and surface ship overhaul, alteration and repair.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	4255
Military:	50

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$214,775,392

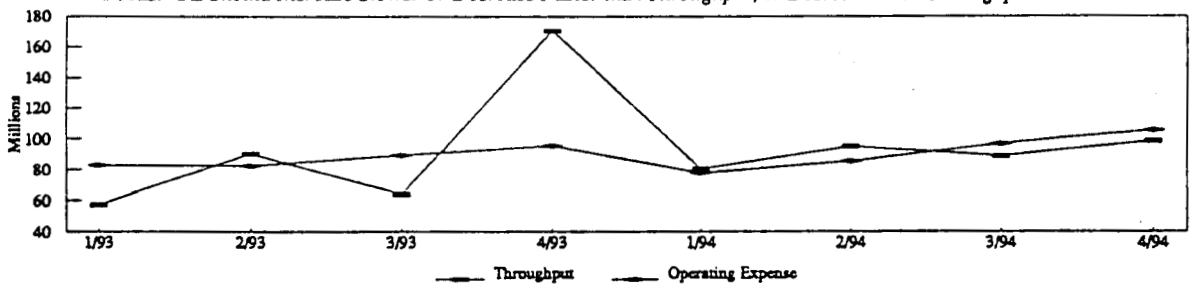
The shipyard completed 8 ships during FY 94, with the four 4th Qtr ships finishing slightly ahead of schedule.

Operating expenses exceeded Throughput by approximately $7M due to a reduction in workload during FY 94. The shipyard budgeted for 4,033,586 direct labor manhours of worklaod and only executed 3,846,825 direct labor hours which adversely impacted both the labor hour cost and net operating results.

PEARL HARBOR NAVAL SHIPYARD

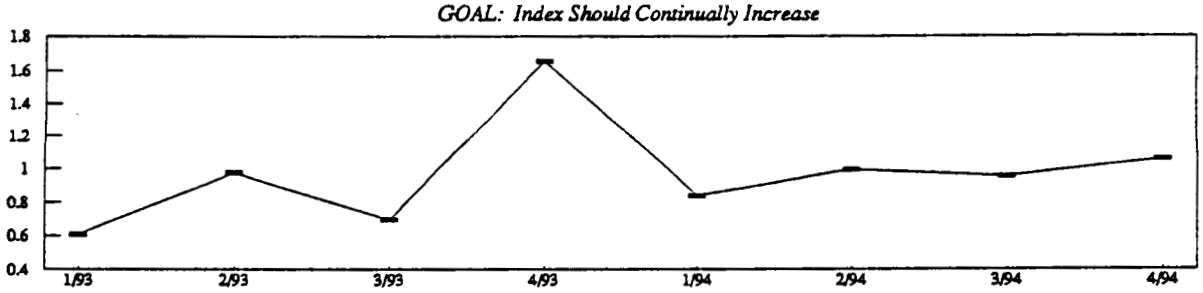
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



CAPITAL INVESTMENT EFFECTIVENESS

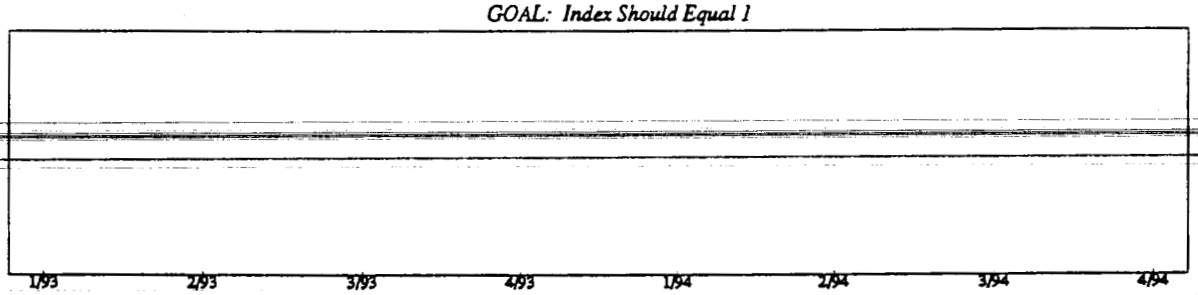
GOAL: Index Should Continually Increase



Operating expenses exceeded Throughput by approximately $7M due to a reduction in FY94 workload directed by the customers.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

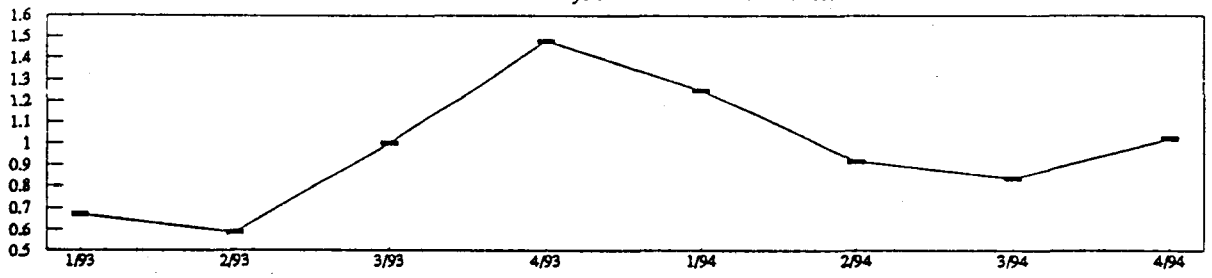


NAVSEA does not report this indicator.

PEARL HARBOR NAVAL SHIPYARD

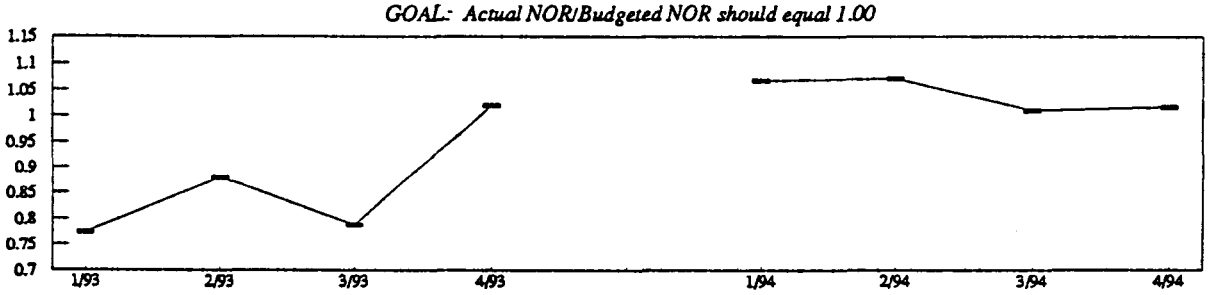
PROCESS DAYS

GOAL: Process Days Index Should be 1.00 or Above



NET OPERATING RESULTS

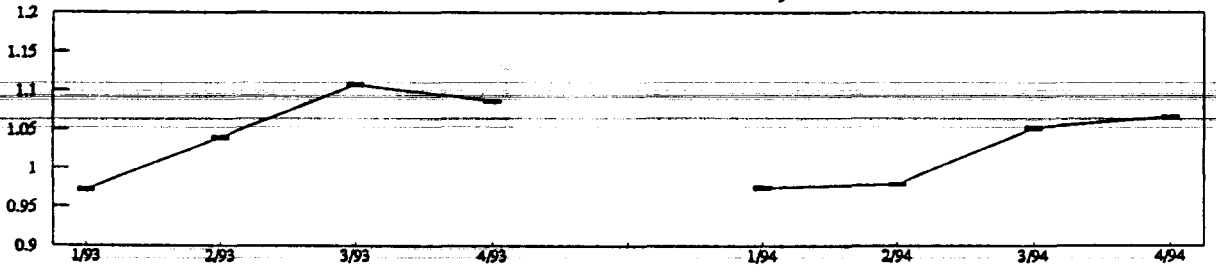
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Actual costs exceeded revenues by 1% due to a loss of workload.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Actual labor costs exceeded the budgeted rate by 7% due to the unanticipated loss of workload.

PEARL HARBOR NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	63,772,934	95,660,745	71,191,321	176,842,000	85,394,000	98,995,000	94,776,000	104,921,000
Total Cost ($)	89,545,166	87,706,703	96,584,131	101,597,000	82,719,000	89,508,000	102,643,000	111,916,000
Direct Materials ($)	6,686,324	5,223,005	7,285,671	6,139,000	4,951,000	4,131,000	6,096,000	6,516,000
Throughput ($)	57,086,610	90,437,740	63,905,650	170,703,000	80,443,000	94,864,000	88,680,000	98,405,000
Operating Expense ($)	82,858,842	82,483,698	89,298,460	95,458,000	77,768,000	85,377,000	96,547,000	105,400,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	57,086,610	90,437,740	63,905,650	170,703,000	80,443,000	94,864,000	88,680,000	98,405,000
Longterm Inventory ($)	93,868,625	92,666,174	91,931,982	102,987,932	95,594,000	95,548,000	93,081,000	93,055,000
INDEX	0.61	0.98	0.70	1.66	0.84	0.99	0.95	1.06

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	61	405	697	544	334	412	381	1038
Actual Flow Days	91	688	697	368	267	448	456	1013
INDEX	0.67	0.59	1.00	1.48	1.25	0.92	0.84	1.02

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	76,442,000	176,159,000	286,411,000	389,407,000	88,293,000	182,975,000	279,193,000	371,504,000
Cum Budg Cost ($)	83,114,000	172,209,000	268,131,000	365,685,000	91,290,000	183,116,000	277,423,000	380,292,000
Budgeted NOR INDEX	0.92	1.02	1.07	1.06	0.97	1.00	1.01	0.98
Cum Actual Revenue ($)	63,772,934	159,453,679	230,645,000	407,487,000	85,394,000	184,389,000	279,165,000	384,086,000
Cum Actual Cost ($)	89,545,166	177,251,869	273,836,000	375,433,000	82,719,000	172,227,000	274,870,000	386,786,000
Actual NOR INDEX	0.71	0.90	0.84	1.09	1.03	1.07	1.02	0.99
NOR INDEX	0.77	0.88	0.79	1.02	1.07	1.07	1.01	1.02

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	83,114,000	172,209,000	268,131,000	365,685,000	91,290,000	183,116,000	277,423,000	380,292,000
Budgeted Total DLH	980,920	2,181,192	3,599,048	4,858,712	980,274	1,912,338	2,940,822	4,033,586
Bud Labor Hour Cost	$84.73	$78.95	$74.50	$75.26	$93.13	$95.76	$94.34	$94.28
Total Actual Cost ($) -	89,545,166	177,251,869	273,836,000	375,433,000	82,719,000	172,227,000	274,870,000	386,786,000
Actual Total DLH	1,087,232	2,159,011	3,318,304	4,591,070	911,695	1,837,009	2,769,594	3,846,825
Actual Labor Hour Cost	$82.36	$82.10	$82.52	$81.77	$90.73	$93.75	$99.25	$100.55
Labor Hour Cost INDEX	0.97	1.04	1.11	1.09	0.97	0.98	1.05	1.07

PORTSMOUTH NAVAL SHIPYARD
PORTSMOUTH, NH

MAJOR WORKLOAD ACCOMPLISHED:

Overhaul, repair and alteration of submarines

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	4220
Military:	106

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$345,675,000

The shipyard completed a Depot Maintenance Period (DMP) on the USS Pittsburgh (SSN 720) during FY94. The ship completed 5.5 months late due to unplanned growth in the work package.

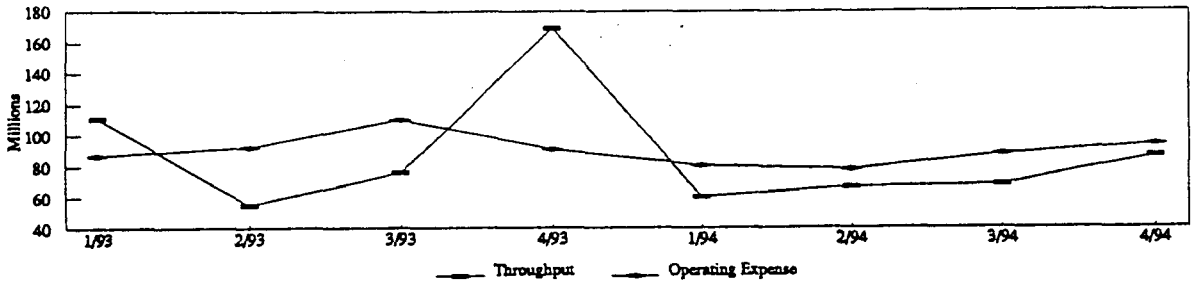
In FY94, the shipyard budgeted for 4,955,240 direct labor manhours of workload and executed only 4,211,204 manhours due to workload reductions by the Fleet. This condition adversely impacted both labor costs and net operating results.

Portsmouth Naval Shipyard also experienced increased operating expenses due to a delay in RIF approval.

PORTSMOUTH NAVAL SHIPYARD

THROUGHPUT & OPERATING EXPENSE

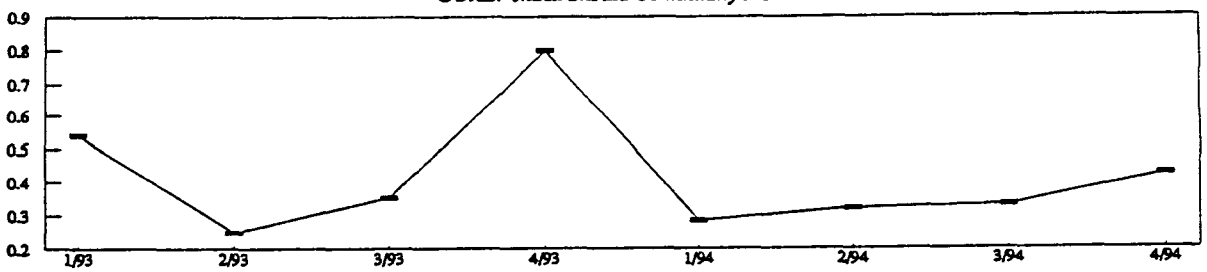
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Operating Expenses exceed Throughput due to unexpected workload reductions.

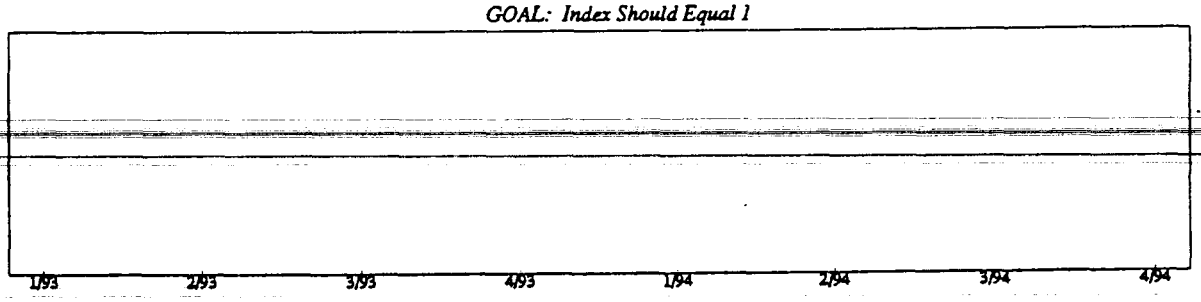
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

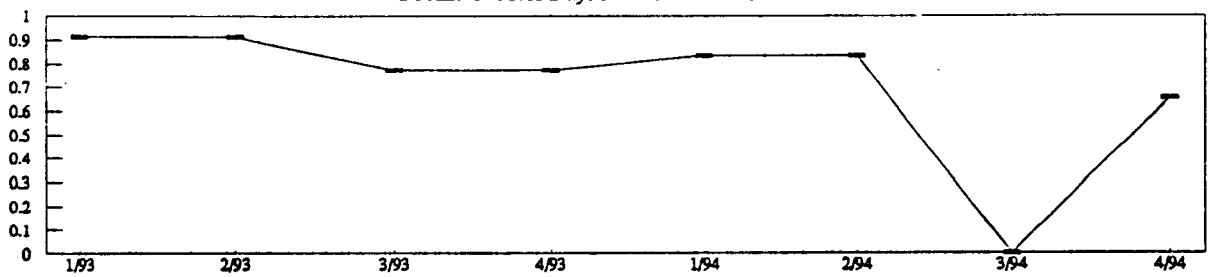


NAVSEA does not report this indicator.

PORTSMOUTH NAVAL SHIPYARD

PROCESS DAYS

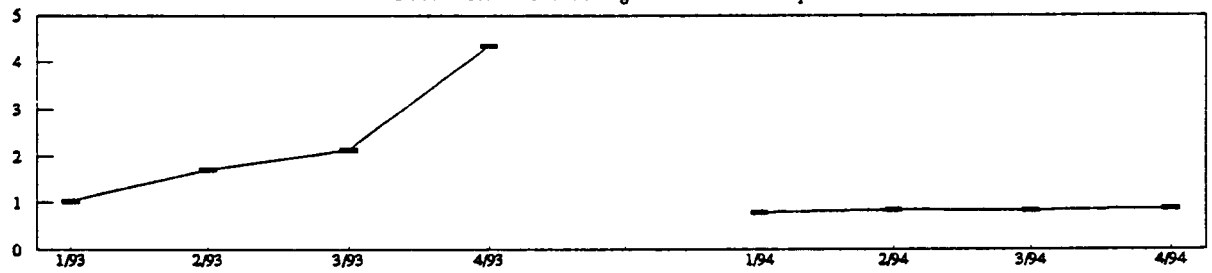
GOAL: Process Days Index Should be 1.00 or Above



No ships were scheduled or completed during the 3rd Qtr FY94. The 4th Qtr FY94 index is due to growth and new work on the USS Pittsburgh DMP.

NET OPERATING RESULTS

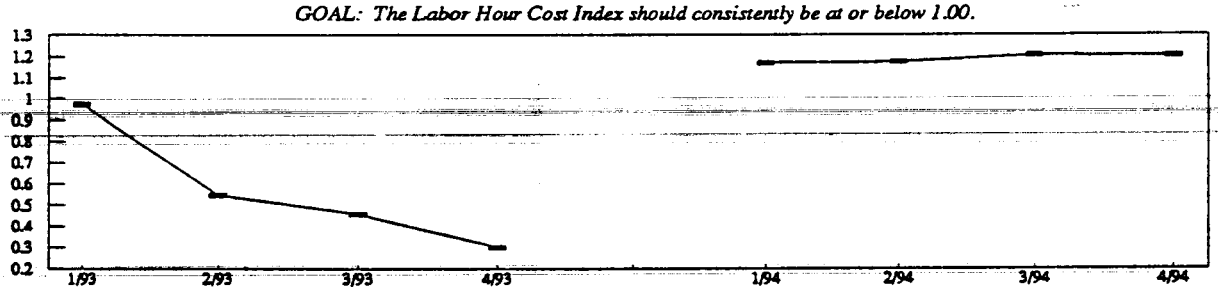
GOAL: Actual NOR/Budgeted NOR should equal 1.00



FY94 NOR reflects an unplanned workload reduction.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The unplanned workload reduction, coupled with a delay in RIF approval adversely impacted shipyard labor costs for FY94.

PORTSMOUTH NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	115,299,851	60,277,568	80,946,581	173,093,000	63,920,000	69,540,000	71,984,000	91,504,000
Total Cost ($)	91,172,121	97,309,549	115,107,330	94,355,000	83,844,000	80,564,000	91,202,000	98,991,000
Direct Materials ($)	4,378,389	5,244,520	4,856,091	3,710,000	3,313,000	2,736,000	3,755,000	5,185,000
Throughput ($)	110,921,462	55,033,048	76,090,490	169,383,000	60,607,000	66,804,000	68,229,000	86,319,000
Operating Expense ($)	86,793,732	92,065,029	110,251,239	90,645,000	80,531,000	77,828,000	87,447,000	93,806,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	110,921,462	55,033,048	76,090,490	169,383,000	60,607,000	66,804,000	68,229,000	86,319,000
Longterm Inventory ($)	205,482,999	219,979,619	215,830,937	212,531,000	213,625,570	209,272,631	207,146,000	203,477,000
INDEX	0.54	0.25	0.35	0.80	0.28	0.32	0.33	0.42

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	764	764	913	913	426	426	0	316
Actual Flow Days	837	837	1180	1180	509	509	0	483
INDEX	0.91	0.91	0.77	0.77	0.84	0.84	0.00	0.65

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	106,090,000	182,080,000	268,753,000	357,626,000	81,838,000	159,652,000	245,515,000	336,745,000
Cum Budg Cost ($)	86,836,000	172,852,000	257,147,000	341,187,000	84,054,000	163,974,000	252,162,000	345,862,000
Budgeted NOR INDEX	1.22	1.05	1.05	1.05	0.97	0.97	0.97	0.97
Cum Actual Revenue ($)	115,299,851	175,577,419	256,524,000	429,617,000	63,920,000	133,460,000	205,444,000	296,948,000
Cum Actual Cost ($)	91,172,121	97,309,549	115,107,330	94,355,000	83,844,000	164,408,000	255,610,000	354,601,000
Actual NOR INDEX	1.26	1.80	2.23	4.55	0.76	0.81	0.80	0.84
NOR INDEX	1.04	1.71	2.13	4.34	0.78	0.83	0.83	0.86

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	86,836,000	172,852,000	257,147,000	341,187,000	84,054,000	163,974,000	252,162,000	345,862,000
Budgeted Total DLH	1,320,144	2,740,832	4,198,120	5,810,152	1,204,262	2,349,297	3,612,785	4,955,240
Bud Labor Hour Cost	$65.78	$63.07	$61.25	$58.72	$69.80	$69.80	$69.80	$69.80
Total Actual Cost ($)	91,172,121	97,309,549	115,107,330	94,355,000	83,844,000	164,408,000	255,610,000	354,601,000
Actual Total DLH	1,421,790	2,820,282	4,099,591	5,349,280	1,023,324	2,000,175	3,030,681	4,211,204
Actual Labor Hour Cost	$64.12	$34.50	$28.08	$17.64	$81.93	$82.20	$84.34	$84.20
Labor Hour Cost INDEX	0.97	0.55	0.46	0.30	1.17	1.18	1.21	1.21

PUGET SOUND NAVAL SHIPYARD
BREMERTON, WA

MAJOR WORKLOAD ACCOMPLISHED:

Overhaul, alteration, inactivation and repair of submarines, aircraft carriers and surface ships, reactor compartment disposal and hull recycling

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	10593
Military:	78

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$797,232,000

Puget Sound Naval Shipyard executed 12,254,515 direct labor manhours to complete 8 major availabilities during FY 94. The shipyard was budgeted for 13,481,544 manhours, which is a 1,227,029 manhours loss in workload for the fiscal year.

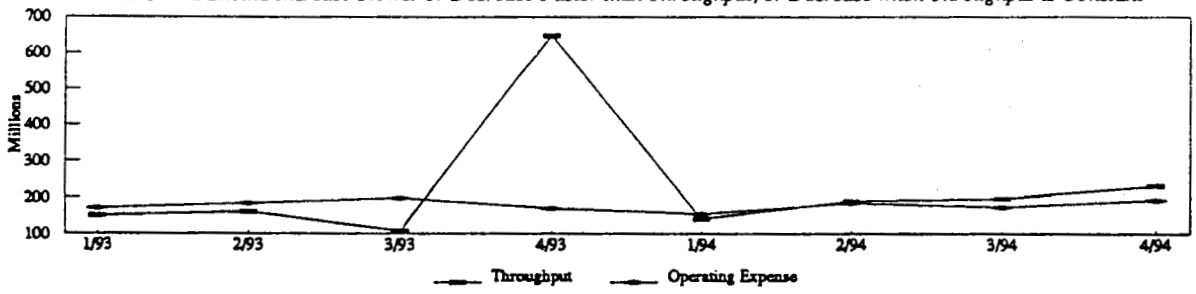
The shipyard completed virtually all ships on or ahead of schedule with 2 ships completed early, 4 ships completed on time and 2 ships late for a total of 38 days early for the FY.

Shipyard Throughput exceeded operating expenses by a comfortable margin of $39M and revenues exceeded cost by 7%. Labor costs exceeded the budgeted rate due to the loss of workload.

PUGET SOUND NAVAL SHIPYARD

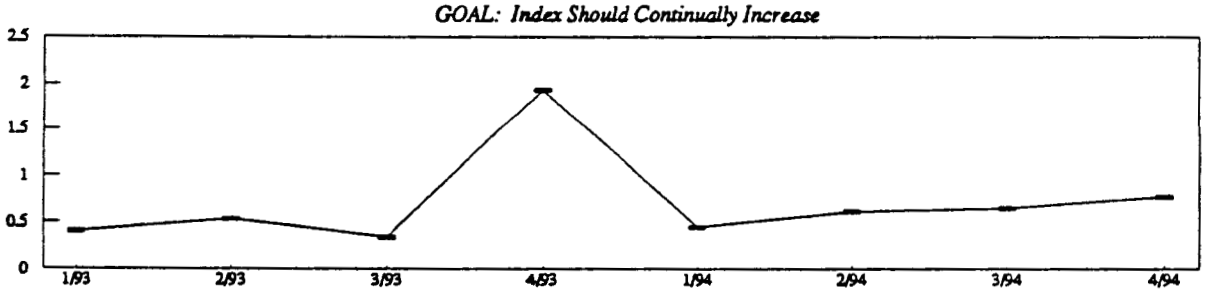
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



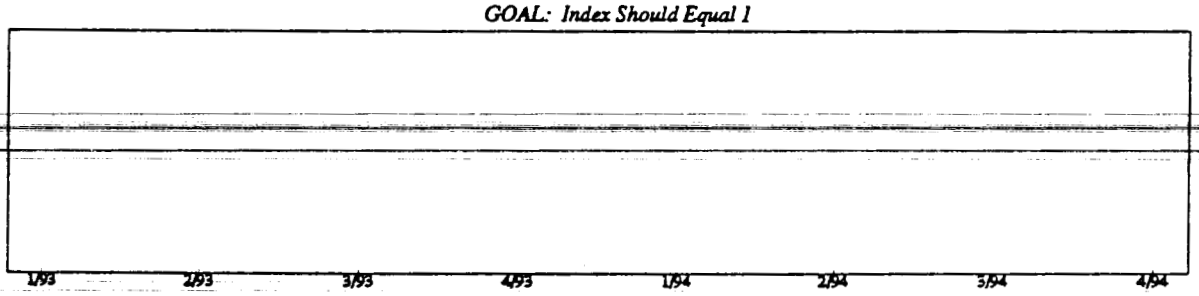
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

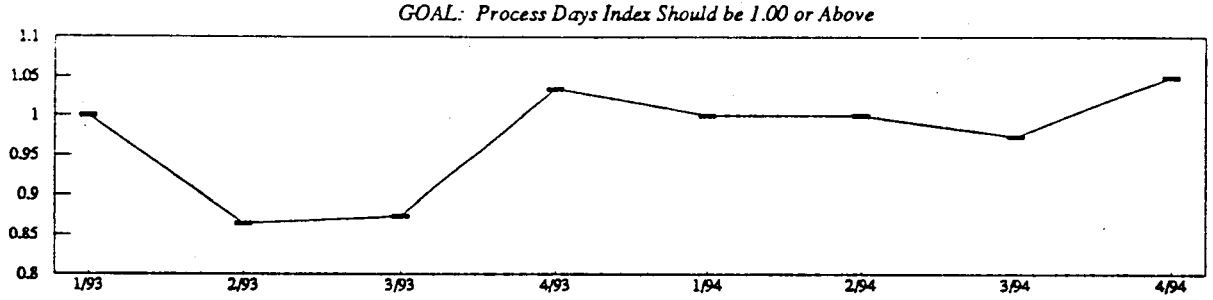


NAVSEA does not report this indicator.

PUGET SOUND NAVAL SHIPYARD

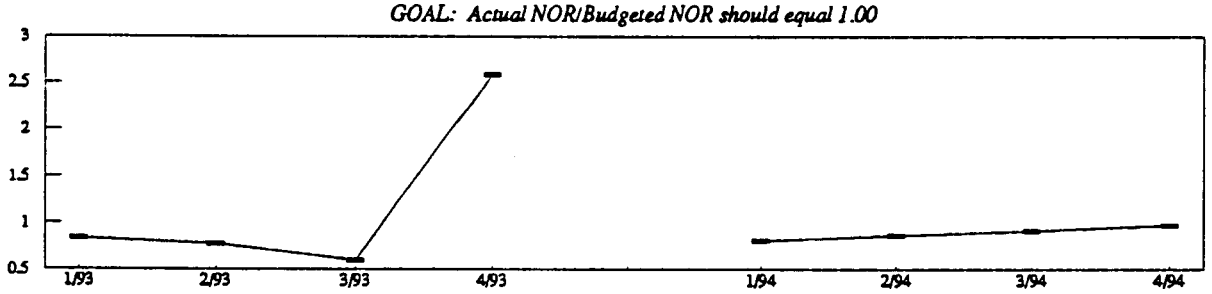
PROCESS DAYS

GOAL: Process Days Index Should be 1.00 or Above



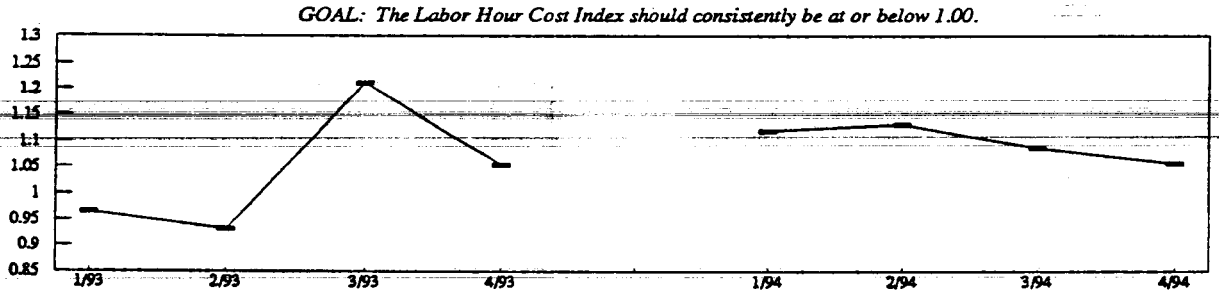
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Actual labor costs exceeded the budgeted hourly rate due to a 1.2M manhour loss of workload.

PUGET SOUND NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	168,461,134	176,446,064	118,641,802	665,554,000	156,112,000	200,121,000	212,545,000	250,114,000
Total Cost ($)	189,405,099	199,642,356	208,844,667	185,585,878	170,638,000	194,240,000	189,599,000	211,100,000
Direct Materials ($)	19,326,355	16,036,120	10,765,525	16,030,000	16,370,000	9,338,000	16,256,000	17,279,000
Throughput ($)	149,134,779	160,409,944	107,876,277	649,524,000	139,742,000	190,783,000	196,289,000	232,835,000
Operating Expense ($)	170,078,744	183,606,236	198,079,142	169,555,878	154,268,000	184,902,000	173,343,000	193,821,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	149,134,779	160,409,944	107,876,277	649,524,000	139,742,000	190,783,000	196,289,000	232,835,000
Longterm Inventory ($)	369,284,482	300,567,629	313,006,049	335,543,049	315,257,000	312,213,000	302,991,000	301,185,000
INDEX	0.40	0.53	0.34	1.94	0.44	0.61	0.65	0.77

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	181	1835	1270	720	256	1019	1632	1742
Actual Flow Days	181	2121	1453	696	256	1019	1676	1660
INDEX	1.00	0.87	0.87	1.03	1.00	1.00	0.97	1.05

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	197,216,000	191,673,000	158,497,000	245,715,000	198,236,000	424,060,000	652,465,000	872,514,000
Cum Budg Cost ($)	186,187,000	169,138,000	167,305,000	176,841,000	176,000,000	377,747,000	583,117,000	797,232,000
Budgeted NOR INDEX	1.06	1.13	0.95	1.39	1.13	1.12	1.12	1.09
Cum Actual Revenue ($)	168,481,134	176,445,064	118,641,802	665,554,000	156,112,000	356,233,000	568,778,000	818,892,000
Cum Actual Cost ($)	189,405,099	199,642,356	208,844,667	185,585,878	170,638,000	364,878,000	554,477,000	765,577,000
Actual NOR INDEX	0.89	0.88	0.57	3.59	0.91	0.98	1.03	1.07
NOR INDEX	0.84	0.78	0.60	2.58	0.81	0.87	0.92	0.98

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	186,187,000	169,138,000	167,305,000	176,841,000	176,000,000	377,747,000	583,117,000	797,232,000
Budgeted Total DLH	3,264,663	2,969,079	2,946,071	3,075,011	3,123,916	6,710,052	10,229,924	13,481,544
Bud Labor Hour Cost	$57.03	$56.97	$56.79	$57.51	$56.34	$56.30	$57.00	$59.14
Total Actual Cost ($)	189,405,099	199,642,356	208,844,667	185,585,878	170,638,000	364,878,000	554,477,000	765,577,000
Actual Total DLH	3,440,751	3,761,667	3,035,339	3,059,561	2,701,766	5,719,435	8,943,809	12,254,515
Actual Labor Hour Cost	$55.05	$53.07	$68.80	$60.66	$63.16	$63.80	$62.00	$62.47
Labor Hour Cost INDEX	0.97	0.93	1.21	1.05	1.12	1.13	1.09	1.06

AIR FORCE AIR LOGISTICS CENTERS AND SPECIALIZED CENTERS

AEROSPACE GUIDANCE AND METROLOGY CENTER
NEWARK AFB, OH

MAJOR WORKLOAD ACCOMPLISHED:

Minuteman III MGS	Peacekeeper MGCS	B-1B INU	F-15 IMU	F-16 INU
F-117 IMU	KC-135 INU	PADs IMU	DMINS IMU	TMDE
Carousel IMU	SPN-GEANS IMU	ESGN IMU	Displacement Gyro	

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	828
Military:	5

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

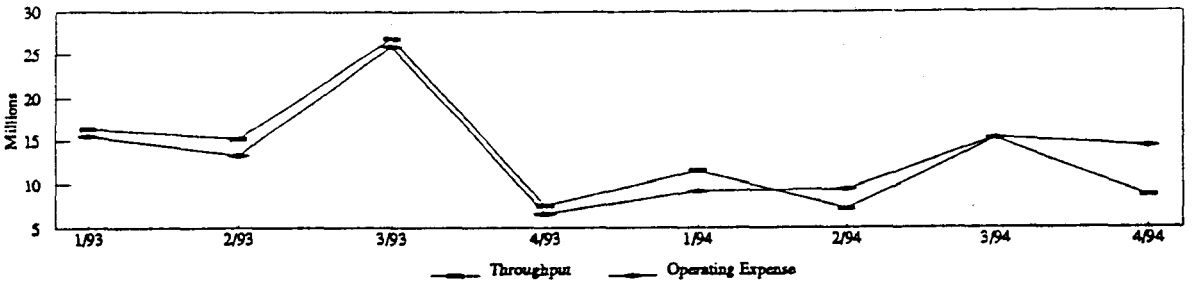
$81,600,000

Aerospace Guidance and Metrology Center 3rd and 4th quarter operations indicators were adversely affected by higher than anticipated Reparable Support Division (RSD) material costs and a planned FY94 budgeted loss of $7.5 million. Our Direct Product Labor Hours (DPAH) were also less than budgeted due to decreased customer requirements in the following workloads: LN-39, Carousel, CN1375, 7901A, PADS, and software development. These three factors have reduced our revenue, increased total cost, affected our schedule indicator and increased our labor hour costs.

AEROSPACE GUIDANCE AND METROLOGY CENTER

THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



A decrease in 3rd & 4th quarter customer requirements, causing reduced revenue, coupled with increased material and RSD charges has resulted in decreased throughput and an increase in our operating expenses.

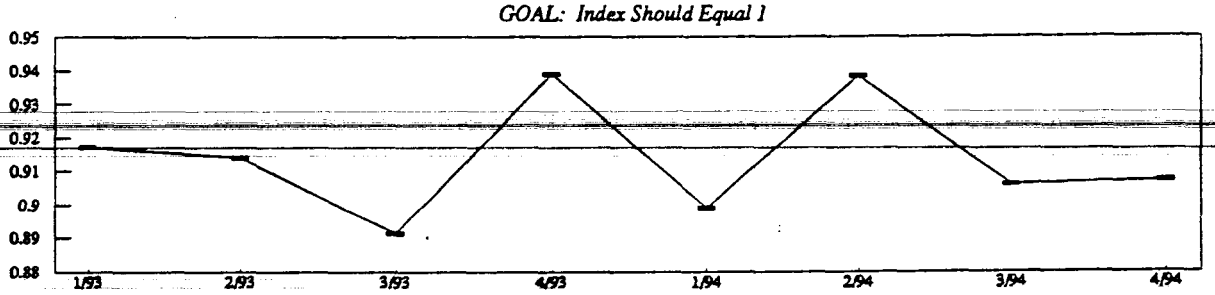
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase

An increase of $20 million in funded/unfunded equipment has increased our long term inventory value. This increase was driven by the purchase of 11 Automatic Depot Inertial Navigation Test Stations (ADINTS) in support of the B-1B, F-16, and Advanced Cruise Missile (ACM) workloads. The reduction in throughput and this increase in long term inventory value has resulted in a decrease in our capital investment effectiveness.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

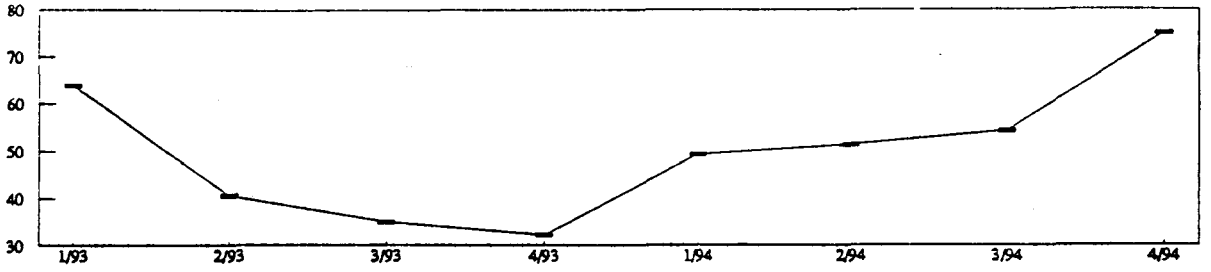


The main driver for our 3rd quarter schedule indicator was a result of a late start of our new Ring Laser Gyro workload. The 4th quarter schedule indicator was caused by the lack of parts used in the repair of our Carousel module workload.

AEROSPACE GUIDANCE AND METROLOGY CENTER

PROCESS DAYS

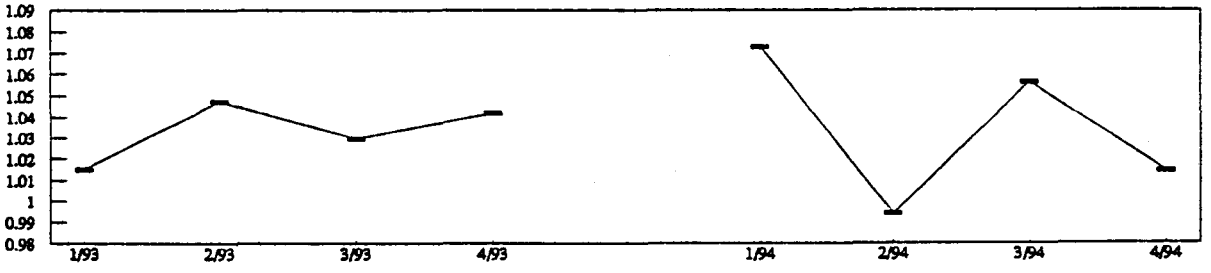
GOAL: Process Days Should show Continual Reduction



AGMC uses 7 workloads as "pacing items" (3 IMU/INU, 2 Gyro, 1 Velocity Meter and the Minuteman III Missile Guidance Set). Two of our pacing workloads, 7901 Gyro and Carousel IMU, had significantly longer turn around times. These two workloads produced units with longer than average time awaiting parts. These units coupled with reduced receipts increased our overall process days indicator.

NET OPERATING RESULTS

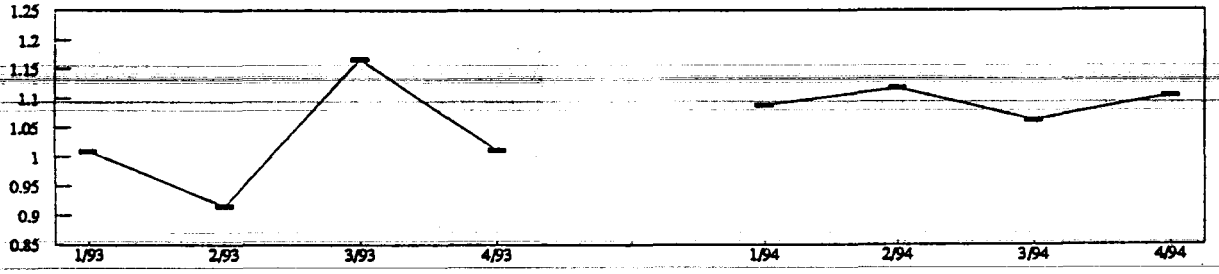
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The FY94 2nd quarter actual costs were higher as a result of an erroneous RSD charge of $1.3 million for 20 Fuel Saver computers. This error was corrected in the 3rd quarter, causing our cumulative actual cost to be artificially higher in the 2nd quarter and lower in the 3rd quarter.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Reduced customer requirements in the following workloads have caused a decrease in our total direct labor hours: LN-39, Carousel, CN 1375 Gyro, 7901A Gyro, PADS and software development. These 6 workloads account for 107 thousand production hours that were budgeted but did not generate.

AEROSPACE GUIDANCE AND METROLOGY CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	20,300,000	19,800,000	32,200,000	10,000,000	19,506,000	18,381,000	18,735,000	16,244,000
Total Cost ($)	19,466,000	17,929,000	31,255,000	9,054,000	17,122,000	20,675,000	18,859,000	21,789,000
Direct Materials ($)	3,957,000	4,575,000	5,333,000	2,485,000	7,888,000	11,196,000	3,584,000	7,447,000
Throughput ($)	16,343,000	15,225,000	26,867,000	7,515,000	11,618,000	7,185,000	15,151,000	8,797,000
Operating Expense ($)	15,509,000	13,354,000	25,922,000	6,569,000	9,234,000	9,479,000	15,275,000	14,342,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	16,343,000	15,225,000	26,867,000	7,515,000	11,618,000	7,185,000	15,151,000	8,797,000
Longterm Inventory ($)	153,627,378	152,125,269	151,005,859	147,948,833	137,182,208	133,719,085	146,014,132	166,225,597
INDEX	0.11	0.10	0.18	0.05	0.08	0.05	0.10	0.05

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Components Scheduled	3,379	2,941	2,855	2,995	2,985	2,903	2,938	2,680
Components Completed	3,099	2,688	2,545	2,812	2,684	2,724	2,662	2,431
INDEX	0.92	0.91	0.89	0.94	0.90	0.94	0.91	0.91

PROCESS DAYS

DATE INDUCTED - DATE COMPLETED = PROCESS DAYS

Components Process Days	57,895	33,371	29,210	31,109	51,010	53,913	54,557	48,266
Number of Items	907	824	833	966	1,034	1,048	1,004	645
AVG PROCESS DAYS	63.83	40.50	35.07	32.20	49.33	51.44	54.34	74.83

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	20,678,000	45,381,000	70,655,000	95,217,000	19,569,000	40,779,000	61,423,000	81,754,000
Cum Budg Cost ($)	20,091,000	44,372,000	69,082,000	93,717,000	18,432,000	40,437,000	64,916,000	89,283,000
Budgeted NOR INDEX	1.03	1.02	1.02	1.02	1.06	1.01	0.95	0.92
Cum Actual Revenue ($)	20,339,000	40,059,000	72,288,000	82,272,000	19,506,000	37,887,000	56,622,000	72,866,000
Cum Actual Cost ($)	19,466,000	37,395,000	68,650,000	77,704,000	17,122,000	37,797,000	56,656,000	78,445,000
Actual NOR INDEX	1.04	1.07	1.05	1.06	1.14	1.00	1.00	0.93
NOR INDEX	1.02	1.05	1.03	1.04	1.07	0.99	1.06	1.01

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	20,091,000	44,372,000	69,082,000	93,717,000	18,432,000	40,437,000	64,916,000	89,283,000
Budgeted Total DLH	279,802	573,612	873,642	1,165,012	241,126	505,517	765,146	1,019,722
Bud Labor Hour Cost	$71.80	$77.36	$79.07	$80.44	$76.44	$79.99	$84.84	$87.56
Total Actual Cost ($)	19,466,000	37,395,000	68,650,000	77,704,000	17,122,000	37,797,000	56,656,000	78,445,000
Actual Total DLH	268,532	527,816	744,189	954,954	205,779	422,747	628,279	811,675
Actual Labor Hour Cost	$72.49	$70.85	$92.25	$81.37	$83.21	$89.41	$90.18	$96.65
Labor Hour Cost INDEX	1.01	0.92	1.17	1.01	1.09	1.12	1.06	1.10

AEROSPACE MAINT AND REGENERATION CENTER
DAVIS-MONTHAN AFB, AZ

MAJOR WORKLOAD ACCOMPLISHED:

Prepare A/C for long/short term storage, represerve A/C in storage and maintain A/C in storage. Withdraw A/C from storage and prepare them for flyaway. Remove parts and assemblies from stored aircraft and cover overland deliveries. Deliver A/C to museums and transport of A/C to gunnery/bombing ranges. EPA clean-up on static display A/C and miscellaneous special projects. Also elimination site for B-52's under terms of Strategic Arms Reduction Treaty.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	576
Military:	

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$41,355,000

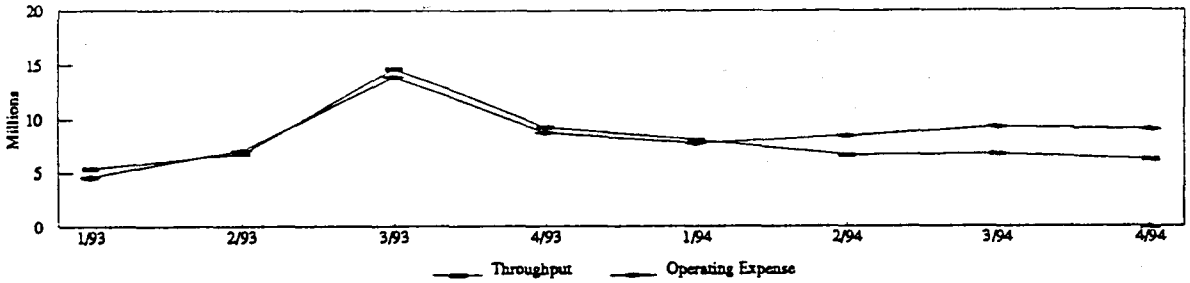
AMARC is a service organization that provides for storage, regeneration and disposal of aircraft and related aerospace items as well as selected non-aero-space, out-sized and specialized items. Encompassing 2,600 acres, AMARC currently has more than 4,950 aircraft in storage with an acquisition value of nearly $15.9B. Related aerospace items in storage include production tooling, engines, pylons, pylon load adapters and airframe components. In FY94, AMARC received 735 aircraft valued at $4B. In addition, nearly 3,000 line items of tooling were added to the inventory. In FY94, AMARC returned 197 aircraft and 28,612 parts and components valued at $994M. With an operating budget of $49M, this equates to a return of $20 in goods and services for every dollar spent. AMARC eliminated 57% of the 350 B-52 heavy bombers in accordance with the Strategic Arms Reduction Treaty and manages over 104,000 line items of aircraft production tooling, including equipment from the B-1, C-141 and A-10 production lines.

Performance of the indicators was affected by a requirement to meet a programmed loss of $7.7M for FY94, a change in the method of depreciation occurring in the 2nd and 3rd Qtr of FY93, the completion of the F-106 Full Scale Aerial Target Program, construction to primary facilities involved in the process-in activity and non-materialization of the jet engine intermediate maintenance (JEIM) workload.

AEROSPACE MAINT AND REGENERATION CENTER

THROUGHPUT & OPERATING EXPENSE

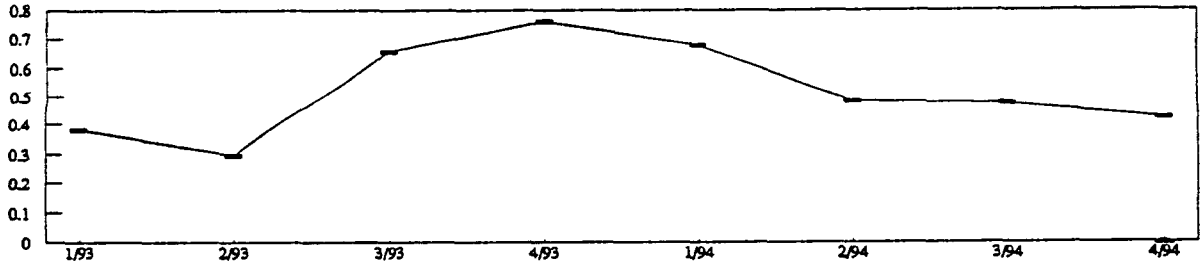
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Headquarters requirement mandating a $7.7M loss for FY94 and a reduction in revenue generated from existing project workloads caused expenses to be greater than throughput.

CAPITAL INVESTMENT EFFECTIVENESS

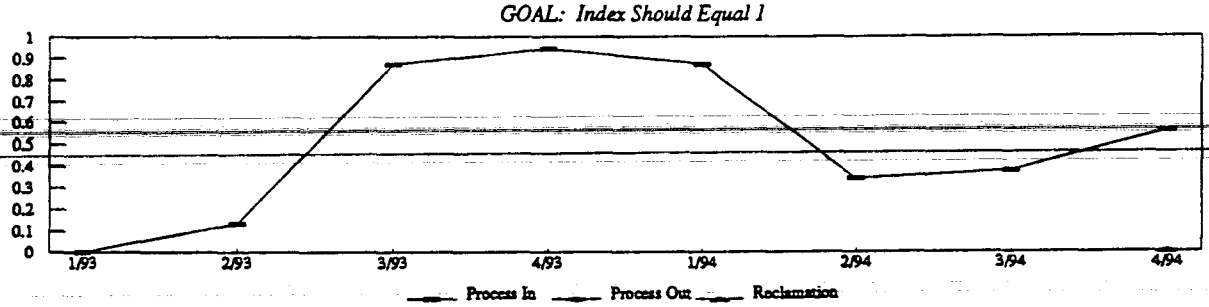
GOAL: Index Should Continually Increase



Downward movement resulted from audit finding leading to adjustments in depreciation accounts and inventory build-up in preparation for the F-4 drone program.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

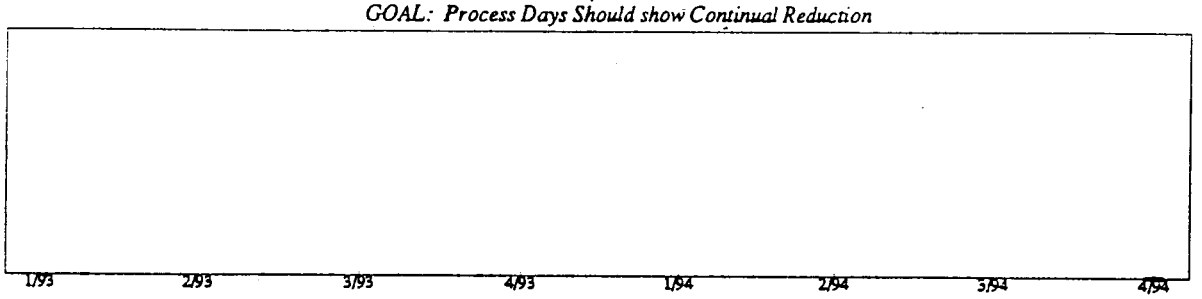


OUT: 1st half FY94 downturn due to end of F106 program & increase in parts and manhour requirements from earlier priority demands. 2nd half upturn due to end of F106 program and improvement in workload preplanning activity. OUT: FY94 trend impacted by large number of F16s needing det. cord removal. Small upturn result of A/C undergoing minimum preservation in per designated requirements. RECLAMATION: Procedures used to establish delivery date under 29% increase in demand for prioroty removal items led

AEROSPACE MAINT AND REGENERATION CENTER

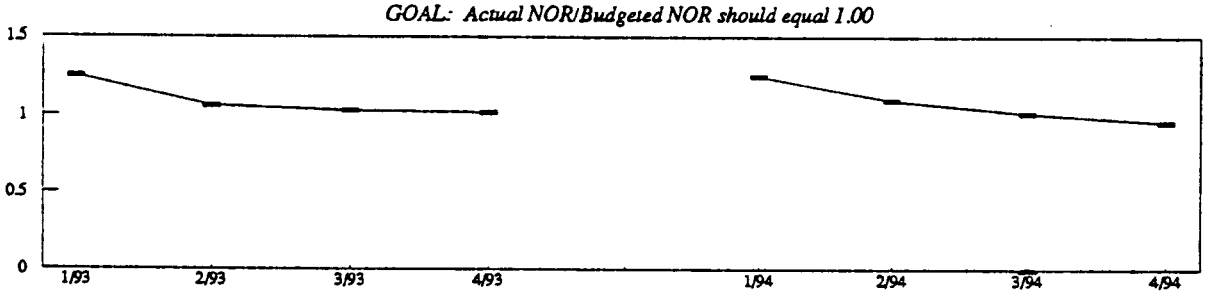
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



NET OPERATING RESULTS

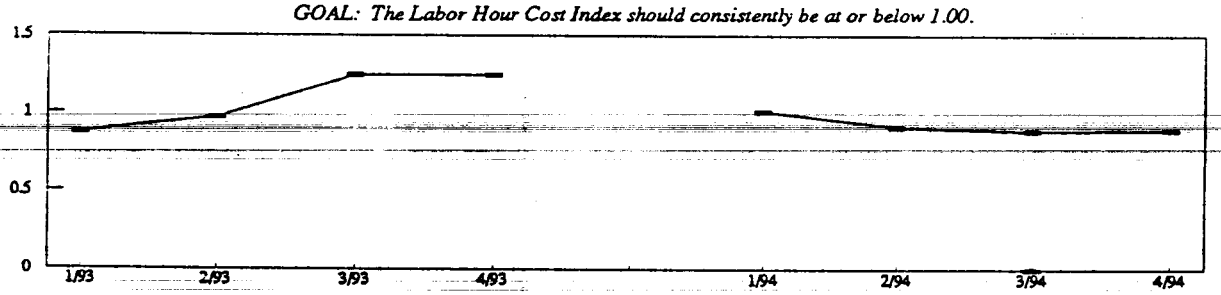
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Experience with prior drone programs contributed to AMARC's ability to more accurately forecast drone program costs.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Donor aircraft were identified to supply parts/components for drone program aircraft. thereby reducing RSD costs to the customer. Better resource utilization among AMARC's processes lowered costs.

AEROSPACE MAINT AND REGENERATION CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	8,065,290	8,771,277	17,392,903	12,076,475	11,186,659	7,756,327	7,251,886	8,128,640
Total Cost ($)	7,304,171	9,122,414	16,613,840	11,578,115	10,842,390	9,578,398	9,764,927	10,927,247
Direct Materials ($)	2,707,077	2,107,650	2,795,750	2,847,166	3,136,783	1,174,951	539,444	1,967,852
Throughput ($)	5,358,213	6,663,627	14,597,153	9,229,309	8,049,876	6,581,376	6,712,442	6,160,788
Operating Expense ($)	4,597,094	7,014,764	13,818,090	8,730,949	7,705,607	8,403,447	9,225,483	8,959,395

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	5,358,213	6,663,627	14,597,153	9,229,309	8,049,876	6,581,376	6,712,442	6,160,788
Longterm Inventory ($)	14,069,828	22,428,755	22,235,538	12,114,825	11,879,928	13,511,504	13,989,677	14,520,569
INDEX	0.38	0.30	0.66	0.76	0.68	0.49	0.48	0.42

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Process In Scheduled	103	45	78	208	93	85	95	75
Process In Completed	0	6	68	196	81	29	36	42
INDEX	0.00	0.13	0.87	0.94	0.87	0.34	0.38	0.56
Process Out Scheduled	13	20	29	22	16	16	15	6
Process Out Completed	10	13	26	20	6	6	7	6
INDEX	0.77	0.65	0.90	0.91	0.38	0.38	0.47	1.00
Reclamation Scheduled	903	906	865	758	847	772	1164	1577
Reclamation Completed	872	897	857	752	841	753	1093	1385
INDEX	0.97	0.99	0.99	0.99	0.99	0.98	0.94	0.88

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	7,672,000	16,843,000	26,295,000	35,702,000	10,050,000	19,860,000	30,523,000	41,355,000
Cum Budg Cost ($)	8,719,000	17,423,000	26,110,000	35,017,000	11,509,000	23,445,000	35,632,000	48,145,000
Budgeted NOR INDEX	0.88	0.97	1.01	1.02	0.87	0.85	0.86	0.86
Cum Actual Revenue ($)	8,065,290	16,836,567	34,229,470	46,305,945	11,866,659	18,942,590	26,194,872	34,323,512
Cum Actual Cost ($)	7,304,171	16,425,585	33,040,425	44,618,540	10,842,390	20,420,788	30,185,715	41,675,866
Actual NOR INDEX	1.10	1.03	1.04	1.04	1.09	0.93	0.87	0.82
NOR INDEX	1.25	1.06	1.03	1.02	1.25	1.10	1.01	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	8,719,000	17,423,000	26,110,000	35,017,000	11,509,000	23,445,000	35,632,000	48,145,000
Budgeted Total DLH	154,550	312,821	470,687	628,309	160,778	321,348	491,006	662,792
Bud Labor Hour Cost	$56.42	$55.70	$55.47	$55.73	$71.58	$72.96	$72.57	$72.64
Total Actual Cost ($)	7,304,171	16,425,585	33,040,425	44,618,540	10,842,390	20,420,788	30,185,715	41,112,962
Actual Total DLH	148,291	304,328	477,494	640,995	149,750	307,696	470,764	635,085
Actual Labor Hour Cost	$49.26	$53.97	$69.20	$69.61	$72.40	$66.37	$64.12	$64.74
Labor Hour Cost INDEX	0.87	0.97	1.25	1.25	1.01	0.91	0.88	0.89

OGDEN AIR LOGISTICS CENTER
HILL AFB, UT

MAJOR WORKLOAD ACCOMPLISHED:

F/RF-4 Phantom, F-16 Fighting Falcon, LGM-30 Minuteman Missile, LGM-118A Peacekeeper Missile, GBU-15 Laser Guided Bomb, Simulators/Training Devices, AGM-65 Maverick Missile, Cruise Missiles, Landing Gear, Wheels & Brakes, Air Munitions, Explosives, Photonics, Aircraft Instruments, and Aircraft Guns.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	4765
Military:	278

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

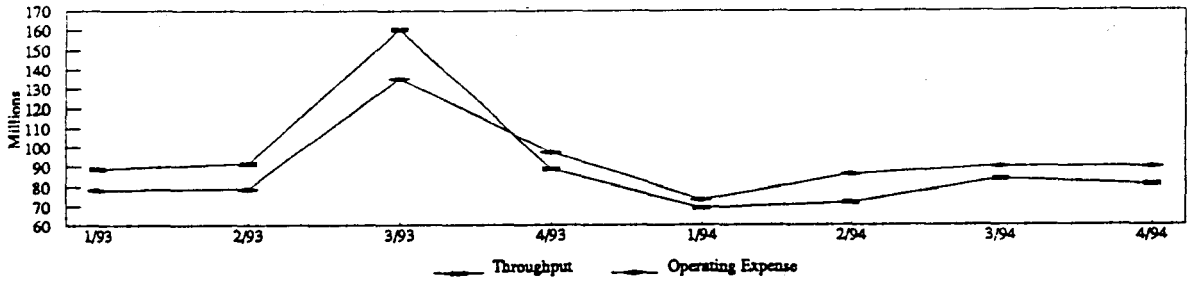
$417,116,000

There are at least four items of interest that have had a significant impact on the performance of these indicators. During the 1st Qtr FY93, DMRD 904 became effective, which required the costs of Reparable Support Division (RSD) material be added to the data systems that track production costs and revenue. RSD material is used to repair an item that belongs to an organization other than the depot (such as Air Combat Command). The costs associated with this material are then considered in the profit and loss aspect of depot performance, which makes those costs more accurate when considering the total cost of doing business. When the data systems were reprogrammed to address RSD material, the systems did not consistently recognize the costs in the debit and credit accounting format. Most of these problems have been resolved; there are a few, however, which are being dealt with on a case by case basis. The second item was a change in the accounting procedures called "Revenue Recognition." In the past some of the costs and most of the revenues were counted in the data system once the end product was completed. Under revenue recognition, costs and revenues are counted as the product moves through the WIP phase. This new procedure became effective during the 3rd Qtr FY93, at which time costs and revenues accumulated to date for those items in the WIP were added to the system in a "lump sum" entry. This caused the costs to be artifically high for the Qtr. Both of these items will have a short term impact on these performance measures. The third item is anticipated workload did not materialize as planned. Fourth, materials for the F/A-18 workload were not available in a timely manner causing the schedule and flowdays indicators for aircraft to show an undesirable trend.

OGDEN AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

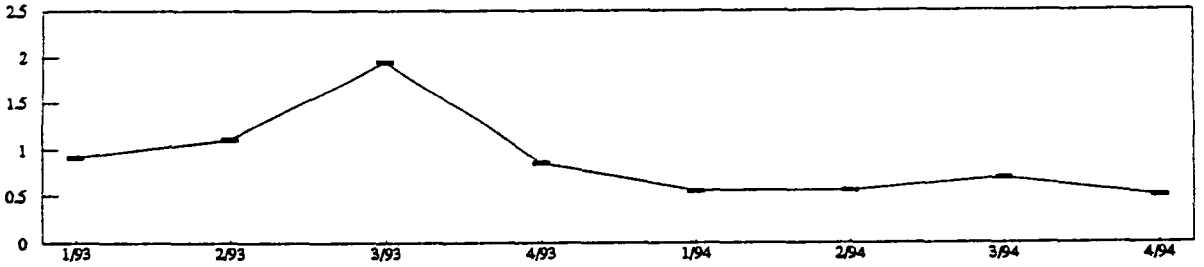
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



At the beginning of FY93, data system problems resulted from the implementation of DMRD 904. The data system was prevented from recognizing all of the costs and revenues accumulated during the Qtr. The large increase in total cost and revenue during 3rd Qtr FY93 was due to the change in revenue recognition. T has been lower than OE since 4th Qtr FY93 because workload has not materialized at the anticipated rate. In the 4th Qtr FY94, T was down because fewer hours were sold than in the previous quarter.

CAPITAL INVESTMENT EFFECTIVENESS

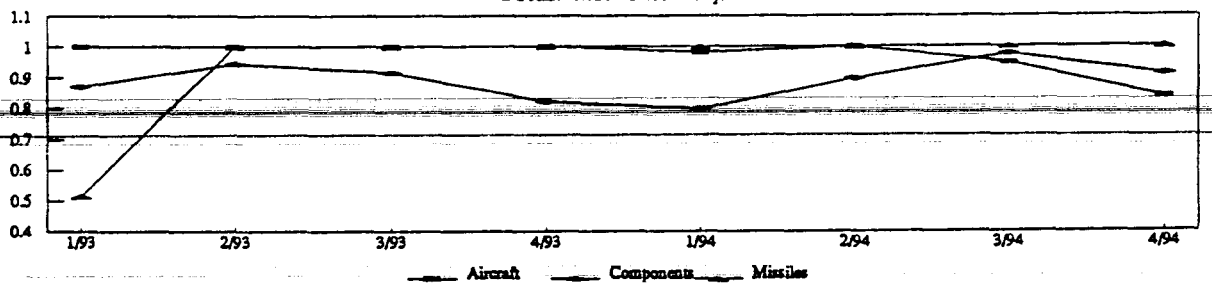
GOAL: Index Should Continually Increase



The inception of DMRD 904 resulted in data system problems that caused the system to show costs and sales to be lower than they actually were during 1st Qtr FY93. The accounting procedure change in revenue recognition (costs and sales) has caused throughput to be artificially high in 3rd Qtr FY93. The trend from 4th Qtr FY93 through 4th Qtr FY94 is the result of a "wall to wall" inventory of capital equipment as well as significant adjustments to the G017 System to correct programming problems.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



Components dropped during 4th Qtr FY93, 1st Qtr FY94 and 4th Qtr FY94 due to carryover of workload. Second Qtr FY94 data improved once these assets began to produce. This is an annual cycle due to the manner in which workload is inducted. Aircraft dropped during 3rd and 4th Qtr FY94 due to non-availibility of kit components and other aircraft material specifically related to the F/A-18 workload. F-16 aircraft were on time 100% for all of FY94, and C-130 aircraft were on time 96% for all of FY94.

OGDEN AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	94,469,584	118,478,007	173,399,132	102,308,869	89,526,439	89,689,031	102,929,530	102,154,277
Total Cost ($)	84,290,145	105,944,813	148,133,848	111,076,294	93,560,121	103,617,908	109,317,971	111,097,879
→ Direct Materials ($)	5,727,736	27,109,843	13,187,951	13,866,514	20,410,394	17,953,619	19,757,987	21,798,124
Throughput ($)	88,741,848	91,368,164	160,211,181	88,442,355	69,116,045	71,735,412	83,171,543	80,356,153
Operating Expense ($)	78,562,409	78,834,970	134,945,897	97,209,780	73,149,727	85,664,289	89,559,984	89,299,755

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	88,741,848	91,368,164	160,211,181	88,442,355	69,116,045	71,735,412	83,171,543	80,356,153
Longterm Inventory ($)	96,481,634	82,873,535	82,067,497	103,667,859	124,885,068	127,771,046	119,710,432	160,112,844
INDEX	0.92	1.10	1.95	0.85	0.55	0.56	0.69	0.50

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	86	84	74	66	55	65	78	74
Aircraft Completed	86	84	74	66	54	65	74	62
INDEX	1.00	1.00	1.00	1.00	0.98	1.00	0.95	0.84
Components Scheduled	20,845	20,650	19,967	23,524	22,432	19,902	18,678	17,177
Components Completed	18,153	19,523	18,293	19,292	17,873	17,855	18,243	15,665
INDEX	0.87	0.95	0.92	0.82	0.80	0.90	0.98	0.91
Missiles Scheduled	70	36	41	39	54	39	52	43
Missiles Completed	36	36	41	39	54	39	52	43
INDEX	0.51	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	6,837	6,955	6,823	4,620	6,050	5,018	6,897	6,286
Number of Items	86	84	74	66	55	65	78	64
AVG PROCESS DAYS	79.50	82.80	92.20	70.00	110.00	77.20	88.42	98.22
Missiles Process Days	2,621	1,746	2,324	2,582	2,737	3,019	2,742	2,087
Number of Items	36	36	41	39	54	39	52	43
AVG PROCESS DAYS	72.81	48.50	56.68	66.21	50.69	77.41	52.73	48.53
Components Process Days					3,658	1,882	481	503
Number of Items					112	68	20	28
AVG PROCESS DAYS					32.66	27.68	24.05	17.96

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	94,469,000	228,316,000	336,991,000	450,223,000	80,270,000	189,780,000	294,902,000	407,240,000
Cum Budg Cost ($)	88,785,000	209,724,000	316,290,000	426,665,000	80,662,000	196,913,000	305,419,000	424,153,000
Budgeted NOR INDEX	1.06	1.09	1.07	1.06	1.00	0.96	0.97	0.96
Cum Actual Revenue ($)	94,469,584	212,947,591	386,346,723	488,655,592	89,526,439	179,215,470	282,145,000	384,299,000
Cum Actual Cost ($)	84,290,145	190,234,958	338,368,806	449,445,100	93,560,121	197,178,029	306,496,000	417,594,000
Actual NOR INDEX	1.12	1.12	1.14	1.09	0.96	0.91	0.92	0.92
NOR INDEX	1.05	1.03	1.07	1.03	0.96	0.94	0.95	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	90175215	203138000	311596000	420453000	101466000	206047000	312865000	417116000
Budgeted Total DLH	1703164	3354717	5032074	6735238	1393723	2824704	4326000	5786350
Bud Labor Hour Cost	$52.95	$60.55	$61.92	$62.43	$72.80	$72.94	$72.32	$72.09
Cum → Total Actual Cost ($)	90175218	202190348	298836564	407467689	104447446	212470714	314991000	422144000
Cum → Actual Total DLH	1604374	3220679	4765986	6296586	1397284	2834744	4174000	5491000
Actual Labor Hour Cost	$56.21	$62.78	$62.70	$64.71	$74.75	$74.95	$75.47	$76.88
Labor Hour Cost INDEX	1.06	1.04	1.01	1.04	1.03	1.03	1.04	1.07

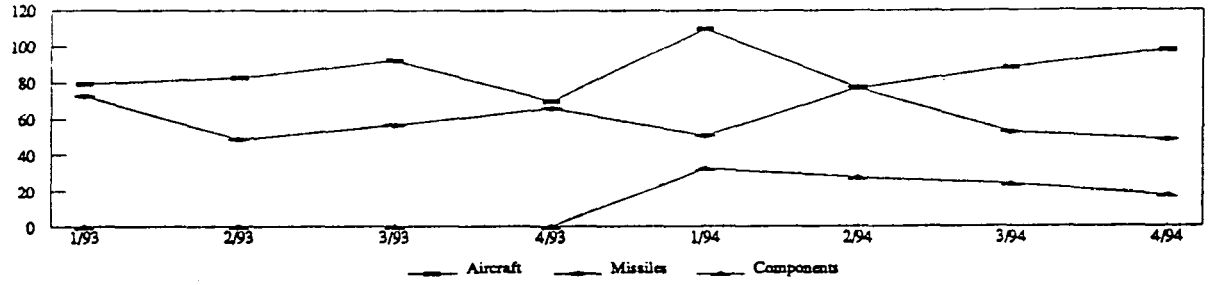
20,410,394
17,953,619
19,757,987
21,798,124
79,920,124

422,144,000
79,920,124
342,223,876
$62.32
5,491,000

OGDEN AIR LOGISTICS CENTER

PROCESS DAYS

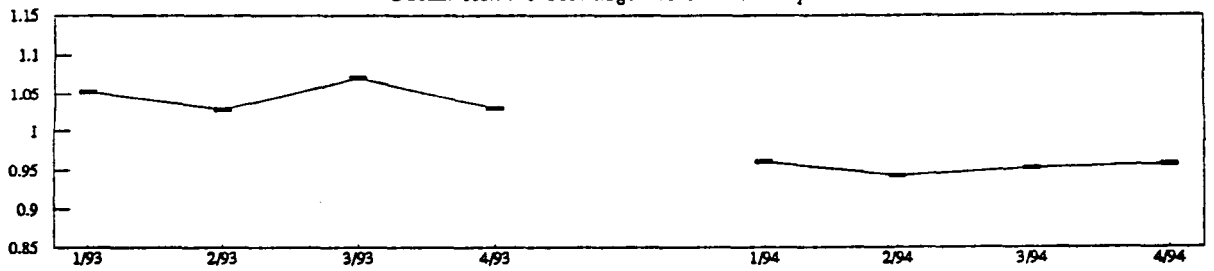
GOAL: Process Days Should show Continual Reduction



The component data represents the average number of process days per item of the 20 unique stock numbered items tracked. Changes to the sample population may be required to make this indicator as meaningful as possible. The increasing trend in aircraft flowdays during 2nd Qtr through 4th Qtr FY94 is due to an increase of modification work packages, contract workload, and parts/material problems associated with the F/A-18 aircraft.

NET OPERATING RESULTS

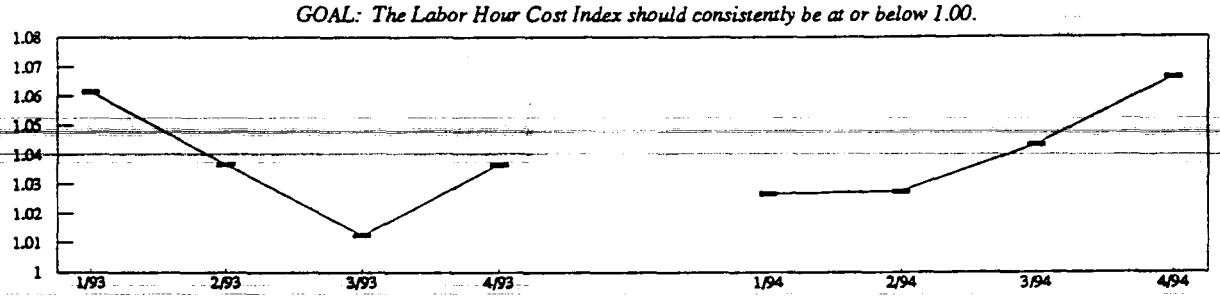
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The downward movement in NOR from 1st Qtr FY93 to 2nd Qtr FY94 was due to workload not materializing at the expected level. In 4th Qtr FY94 a loss occured in aircraft due to overhead and G&A costs being spread across a smaller workload base. Production hours in aircraft were 12% below target. Additional losses occurred in depreciation, RSD material and labor.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



LHC continues to be above 1.0 for several reasons. Large credits in RSD material were recognized in FY93, but the offsetting debits were recorded in FY94. There was little history when the RSD targets were being developed which hindered our budgeting accuracy. Other reasons for the trend in FY94 were: operational TDY continued to be higher than targeted due to unplanned FMS TDY, increased missile transportation by truck rather than by aircraft, a change in missile storage sites, and excess manpower.

OKLAHOMA CITY AIR LOGISTICS CENTER
TINKER AFB, OK

MAJOR WORKLOAD ACCOMPLISHED:

Bombers (B-52 and B-1), tankers (KC-135), and other special purpose aircraft, (C/EC-135, E-3, and E-6), missile and aircraft engines, aircraft, engine, and exchangeable components (aircraft structural components, engine accessories, pneudraulics/hydraulics/pneumatics, oxygen/gas generating equipment, engine and flight instruments, unique avionics and software).

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6174
Military:	62

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$926,007,000

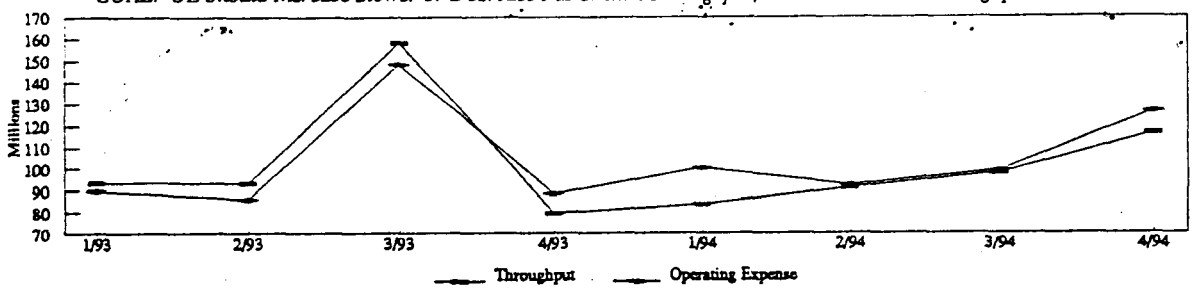
Oklahoma City ALC has successfully delivered ahead of schedule or on-time all aircraft, engines, and exchangeables for third and fourth quarter of FY94. Throughput has increased $36.6M during FY94. The Capital Investment Index continued to improve in FY94 for a total increase of 65% with a reduction in inventory value of $40.5M. The overall trend in Process Days continues in a positive direction with a total decrease of 58 days for aircraft, engines, and exchangeables in the fourth quarter of FY94. Actual Labor Hour Cost has continued to be lower than Budgeted Labor Hour Cost for the past eight quarters by an average of $12.00.

Innovations to improve C/KC-135 inspection processes, aggressive parts procurement, and establishment of C/KC-135 work center structural repair team had a positive effect on Throughput, Scheduling, and Process Days indicators. The work center team,comprised of highly trained structural repair mechanics, has expedited aircraft structural repair processes. The team is activated when the aircraft has completed the normal repair process and is then moved to the task team area to accomplish identified repairs. Their goal is to meet customer schedules, reduce cost, and improve production flow.

OKLAHOMA CITY AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

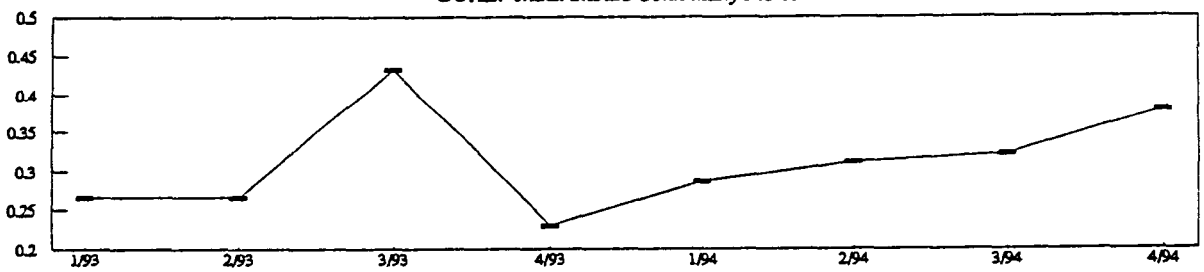
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



FY94 Operating Expense exceeds Throughput due to Program Budget Decisions (PBDs) which included the return of FY92 profits. Increased training to develop a multi-skilled work force has resulted in an Operating Expense increase of only 1.2% and will result in cost avoidance for the future.

CAPITAL INVESTMENT EFFECTIVENESS

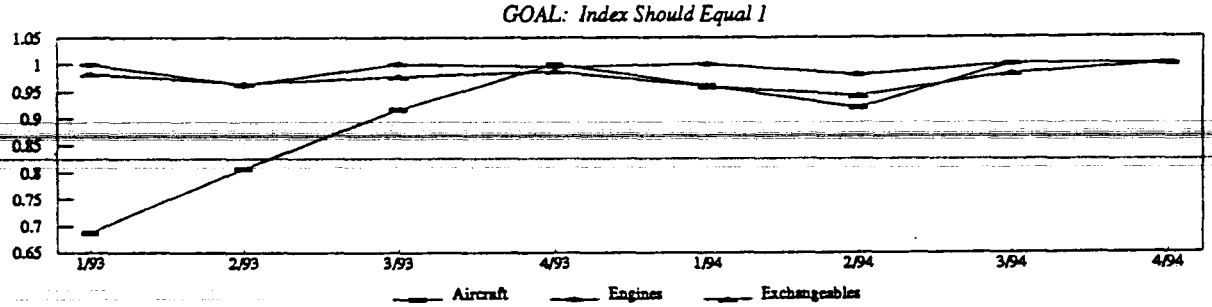
GOAL: Index Should Continually Increase



The index continues to improve in FY94 for a total increase of 65% from FY93. Long Term Inventory shows a positive trend with a decrease of $40.5M from FY93 to FY94.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



Acft: New inspection processes, specialty repair teams, and improved parts availability are showing positive results for all aircraft. Eng: Increased emphasis on "just in time" scheduling of manpower, equipment, and facilities has improved scheduling function. Exch: Production percentage increase can be attributed to a team effort identifying manpower, capacity, parts, and dollars, earlier in the repair process.

OKLAHOMA CITY AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	117,502,000	138,627,163	233,208,862	153,290,905	147,566,860	176,519,491	189,718,187	196,948,197
Total Cost ($)	113,852,000	131,353,149	223,252,393	162,147,819	164,401,016	177,851,233	191,028,734	206,942,939
Direct Materials ($)	23,895,981	45,511,616	75,000,527	73,942,834	64,263,796	85,740,413	92,004,387	80,929,679
Throughput ($)	93,606,019	93,115,547	158,208,335	79,348,071	83,303,064	90,779,078	97,713,800	116,018,518
Operating Expense ($)	89,956,019	85,841,533	148,251,866	88,204,985	100,137,220	92,110,820	99,024,347	126,013,260

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	93,606,019	93,115,547	158,208,335	79,348,071	83,303,064	90,779,078	97,713,800	116,018,518
Longterm Inventory ($)	351,988,721	350,285,649	365,792,000	345,470,647	290,375,902	291,461,574	304,710,727	304,935,946
INDEX	0.27	0.27	0.43	0.23	0.29	0.31	0.32	0.38

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	16	26	24	23	25	25	19	23
Aircraft Completed	11	21	22	23	24	23	19	23
INDEX	0.69	0.81	0.92	1.00	0.96	0.92	1.00	1.00
Engines Scheduled	240	240	205	201	184	198	179	169
Engines Completed	240	231	205	200	184	194	179	169
INDEX	1.00	0.96	1.00	1.00	1.00	0.98	1.00	1.00
Exchangeables Scheduled	26,859	28,365	21,800	22,241	22,048	23,620	22,129	22,795
Exchangeables Completed	26,393	27,363	21,300	21,936	21,133	22,254	21,729	22,795
INDEX	0.98	0.96	0.98	0.99	0.96	0.94	0.98	1.00

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	2,617	4,198	3,731	3,432	4,312	3,720	3,689	3,356
Number of Items	16	26	24	23	26	24	19	23
AVG PROCESS DAYS	163.56	161.46	155.46	149.22	165.85	155.00	194.16	145.91
Engines Process Days	5,062	4,250	3,074	3,125	2,622	5,046	3,792	3,702
Number of Items	52	40	30	30	28	52	41	44
AVG PROCESS DAYS	97.35	106.25	102.47	104.17	93.64	97.04	92.49	84.14
Exchangeables Process Days				248	249	193	128	117.9
Number of Items				10	10	10	10	10
AVG PROCESS DAYS				24.80	24.90	19.30	12.80	11.79

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	148,801,000	335,215,000	516,948,000	715,069,000	175,038,000	386,774,000	606,292,000	828,635,000
Cum Budg Cost ($)	142,705,000	322,365,000	497,760,000	689,315,000	189,402,000	415,968,000	651,124,000	889,566,000
Budgeted NOR INDEX	1.04	1.04	1.04	1.04	0.92	0.93	0.93	0.93
Cum Actual Revenue ($)	117,502,000	256,129,163	489,338,025	642,628,930	147,566,860	324,086,351	513,804,538	710,752,735
Cum Actual Cost ($)	113,852,000	245,205,149	468,457,542	630,605,361	164,401,016	342,252,250	533,280,985	740,223,924
Actual NOR INDEX	1.03	1.04	1.04	1.02	0.90	0.95	0.96	0.96
NOR INDEX	0.99	1.00	1.01	0.98	0.97	1.02	1.03	1.03

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

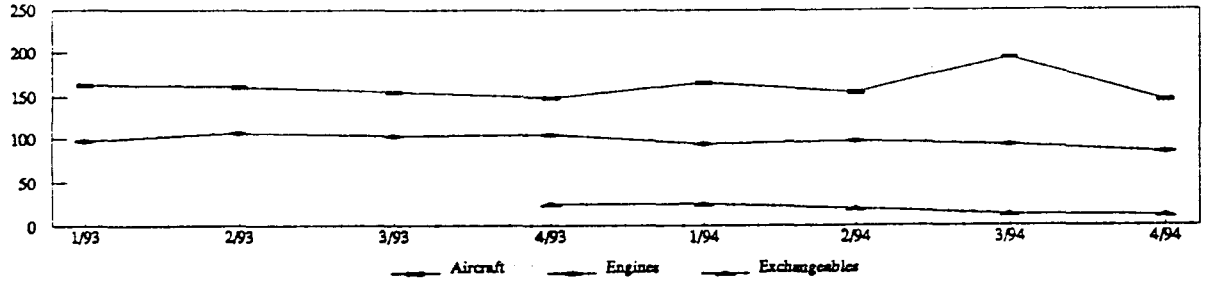
(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	171443000	340932000	519857000	699902000	198873000	415781000	638238000	859844000
Budgeted Total DLH	1814193	3508224	5293716	7131928	1732095	3567953	5455344	7375334
Bud Labor Hour Cost	$94.50	$97.18	$98.20	$98.14	$114.82	$116.53	$116.99	$116.58
Total Actual Cost ($)	112839126	287826316	416035753	599381670	167559503	354234453	534060387	733053440
Actual Total DLH	1554166	3212236	4855629	6515892	1634596	3384351	5120934	6902256
Actual Labor Hour Cost	$72.60	$89.60	$85.68	$91.99	$102.51	$104.67	$104.29	$106.20
Labor Hour Cost INDEX	0.77	0.92	0.87	0.94	0.89	0.90	0.89	0.91

OKLAHOMA CITY AIR LOGISTICS CENTER

PROCESS DAYS

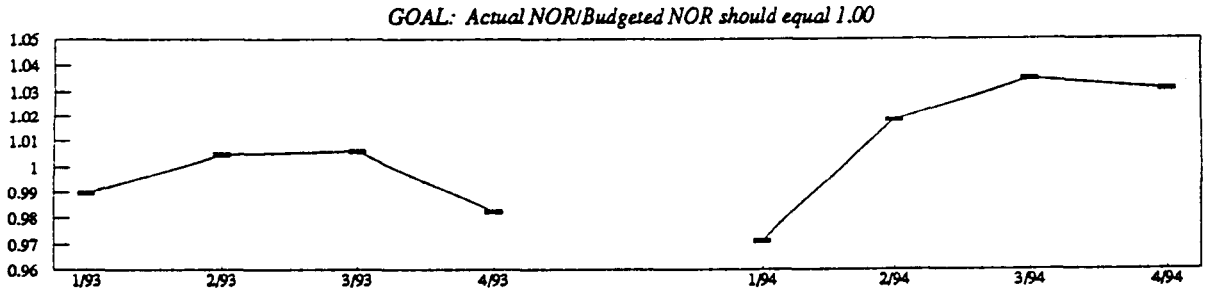
GOAL: Process Days Should show Continual Reduction



Acft: The positive trend during FY93 and FY94 is driven by improved inspection and repair processes. The perturbation in FY94 is resultant of E-3 and C-135 corrosion control and structural repair process changes. Eng: Improved training, management emphasis, and process improvement have resulted in decreased flow days on all engines. Exch: The decrease can be attributed to a process improvement which allows for a "just in time" induction of assets to the overhaul shop.

NET OPERATING RESULTS

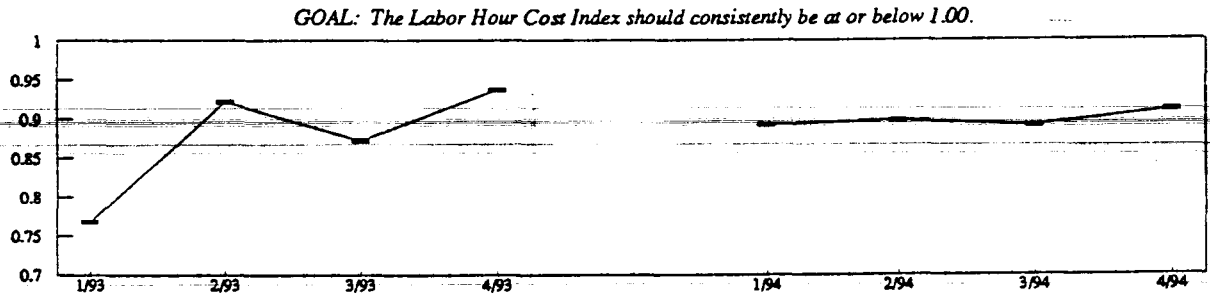
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Budgeted Operating results for FY94 reflect a $60.9M loss driven by Program Budget Decisions (PBDs) which directed the return of profits for FY92. Actual loss was reduced to $29.5M by cost reduction initiatives. The cost reduction initiatives resulted in the actual NOR Index exceeding the budgeted NOR Index by 1.5%.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



During the past eight quarters actual labor hour cost averaged $12.00 less than the budgeted labor hour cost. The total labor hour cost for 4/93 and 4/94 is $91.99 and $106.20, respectively. This includes material, which is much higher at an engine repair center. Without material, the labor hour cost for 4/94 is $59.44.

SACRAMENTO AIR LOGISTICS CENTER
McCLELLAN AFB, CA

MAJOR WORKLOAD ACCOMPLISHED:

F-111, F-15, A-10, KC-135, Communications-Electronics, Space Systems, Ground Power Generators

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	5386
Military:	213

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

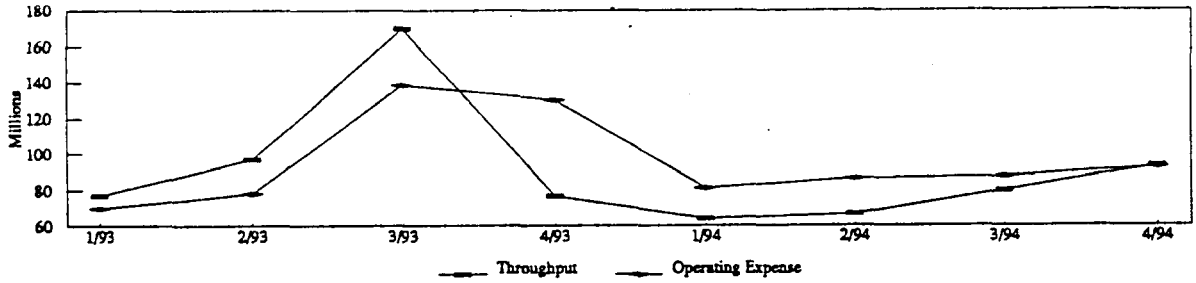
$509,000,000

External factors, of which we have limited control, affecting all centers, influenced Throughput and increased Operating Expense. To compensate for these and other drivers, all Directorates met in March 94 to identify ideas and areas that could reduce targeted losses. Through the targeted $20M to reduce loss was not met, varied efforts resulted in a $5M loss savings. Labor Hour Costs were negatively affected due to workloads not generating. The steady trend of increase in Capital Investment Effectiveness was a result of the turn in of excess and outdated industrial plant equipment. Total inventory was reduced by $30M since October 1993. This trend is expected to continue. The negative trend in Net Operating Results is due to KC-135 structural problems and learning curves associated with KC-135 PDM. Process Days Indicator reduction was due to unplanned repair work on the KC-135s during the quarters that these aircraft were originally scheduled to produce (3rd Qtr FY93 to 3rd Qtr FY94), and an increase for the quarters that they are adjusted to (4th Qtr FY94). The A-10s, F-15s, and F-111s were on or ahead of schedule. The Schedule Indicator downward direction was due to manpower shortages, facility constraints, and outgoing fuel leaks.

SACRAMENTO AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

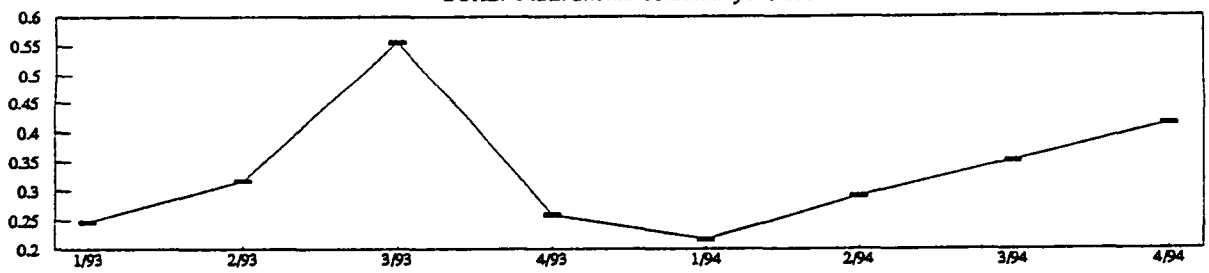
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Though final operating expenses were greatly reduced through cost cutting initiatives, Throughput was still exceeded. This was due to reduced revenue rates which were established to return past year profitable operating results.

CAPITAL INVESTMENT EFFECTIVENESS

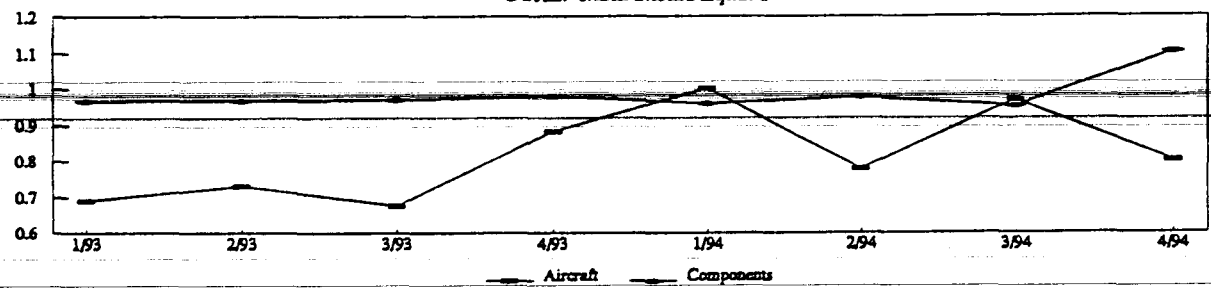
GOAL: Index Should Continually Increase



The capital equipment inventory has decreased by 110 line items since 1 Oct 93. This was driven by efforts to turn in excess and out-dated industrial plant equipment. The total inventory value was reduced by $30M since 1 Oct 93. Additionally, the Capital Purchases Program allocation has been reduced in FY95, significantly affecting the acquisition of additional capital equipment items.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



Five KC-135s and one A-10 missed their Aircraft and Missile Maintenance, Production Compression Report (AMREP) dates. Manpower shortages, facility constraints and outgoing fuel leaks were primary causes of the downward direction of the indicator in 4th Qtr FY94. Implementation of Programmed Depot Maintenance Standard System (PDMSS), modification of facilities, and fuel process review are being accomplished to reduce these problems.

SACRAMENTO AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	77,812,754	109,303,513	202,402,302	115,396,797	97,751,519	114,967,486	117,521,936	117,037,805
Total Cost ($)	70,670,158	90,604,249	170,958,547	168,706,901	114,925,022	134,649,095	125,043,649	116,426,076
Direct Materials ($)	671,414	12,363,222	32,592,933	38,531,454	33,664,149	48,410,631	37,732,565	23,874,837
Throughput ($)	77,141,340	96,940,291	169,809,369	76,865,343	64,087,370	66,556,855	79,789,371	93,162,968
Operating Expense ($)	69,998,744	78,241,027	138,365,614	130,175,447	81,260,873	86,238,464	87,311,084	92,551,239

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	77,141,340	96,940,291	169,809,369	76,865,343	64,087,370	66,556,855	79,789,371	93,162,968
Longterm Inventory ($)	311,521,589	306,441,546	304,879,562	297,006,083	294,640,723	229,188,312	226,867,766	225,770,092
INDEX	0.25	0.32	0.56	0.26	0.22	0.29	0.35	0.41

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	42	52	34	34	27	27	31	30
Aircraft Completed	29	38	23	30	27	21	30	24
INDEX	0.69	0.73	0.68	0.88	1.00	0.78	0.97	0.80
Components Scheduled	26,148	24,706	24,344	25,290	24,541	23,889	24,684	21,263
Components Completed	25,266	23,889	23,598	24,756	23,514	23,334	23,446	23,420
INDEX	0.97	0.97	0.97	0.98	0.96	0.98	0.95	1.10

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days					3,375	3,931	4,055	5,330
Number of Items					27	24	32	28
AVG PROCESS DAYS	218.00	187.00	157.00	114.00	125.00	163.79	126.72	190.36

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	77,812,754	187,116,267	296,792,267	412,040,267	103,616,338	219,975,338	346,740,338	470,503,338
Cum Budg Cost ($)	70,670,157	161,274,406	296,280,406	405,847,406	109,832,179	228,018,179	358,887,179	495,397,179
Budgeted NOR INDEX	1.10	1.16	1.00	1.02	0.94	0.96	0.97	0.95
Cum Actual Revenue ($)	77,812,754	187,116,267	389,518,569	504,915,366	97,751,519	212,719,005	330,240,941	447,278,746
Cum Actual Cost ($)	70,670,158	161,274,407	332,232,954	500,939,855	114,925,052	249,574,147	374,617,796	491,043,872
Actual NOR INDEX	1.10	1.16	1.17	1.01	0.85	0.85	0.88	0.91
NOR INDEX	1.00	1.00	1.17	0.99	0.90	0.88	0.91	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

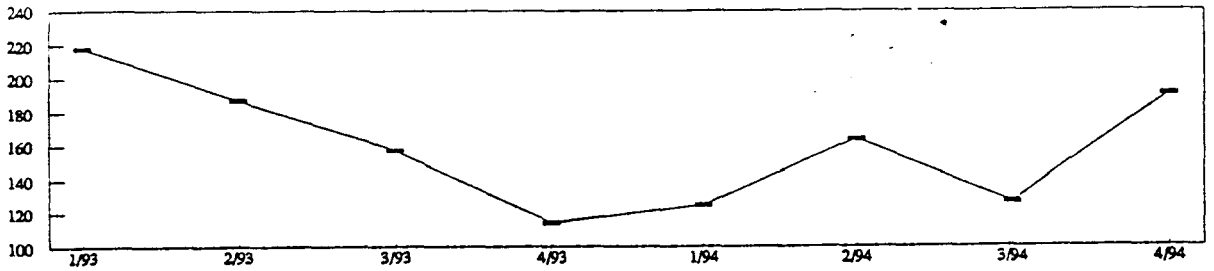
(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	70670157	161274406	296280406	405847406	109832179	228018179	358887179	495397179
Budgeted Total DLH	1694134	3415386	5044557	6659180	1579848	3281620	4947550	6589975
Bud Labor Hour Cost	$41.71	$47.22	$58.73	$60.95	$69.52	$69.48	$72.54	$75.17
Total Actual Cost ($)	70670158	161274407	332232954	500939855	114925052	249574147	374617796	491043872
Actual Total DLH	1467067	3057101	4592907	6106839	1415762	2927025	4844446	5873794
Actual Labor Hour Cost	$48.17	$52.75	$72.34	$82.03	$81.18	$85.27	$77.33	$83.60
Labor Hour Cost INDEX	1.15	1.12	1.23	1.35	1.17	1.23	1.07	1.11

SACRAMENTO AIR LOGISTICS CENTER

PROCESS DAYS

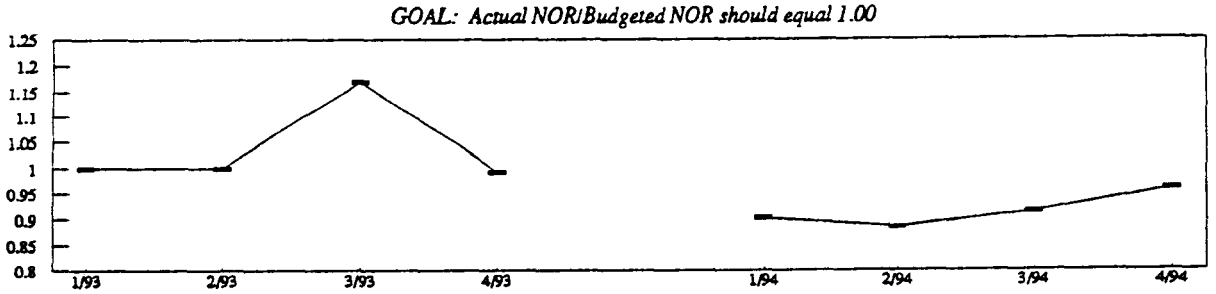
GOAL: Process Days Should show Continual Reduction



Average process days increased in 4th Qtr FY94 due to production of 10 long flow aircraft. 8 F-111s exceeded 260 flow days & two KC-135s exceeded 250 flow days. Major unplanned repair work on KC-135s (wing attach fitting replacement) caused reduction of Process Days indicator during the Qtrs that these aircraft were first scheduled to produce (3/93 to 3/94), an increase for the Qtrs that they are adjusted to (4/94). The KC-135 increases were approved by the SPD.

NET OPERATING RESULTS

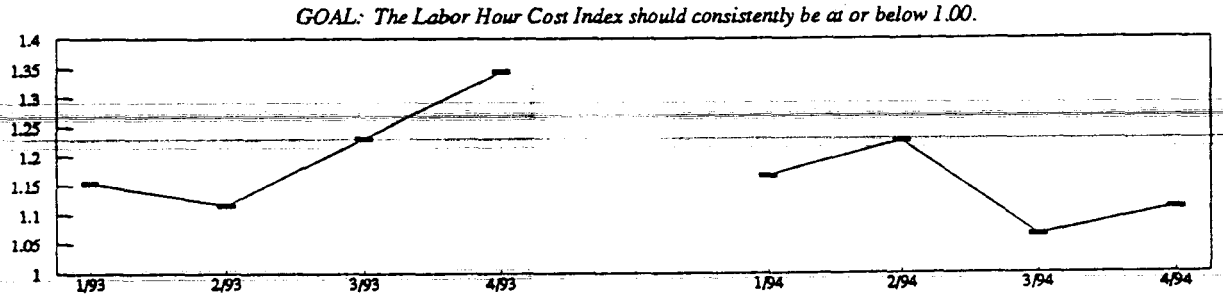
GOAL: Actual NOR/Budgeted NOR should equal 1.00



There we continued inefficiencies as a result of higher than budgeted indirect costs and lower than projected yields. Higher than the Budgeted Repairable Support Division (RSD) material costs associated with PDM of F-15s and F-111s were contributors. KC-135 structural problems and the learning curve associated with KC-135 PDM were major influences in the loss position.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The actual labor cost index exceeds the 1% criteria due strictly to budgeted versus actual total DLH. Total actual DLH was 716K below budget. The 716K variance in DLH directly caused the actual labor hour cost rate to be substantially higher than originally projected. Projected total DLH was not met due to workloads not generating, inefficiency, and overly ambitious projection. Total actual versus projected cost variance was only $4.3M or 0.8% below budget.

SAN ANTONIO AIR LOGISTICS CENTER
KELLY AFB, TX

MAJOR WORKLOAD ACCOMPLISHED:

C-5 Cargo Aircraft, TF39 Engine (C-5 Aircraft), F100 Engine (F-15 & F-16 Aircraft), T56 Engine (C-130 Aircraft) and related exchangeables. Gas turbine engines, secondary power systems, auxiliary power units, starters and related exchangeables. Manual and automatic test equipment exchangeables, fuel accessories and nuclear components.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6041
Military:	69

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$759,700,000

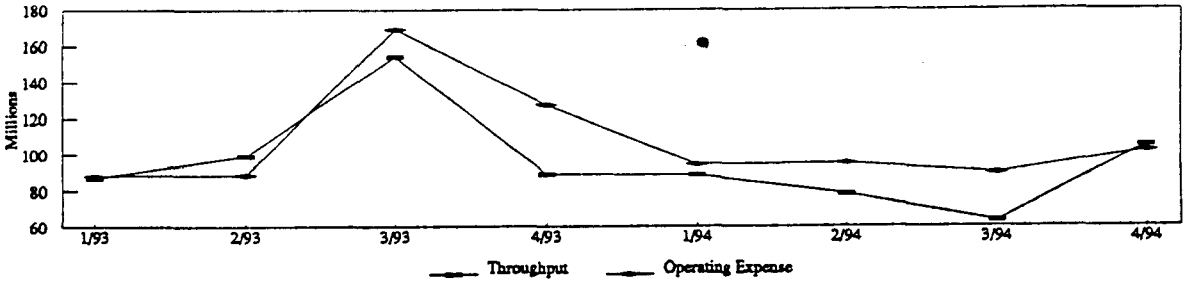
Both the depot maintenance personnel level and current year industrial fund budget numbers above have increased since the last submission of this report. Both increases are the result of increased workload at this center. SA-ALC has been instrumental in attaining local manufacturing workload from the Navy depot at Pensacola as well as T56 engine workload from Alameda. SA-ALC also acquired T-38 and F-5 gearbox workload from the Navy. All of these efforts are the result of base closures and pursuit of consolidations of like workloads to achieve both economies of scale in production as well as to preclude the cost of establishing another organic repair source.

In addition to the above, SA-ALC was instrumental in the early completion of a modification to the large aircraft paint hanger. This early completion allowed SA-ALC to terminate a contract to paint C-5 aircraft at a contractor's facility. This resulted in both dollar and flow-day savings to the customer.

SAN ANTONIO AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

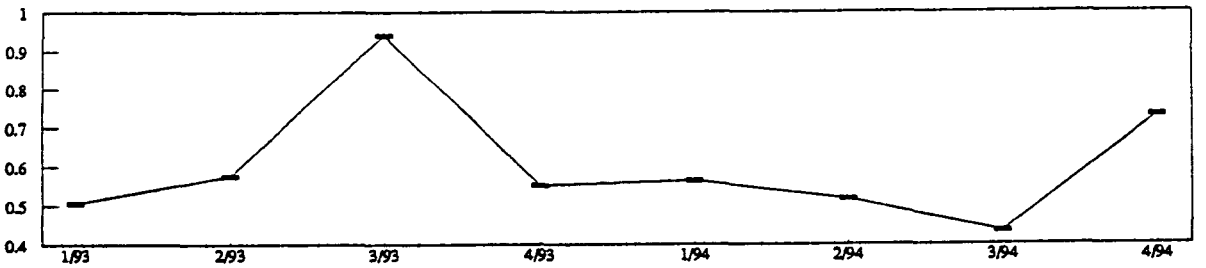
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



A 3rd Qtr FY94 reversal of credit returns accumulated over a period of time and resulted in a higher than normal direct material expense. This caused an inflated reduction to Throughput for that time period.

CAPITAL INVESTMENT EFFECTIVENESS

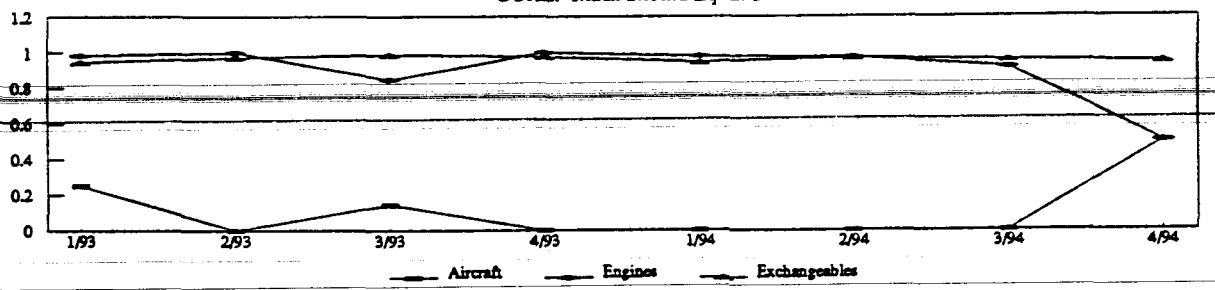
GOAL: Index Should Continually Increase



The fluctuation in the 3rd and 4th Qtr FY94 time period is due to a 3rd Qtr FY94 recapture of improper credit returns coupled with historically higher revenue in the 4th Qtr.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



The reduction to Schedule Conformance for engines is caused by the early completion of five F100 engines. The engines were produced in 3rd Qtr FY93, but the close-out project directive verifying a schedule change is not available.

SAN ANTONIO AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2 94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	114,906,000	143,451,000	204,073,000	155,321,000	144,866,000	144,650,000	179,375,000	198,236,000
Total Cost ($)	116,225,000	132,863,000	219,247,000	193,463,000	150,582,000	161,380,000	205,497,000	195,184,000
Direct Materials ($)	27,907,000	44,251,000	50,121,000	66,367,000	56,483,000	66,550,000	116,148,000	93,355,000
Throughput ($)	86,999,000	99,200,000	153,952,000	88,954,000	88,383,000	78,100,000	63,227,000	104,881,000
Operating Expense ($)	88,318,000	88,612,000	169,126,000	127,096,000	94,099,000	94,830,000	89,349,000	101,829,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	86,999,000	99,200,000	153,952,000	88,954,000	88,383,000	78,100,000	63,227,000	104,881,000
Longterm Inventory ($)	171,710,000	172,233,000	163,443,000	161,160,000	156,722,000	151,086,000	145,897,000	143,670,000
INDEX	0.51	0.58	0.94	0.55	0.56	0.52	0.43	0.73

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	8	9	7	2	5	6	5	4
Aircraft Completed	2	0	1	0	0	0	0	2
INDEX	0.25	0.00	0.14	0.00	0.00	0.00	0.00	0.50
Engines Scheduled	62	69	59	46	51	37	25	22
Engines Completed	61	69	50	46	50	36	23	11
INDEX	0.98	1.00	0.85	1.00	0.98	0.97	0.92	0.50
Exchangeables Scheduled	28,179	32,303	28,211	25,581	20,179	20,162	22,513	19,435
Exchangeables Completed	26,713	31,394	27,883	24,969	19,146	19,562	21,557	18,421
INDEX	0.95	0.97	0.99	0.98	0.95	0.97	0.96	0.95

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	1,452	1,604	2,354	1,220	1,311	1,003	1,005	1,119
Number of Items	5	6	8	5	5	5	5	5
AVG PROCESS DAYS	290.40	267.33	294.25	244.00	262.20	200.60	201.00	223.80
Engines Process Days	1,537	1,824	1,475	1,479	1,007	371	265	0
Number of Items	29	24	25	29	19	7	5	0
AVG PROCESS DAYS	53.00	76.00	59.00	51.00	53.00	53.00	53.00	
Exchangeables Process Day	2,345	1,461	4,793	23,070	9,909	15,482	12,288	11,446
Number of Items	30	45	119	330	174	187	243	229
AVG PROCESS DAYS	78.17	32.47	40.28	69.91	56.95	82.79	50.57	49.98

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	114,906,000	296,249,000	470,991,000	647,599,000	144,886,000	322,708,000	537,410,000	722,299,999
Cum Budg Cost ($)	116,225,000	288,525,000	461,219,000	642,011,000	150,582,000	359,152,000	602,207,000	800,879,000
Budgeted NOR INDEX	0.99	1.03	1.02	1.01	0.96	0.90	0.89	0.90
Cum Actual Revenue ($)	114,906,000	258,357,000	462,430,000	617,751,000	144,886,000	289,536,000	468,911,000	667,147,000
Cum Actual Cost ($)	116,225,000	249,088,000	468,335,000	661,798,000	150,582,000	311,862,000	517,458,000	712,642,000
Actual NOR INDEX	0.99	1.04	0.99	0.93	0.96	0.93	0.91	0.94
NOR INDEX	1.00	1.01	0.97	0.93	1.00	1.03	1.02	1.04

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

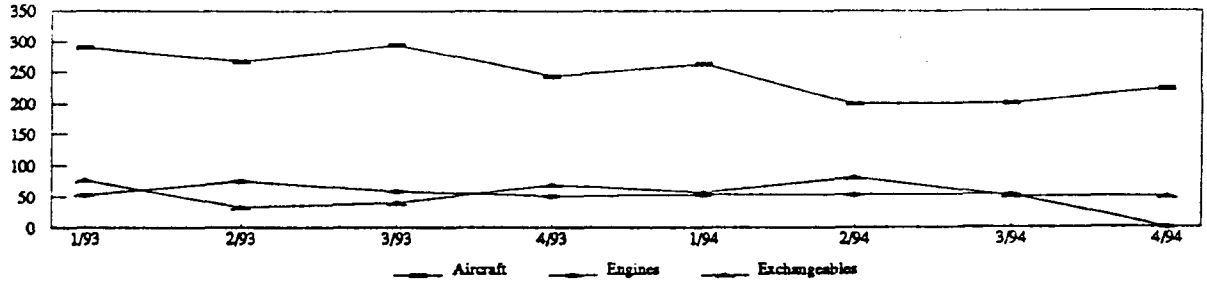
(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	98280000	309663000	490755000	664822000	158308000	391014000	610342000	802803000
Budgeted Total DLH	1862000	3849000	5842000	7857000	1580000	3356000	5227000	6838000
Bud Labor Hour Cost	$52.78	$80.45	$84.00	$84.62	$100.19	$116.51	$116.77	$117.40
Total Actual Cost ($)	98280000	291955000	428855000	616493000	158308000	363025000	544104000	735401000
Actual Total DLH	1804000	3696000	5560000	7437000	1580000	3149000	4557000	6116000
Actual Labor Hour Cost	$54.48	$78.99	$77.13	$82.90	$100.19	$115.28	$119.40	$120.24
Labor Hour Cost INDEX	1.03	0.98	0.92	0.98	1.00	0.99	1.02	1.02

SAN ANTONIO AIR LOGISTICS CENTER

PROCESS DAYS

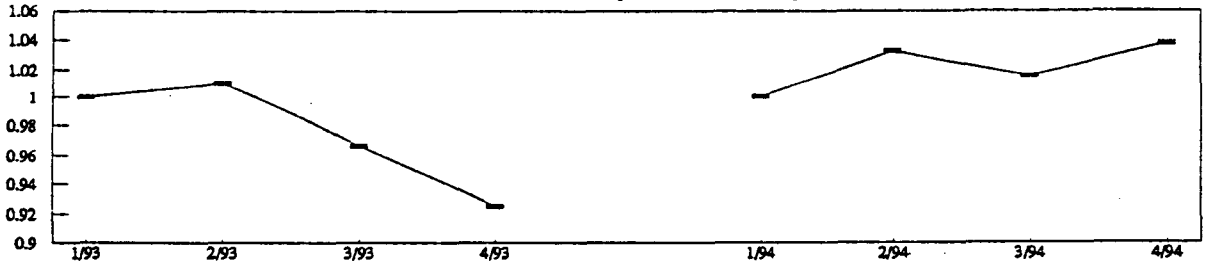
GOAL: Process Days Should show Continual Reduction



The engine reported for this measure has changed. SA-ALC previously reported on the TF39 engine. This engine is no longer produced as a "whole up" engine, but is totally under the two levels of maintenance concept. We have revised the input to reflect F100-PW-220E overhaul.

NET OPERATING RESULTS

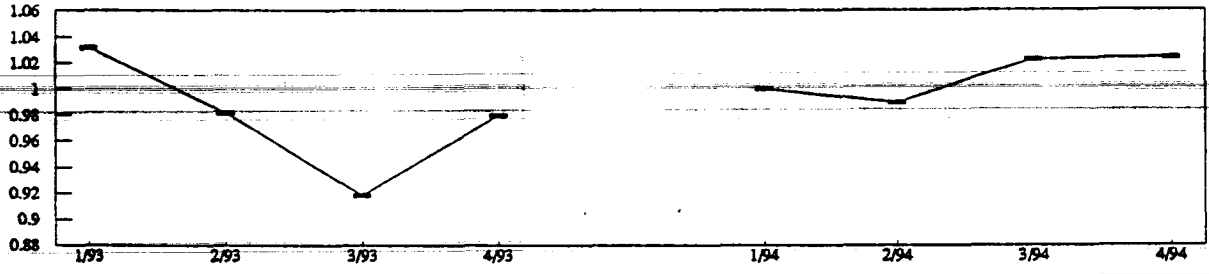
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The relative stability of this indicator is the result of increased management emphasis on maintaining cost to budget tolerances.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Increased emphasis on forecasting costs has contributed to the low relative variance in this indicator.

WARNER ROBINS AIR LOGISTICS CENTER
ROBINS AFB, GA

MAJOR WORKLOAD ACCOMPLISHED:

F-15, C-130 & C-141, various missiles, Electronic Warfare Systems and Avionics Systems, Vehicles & Special Operations Forces (SOF) aircraft.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6142
Military:	80

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

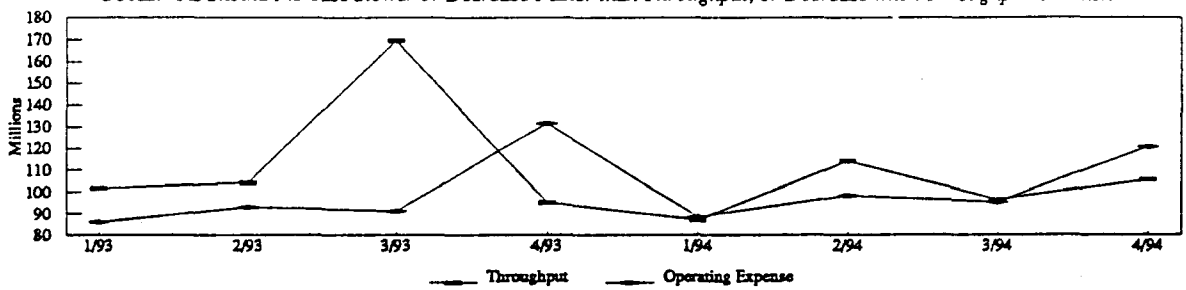
$605,265,000

In adition to the major workload previously described, the WR-ALC Team manages approximately 190,000 items that range from gunnery equipment to aerospace comm/nav equipment, including Global Positioning Systems. WR-ALC is the only organic source for the F-15 Multi-Stage Improvement Program modification which averages approximately 64 process days over and above the typical PDM aircraft. The F-15 production effort here continues to show a reduction in process days. Aircraft process days in the C-141 area showed an increase in 4th Qtr FY94 due to a parts supportability problem for the lower wing panel replacement on one particular aircraft. This as well as inside facility constraints caused delays in the PDM area as well. Decreasing unprogrammed C-141 aircraft inputs will also help to concentrate resources in critical areas. Additional work package requirements added by our customers caused the C-130 production area to increase its process days. There are improvement initiatives in C-130 production, like the purchase of a wiring analyzer to check flowdays. The devastating flood which occurred at the beginning of the 4th Qtr provided an opportunity of service to surrounding communities; however, it had an adverse impact on operations. This can be seen in the area of Operating Expense which exceeded Throughput. Wr-ALC would have experienced a higher Throughput for 4th Qtr if not for the flood which brought about a $6.3M loss of revenue. Even so, Throughput has managed to increase slightly for 3rd to 4th Qtr. This resulted in a positive effect on Capital Investment Effectiveness. NOR remains above the index because of end-of-year adjustments to labor material. Despite all turmoil of the flood and the challenge of downsizing, Team Robins is continuing to strive for continuous improvement.

WARNER ROBINS AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

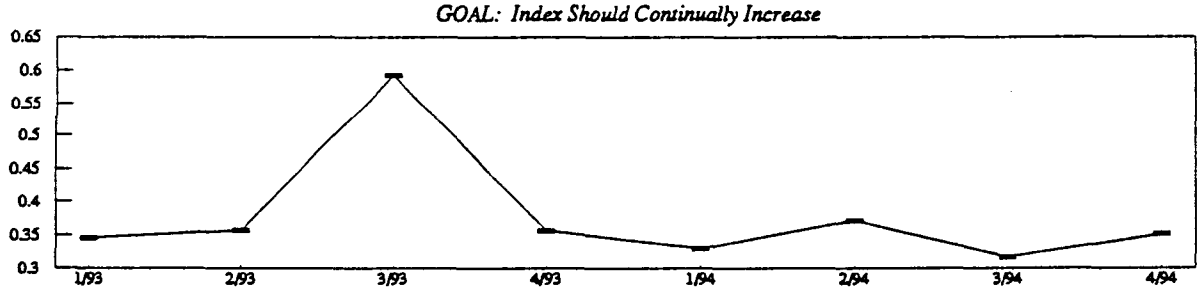
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



$13M in unallocated direct material expenses were captured as production overhead in 4th Qtr FY94. This overstated both Throughput and Operating Expenses by this amount. Additionally, $12M in expenses were captured in the last quarter (versus throughout the first 3 quarters), further overstating 4th Qtr FY94 Operating Expenses. Major drivers were labor acceleration factor ($8M), hazardous waste disposal ($1.3M), equipment/maintenance ($.6M), HQ & DFAS costs ($2.2M), and backorder cancellation ($.3M).

CAPITAL INVESTMENT EFFECTIVENESS

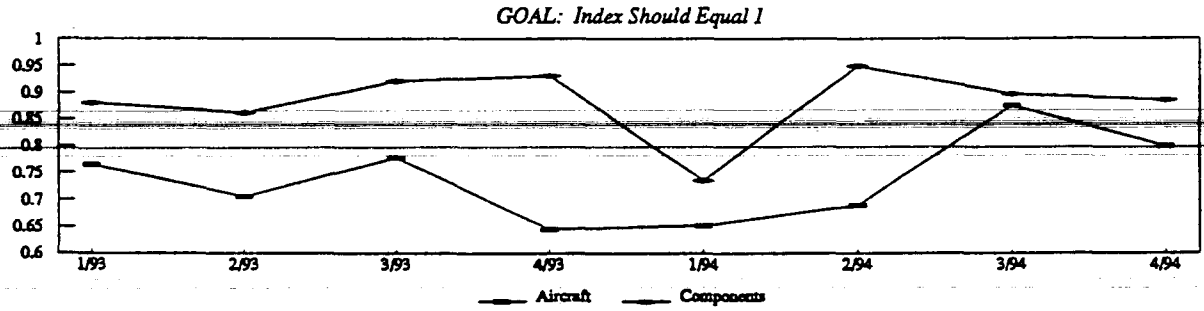
GOAL: Index Should Continually Increase



Long term inventory continues a steady decline due to increased focus on capacity utilization. Throughput has increased over 3rd Qtr FY93 because of accelerated end-of-year sales.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



As with process days, parts supportability problems with the C-141 wing panel replacement have resulted in aircraft not making their scheduled completion dates. Facility constraints are also a major factor particularly when panel replacements are unscheduled. C-130 had one late aircraft in 3rd Qtr FY94. This aircraft was the first to receive a PDM in conjunction with the Special Operations Forces Improvement and Night Vision Imaging System. F-15s were at 93% for 3rd Qtr FY94 and 100% for the 4th Qtr.

WARNER ROBINS AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	120,016,000	118,443,000	224,659,000	132,683,000	127,708,000	163,946,000	140,619,000	151,838,000
Total Cost ($)	104,296,000	107,109,000	146,352,000	168,816,000	129,196,000	148,223,000	139,506,000	166,818,000
Direct Materials ($)	18,127,000	13,982,000	55,132,000	37,302,000	40,509,000	49,793,000	44,125,000	46,108,000
Throughput ($)	101,889,000	104,461,000	169,527,000	95,381,000	87,199,000	114,153,000	96,494,000	105,730,000
Operating Expense ($)	86,169,000	93,127,000	91,220,000	131,514,000	88,687,000	98,430,000	95,381,000	120,710,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	101,889,000	104,461,000	169,527,000	95,381,000	87,199,000	114,153,000	96,494,000	105,730,000
Longterm Inventory ($)	294,130,000	292,109,000	286,146,000	267,119,000	263,830,000	307,216,000	304,157,000	300,929,000
INDEX	0.35	0.36	0.59	0.36	0.33	0.37	0.32	0.35

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	34	34	36	31	23	29	24	35
Aircraft Completed	26	24	28	20	15	20	21	28
INDEX	0.76	0.71	0.78	0.65	0.65	0.69	0.88	0.80
Components Scheduled	27,116	26,126	26,650	25,846	30,220	31,389	26,031	22,747
Components Completed	23,856	22,498	24,564	24,076	22,225	29,814	23,363	20,148
INDEX	0.88	0.86	0.92	0.93	0.74	0.95	0.90	0.89

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days								
Number of Items								
AVG PROCESS DAYS	146.00	146.00	127.00	131.00	127.00	166.00	166.00	175.00
Components Process Days								
Number of Items								
AVG PROCESS DAYS					24.00	19.00	17.00	17.00

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	115,562,000	244,490,000	378,739,000	510,124,000	127,702,000	289,398,000	433,209,000	575,642,000
Cum Budg Cost ($)	118,477,000	246,185,000	378,052,000	501,699,000	119,964,000	301,309,000	452,038,000	605,673,000
Budgeted NOR INDEX	0.98	0.99	1.00	1.02	1.06	0.96	0.96	0.95
Cum Actual Revenue ($)	120,015,000	238,459,000	369,707,000	595,800,000	127,708,000	291,653,000	432,471,000	582,910,000
Cum Actual Cost ($)	104,296,000	211,405,000	357,757,000	526,573,000	129,196,000	277,418,000	408,458,000	583,362,000
Actual NOR INDEX	1.15	1.13	1.03	1.13	0.99	1.05	1.06	1.00
NOR INDEX	1.18	1.14	1.03	1.11	0.93	1.09	1.10	1.05

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

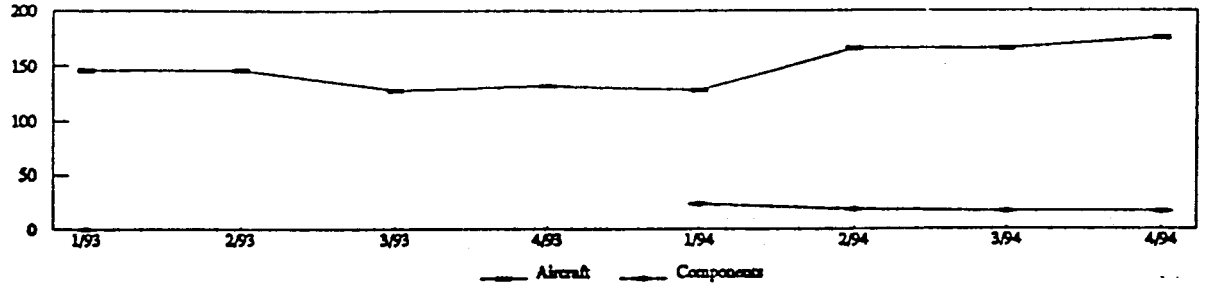
(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	120386000	245015000	369707000	494646000	129186000	300894000	451623000	605258000
Budgeted Total DLH	1776000	3610000	5510000	7402000	1867000	3853000	5887000	7888000
Bud Labor Hour Cost	$67.78	$67.87	$67.10	$66.83	$69.19	$78.09	$76.72	$76.73
Total Actual Cost ($)	104296000	211405000	357757000	526573000	129196000	277418000	416926000	583743000
Actual Total DLH	1832000	3737000	5655000	7595000	1844000	3854000	5713000	7533000
Actual Labor Hour Cost	$56.93	$56.57	$63.26	$69.33	$70.06	$71.98	$72.98	$77.49
Labor Hour Cost INDEX	0.84	0.83	0.94	1.04	1.01	0.92	0.95	1.01

WARNER ROBINS AIR LOGISTICS CENTER

PROCESS DAYS

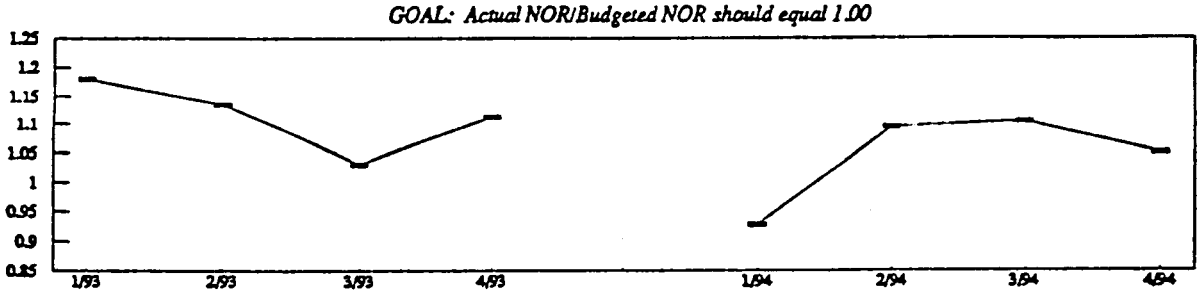
GOAL: Process Days Should show Continual Reduction



C-130 flow days increased due to additional work requirements added to the aircraft by the customer after the aircraft was put in work. C-141 flow days increased in 4th Qtr FY94 due to one aircraft which spent 183 days in storage awaiting parts for lower wing panel replacement. C-141 flow days would be 18 less, excluding this aircraft. F-15 flow days (PDM, PDM/MSIP, ACI) remained constant throughout the year.

NET OPERATING RESULTS

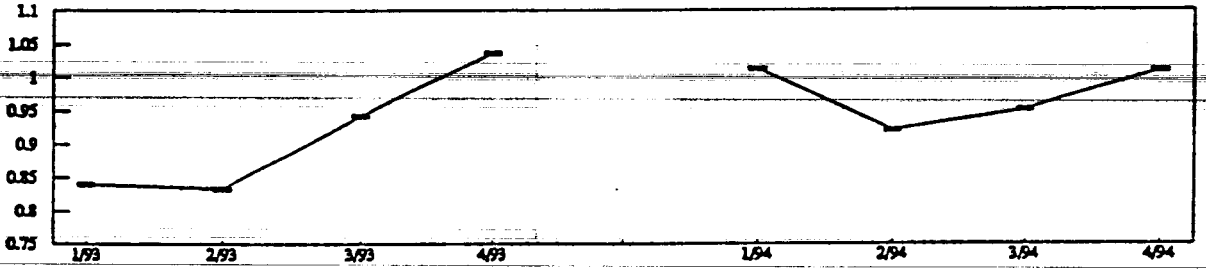
GOAL: Actual NOR/Budgeted NOR should equal 1.00



NOR is above the 1.0 goal due to efforts to reduce overhead costs which were $11.5M less than planned for 4th Qtr FY94. This is the result of lowered expenses in utilities ($1.1M), depreciation ($4.4M), and JLSC ($6.0M).

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Normal trend is for end-of-year cost to be higher due to end-of-year accounting adjustments in labor and material. Adjustments typically include posting actual expenses versus estimated expenses and capturing any unallocated expenses before the end of the year.

MARINE CORPS
DEPOT MAINTENANCE ACTIVITIES

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA
ALBANY, GA

MAJOR WORKLOAD ACCOMPLISHED:

Communications and electronics equipment, combat vehicles, ordnance and weapons, automotive equipment, amphibious vehicles and equipment, construction equipment, general purpose equipment, automatic test support equipment and calibration support.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1081
Military:	9

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

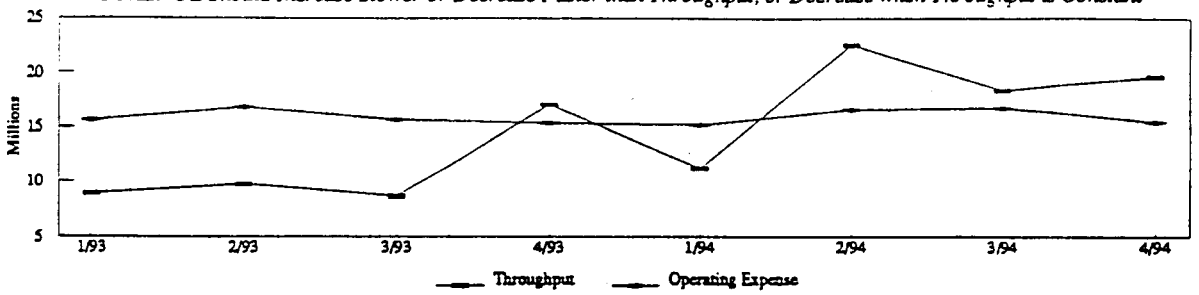
$78,572,000

In FY93, there was a planned loss of accumulated operating results (AOR) directed by the Defense Business Operating Fund (DBOF). This loss was achieved through a negative surcharge applied against our total stable labor rate therefore reducing our revenue. In addition, workload increased significantly to meet priority maritime prepositioned ships (MPS) requirements and Southwest Asia rollback requirements. During this period, additional temporary employees were hired to meet workload requirements which increased costs significantly. In FY94, there was a planned gain of AOR; therefore, Throughput exceeded operating expenses. In addition, total cost was lower than anticipated due to a decrease in direct material purchases which resulted in a lower Labor Hour Cost Index than planned. For these reasons, the indicators as identified in this report may vary from the goal as explained and justified in the narrative for each indicator.

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA

THROUGHPUT & OPERATING EXPENSE

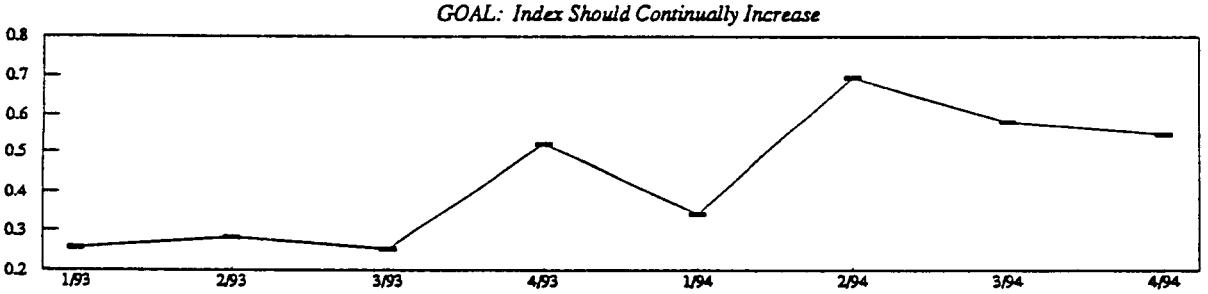
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



There was a planned revenue loss of $16M in FY93, causing Throughput (T) to be lower than Operating Expense (OE) except 4th Qtr when revenue increased due to increase in production to bring carryover down. A positive surcharge was applied to the stable labor rate in FY94, causing T to exceed OE except for 1st Qtr. 1st Qtr FY94 DLH were much lower than planned, causing T to be lower than OE. 2nd Qtr FY94 revenue increased substantially as a result of an increase in DLHs that were not produced in 1st Qtr.

CAPITAL INVESTMENT EFFECTIVENESS

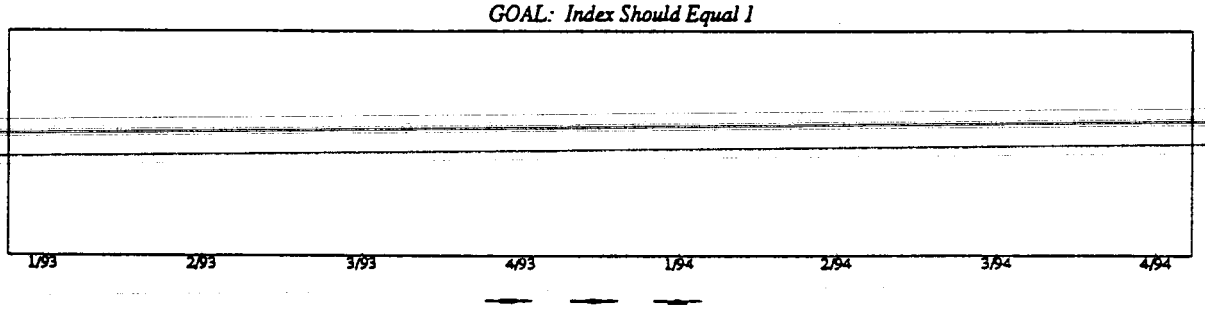
GOAL: Index Should Continually Increase



Due to planned loss of Revenue in FY93, Throughput decreased significantly, therefore decreasing investment ratio. In FY94, 2nd Qtr effectiveness increased significantly due to increase in production to overcome shortfall in 1st Qtr. In 4th Qtr FY94, long term inventory increased over $4M as a result of a new MILCON project being added to our inventory, thereby decreasing investment ratio.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

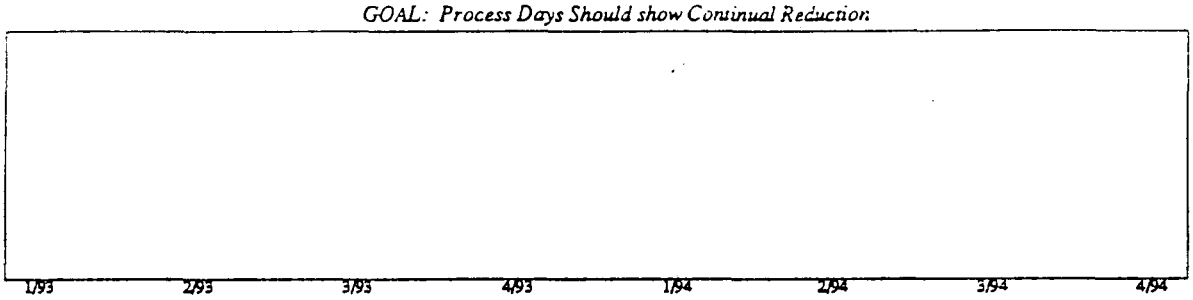


The Marine Corps is not required to submit Schedule Indicator Data.

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA

PROCESS DAYS

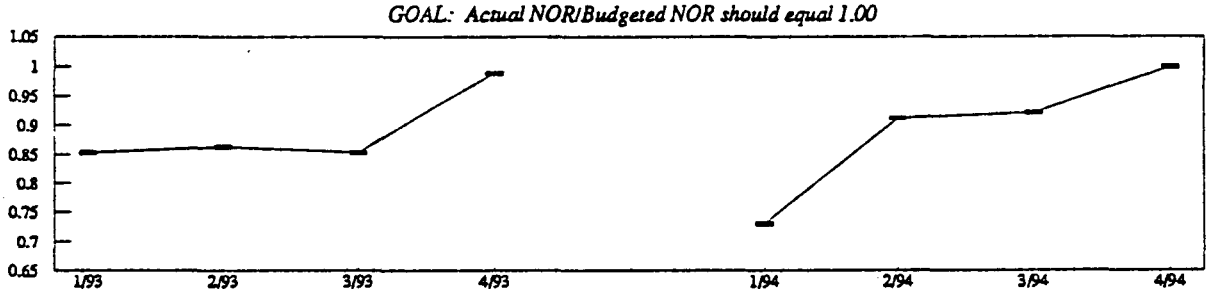
GOAL: Process Days Should show Continual Reduction



At this time, sufficient data is not available in the current system to compute actual process days as calculated in the Depot Maintenance Operations Indicators Handbook. The Maintenance Center is currently implementing a business plan along with a system that will track process days for every item inducted into the depot.

NET OPERATING RESULTS

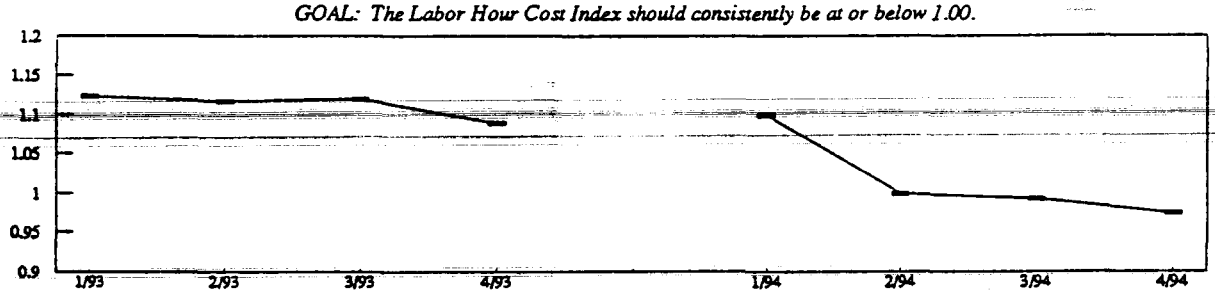
GOAL: Actual NOR/Budgeted NOR should equal 1.00



In both FY93 and FY94, the desired NOR index of 1.0 was acheived by the end of each FY. In each year, NOR increases as the year progresses. This is due to more revenue being earned later in the year as a result of increased production throughout the year and fixed price gains being realized in the 4th Qtr.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



In FY93, cost exceeded budget due to an increase in temporary employees and an increase in overtime, both required to meet workload requirements. In FY94, actual unit cost was lower than planned due to a decrease in direct material purchases.

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	14,188,692	15,760,664	15,170,737	22,596,734	17,583,173	29,106,009	24,210,739	24,878,067
Total Cost ($)	20,949,214	22,843,917	22,218,733	20,889,077	21,528,218	23,194,356	22,587,993	20,736,785
Direct Materials ($)	5,331,948	6,043,467	6,573,224	5,530,171	6,358,817	6,590,103	5,854,344	5,243,397
Throughput ($)	8,856,744	9,717,197	8,597,513	17,066,563	11,224,356	22,515,906	18,356,395	19,634,670
Operating Expense ($)	15,617,266	16,800,450	15,645,509	15,358,906	15,169,401	16,604,253	16,733,649	15,493,388

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	8,856,744	9,717,197	8,597,513	17,066,563	11,224,356	22,515,906	18,356,395	19,634,670
Longterm Inventory ($)	34,428,132	34,332,652	33,895,261	32,795,977	32,782,334	32,330,581	31,568,679	35,882,048
INDEX	0.26	0.28	0.25	0.52	0.34	0.70	0.58	0.55

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

~~Cum Budg Revenue ($)~~	~~14,193,000~~	~~28,726,000~~	~~43,925,000~~	~~59,453,000~~	~~23,958,000~~	~~47,238,000~~	~~72,884,000~~	~~100,202,000~~
Cum Budg Cost ($)	17,961,000	36,384,000	55,712,000	75,494,000	21,422,000	41,262,000	63,739,000	92,024,000
Budgeted NOR INDEX	0.79	0.79	0.79	0.79	1.12	1.14	1.14	1.09
Cum Actual Revenue ($)	14,188,692	29,949,356	45,120,093	67,716,827	17,583,173	46,689,182	70,899,921	95,777,988
Cum Actual Cost ($)	21,039,948	43,947,530	67,013,462	86,900,941	21,528,218	44,722,574	67,310,567	88,047,352
Actual NOR INDEX	0.67	0.68	0.67	0.78	0.82	1.04	1.05	1.09
NOR INDEX	0.85	0.86	0.85	0.99	0.73	0.91	0.92	1.00

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	17,961,000	36,384,000	55,712,000	75,494,000	21,422,000	41,262,000	63,739,000	92,025,000
Budgeted Total DLH	353,086	715,236	1,095,199	1,484,220	370,357	728,768	1,146,913	1,599,085
Bud Labor Hour Cost	$50.87	$50.87	$50.87	$50.86	$57.84	$56.62	$55.57	$57.55
Total Actual Cost ($)	21,039,948	43,947,530	67,013,462	86,900,941	21,528,218	44,722,574	67,310,567	88,047,352
Actual Total DLH	368,456	773,889	1,176,617	1,568,741	338,584	789,986	1,219,811	1,570,447
Actual Labor Hour Cost	$57.10	$56.79	$56.95	$55.40	$63.58	$56.61	$55.18	$56.07
Labor Hour Cost INDEX	1.12	1.12	1.12	1.09	1.10	1.00	0.99	0.97

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA
BARSTOW, CA

MAJOR WORKLOAD ACCOMPLISHED:

Missiles, communications and electronics equipment, combat vehicles, ordnance and weapons, automotive equipment, amphibious vehicles and equipment, construction equipment, and general purpose equipment

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1060
Military:	8

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

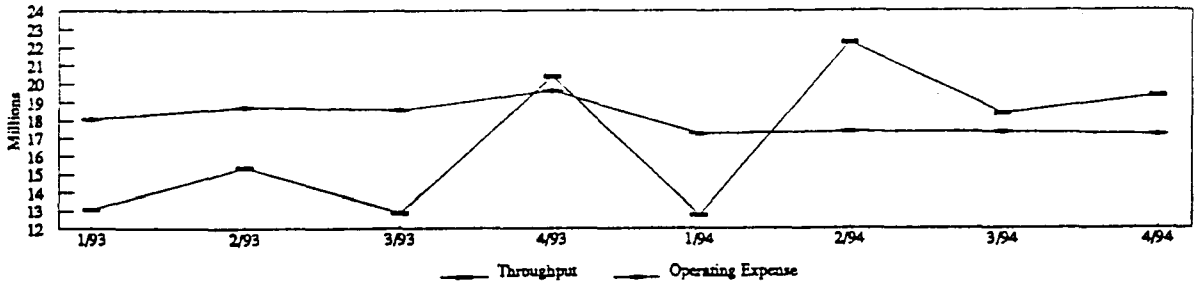
$93,014,698

During the two year period shown, revenue and operating results were negatively affected by planned losses to compensate for previous years surplus. Increases in interservice workload as well as Marine Coprs non-Master Work Schedule programs were able to offset the decrease in Master Work Schedule funding, thus facilitating revenue generation. Finally, the impact of the Federal Employees Compensation Act on operating expenses and labor costs has been absorbed as previously predicted, and costs are again under control.

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA

THROUGHPUT & OPERATING EXPENSE

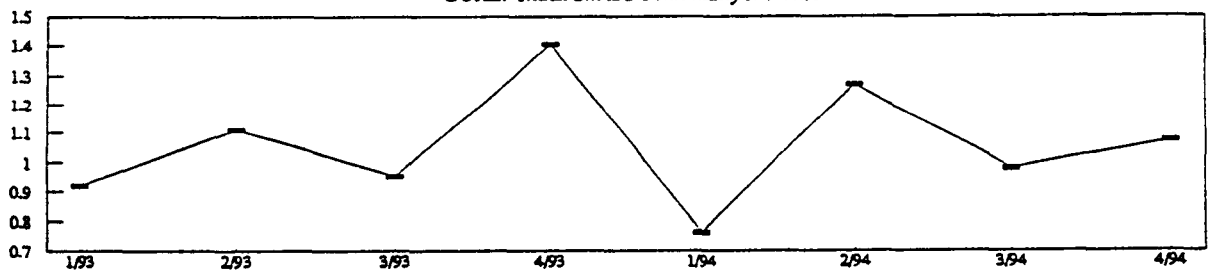
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



There has been an overall trend towards improvement as indicated by the upward shift of the entire Throughput curve for FY93 to FY94, as well as continual decline of the Operating Expense curve. The 2nd Qtr FY94 spike in Throughput was due to full receipt of Master Work Schedule funding and high point of the year in number of direct labor hour employees. In terms of goal, the trend has been positively reversed.

CAPITAL INVESTMENT EFFECTIVENESS

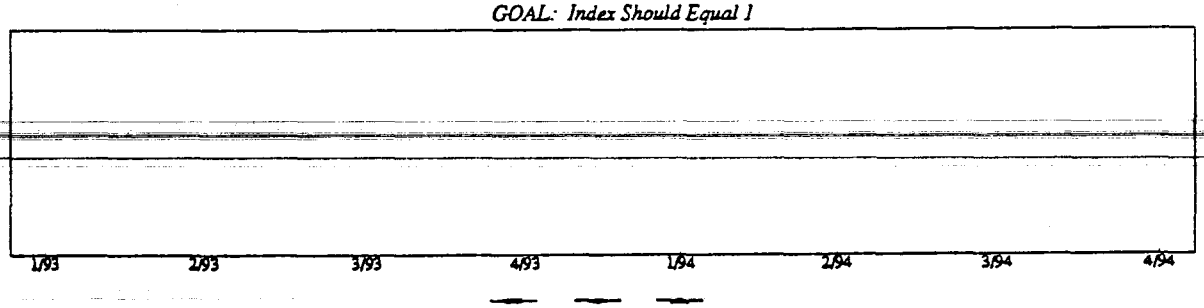
GOAL: Index Should Continually Increase



This measure closely parallels the previous graph of Throughput. This is because as Throughput has increased, it has done so at a faster rate than that of long term inventory's slow rise.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

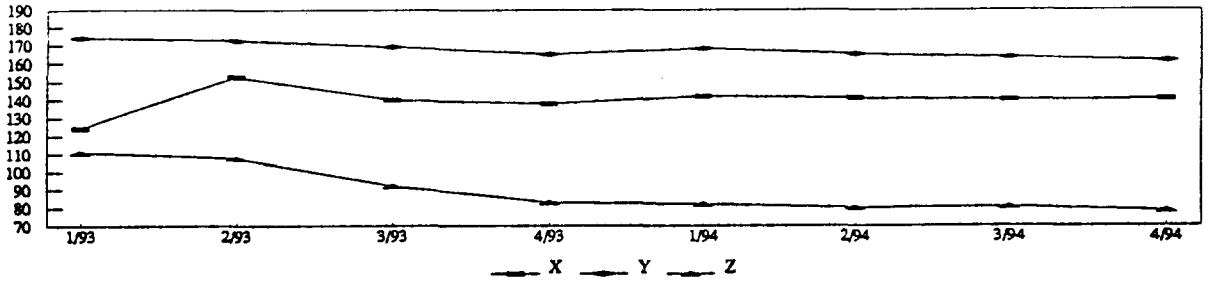


Marine Corps is not required to furnish Schedule Indicator data.

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA

PROCESS DAYS

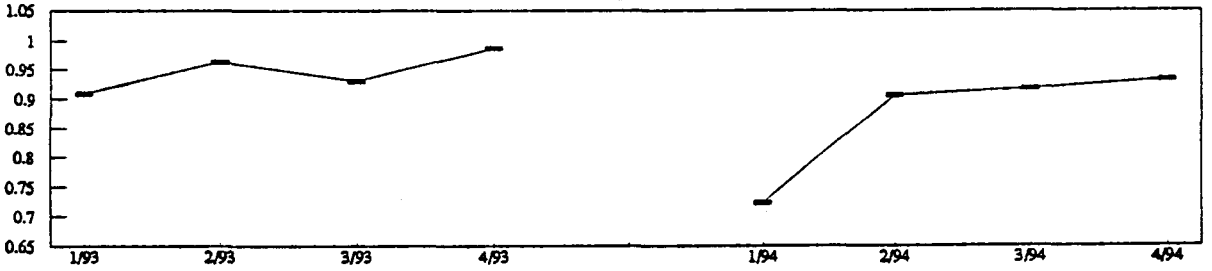
GOAL: Process Days Should show Continual Reduction



Even with a decrease in the number of items being worked and the associated increase in set up costs, we have been able to show a continual downward trend in average process days. It should again be noted that the Y process time includes a 30-45 day time frame for staging queue.

NET OPERATING RESULTS

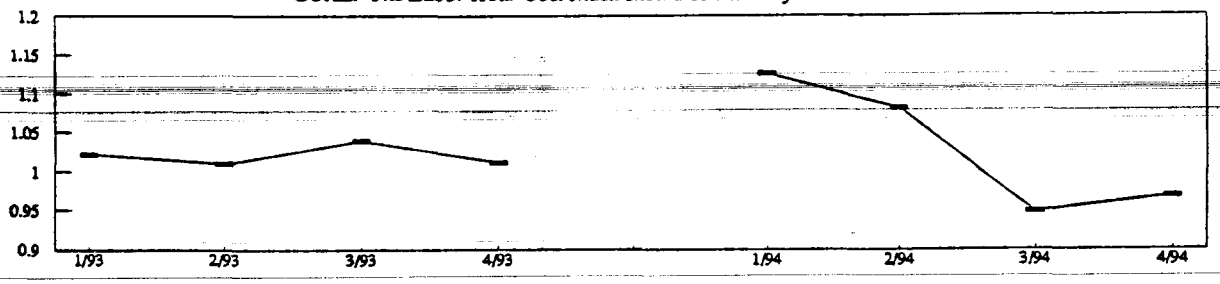
GOAL: Actual NOR/Budgeted NOR should equal 1.00



FY94 reflects a consistent trend towards the goal of the 1.00 index.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



There has been a marked improvement from FY93, despite increased labor costs due to higher wage rates. The overall goal of being below 1.00 was met for the entire year, as shown by the .97 cumulative index for the 4th Qtr of FY94.

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	19,037,000	22,705,000	20,163,000	27,827,000	19,090,000	29,002,000	23,700,000	24,828,000
Total Cost ($)	24,035,000	26,065,000	25,844,000	27,048,000	23,570,000	24,071,000	22,659,000	22,715,000
Direct Materials ($)	5,952,000	7,336,000	7,277,000	7,444,000	6,333,000	6,716,000	5,355,000	5,529,000
Throughput ($)	13,085,000	15,369,000	12,886,000	20,383,000	12,757,000	22,286,000	18,345,000	19,299,000
Operating Expense ($)	18,083,000	18,729,000	18,567,000	19,604,000	17,237,000	17,355,000	17,304,000	17,186,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	13,085,000	15,369,000	12,886,000	20,383,000	12,757,000	22,286,000	18,345,000	19,299,000
Longterm Inventory ($)	14,212,000	13,851,000	13,506,000	14,515,000	16,729,000	17,541,000	18,734,000	18,007,000
INDEX	0.92	1.11	0.95	1.40	0.76	1.27	0.98	1.07

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

X Process Days	4,102	6,108	5,740	2,898	1,136	1,974	2,242	1,122
Number of Items	33	40	41	21	8	14	16	8
AVG PROCESS DAYS	124.30	152.70	140.00	138.00	142.00	141.00	140.13	140.25
Y Process Days	7,138	8,803	7,436	4,455	5,040	5,445	4,078	4,996
Number of Items	41	51	44	27	30	33	25	31
AVG PROCESS DAYS	174.10	172.61	169.00	165.00	168.00	165.00	163.12	161.16
Z Process Days	3,336	5,924	4,232	4,067	2,460	2,080	322	392
Number of Items	30	55	46	49	30	26	4	5
AVG PROCESS DAYS	111.20	107.71	92.00	83.00	82.00	80.00	80.50	78.40

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	22,403,000	44,445,000	67,571,000	90,696,000	25,245,000	50,904,000	76,977,000	103,464,000
Cum Budg Cost ($)	25,702,000	51,404,000	77,106,000	102,807,000	22,663,000	45,656,000	69,105,000	92,888,000
Budgeted NOR INDEX	0.87	0.86	0.88	0.88	1.11	1.11	1.11	1.11
Cum Actual Revenue ($)	19,037,000	41,742,000	61,905,000	89,732,000	19,090,000	48,093,000	71,793,000	96,621,000
Cum Actual Cost ($)	24,035,000	50,100,000	75,944,000	102,992,000	23,670,000	47,641,000	70,300,000	93,015,000
Actual NOR INDEX	0.79	0.83	0.82	0.87	0.81	1.01	1.02	1.04
NOR INDEX	0.91	0.96	0.93	0.99	0.72	0.91	0.92	0.93

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	25,702,000	51,404,000	77,106,000	102,807,000	22,663,000	45,698,000	69,105,000	92,883,000
Budgeted Total DLH	387,000	767,000	1,167,000	1,566,000	341,000	687,000	1,039,000	1,397,000
Bud Labor Hour Cost	$66.41	$67.02	$66.07	$65.65	$66.46	$66.52	$66.51	$66.49
Total Actual Cost ($)	24,035,000	50,100,000	75,944,000	102,992,000	23,570,000	47,641,000	62,729,000	93,015,000
Actual Total DLH	354,000	740,000	1,106,000	1,550,000	315,000	662,000	995,000	1,445,000
Actual Labor Hour Cost	$67.90	$67.70	$68.67	$66.45	$74.83	$71.97	$63.04	$64.37
Labor Hour Cost INDEX	1.02	1.01	1.04	1.01	1.13	1.08	0.95	0.97

DEFENSE LOGISTICS AGENCY DEPOTS

DIRECTORATE OF IPE OPS, MECHANICSBURG PA
MECHANICSBURG, PA

MAJOR WORKLOAD ACCOMPLISHED:

Manage the DoD level maintenance program for Industrial Plant Equipment (IPE), including operations of all major DoD IPE repair, rebuild, retro-fit and remanufacturing facilities and provide on-site customer support world-wide.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	128
Military:	0

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$11,000,000

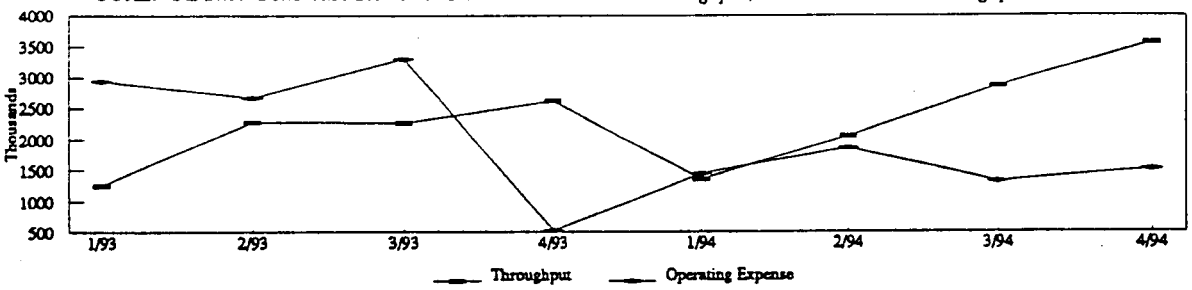
The Industrial Plant equipment Repair Facility provides repair and rebuild service of industrial machinery and supplies the needs of the Armed Forces in tme of national emergency. Field services are provided by the maintenance personnel and the Richmond service support personnel. Field services available include assessments, repairs, inpsections, and installations of machinery and accessories, plant design and layout, relocation and safety guarding.

Based on estimated workload from the Services, an average billable hourly rate was established to cover the cost of operations. This rate also recovers the HQ and G&A costs associated with the mission. Workload is projected based on the number of direct workers and available productive hours. During FY94, workload increased greatly during 3rd and 4th Qtrs, resulting in a positive NOR for the FY.

DIRECTORATE OF IPE OPS, MECHANICSBURG PA

THROUGHPUT & OPERATING EXPENSE

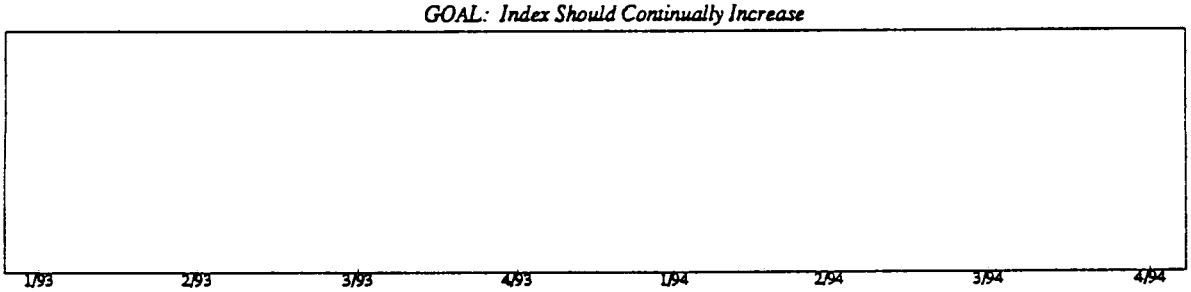
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



The increase in Throughput is a result of the increased workload generating revenue.

CAPITAL INVESTMENT EFFECTIVENESS

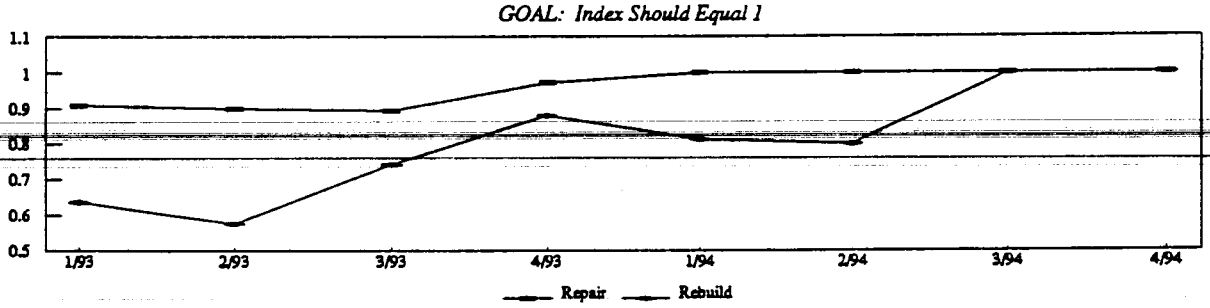
GOAL: Index Should Continually Increase



DGSC-M is in the process of determining the value of our in-use equipment.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

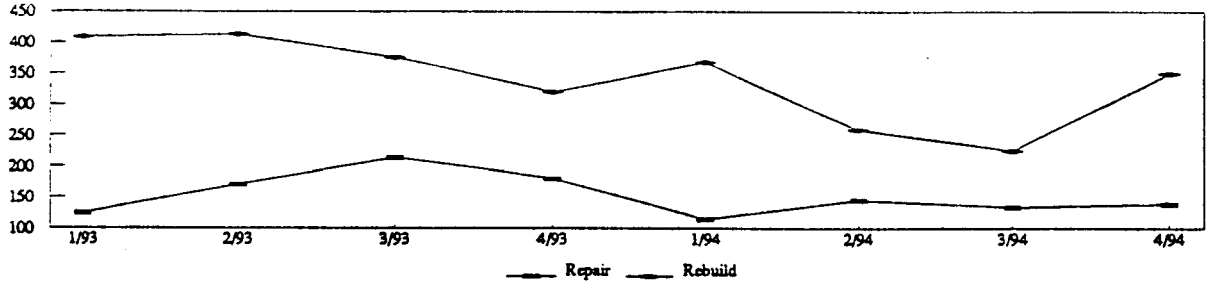


DGSC-M had 28 items scheduled for repair and 28 items completed for the 3rd Qtr FY94, 25 items scheduled for repair and 25 items completed repair for 4th Qtr FY94. There were 20 items scheduled for rebuild and 20 items completed for the 3rd Qtr FY94, 13 items scheduled and 13 items completed rebuild for the 4th Qtr FY94.

DIRECTORATE OF IPE OPS, MECHANICSBURG PA

PROCESS DAYS

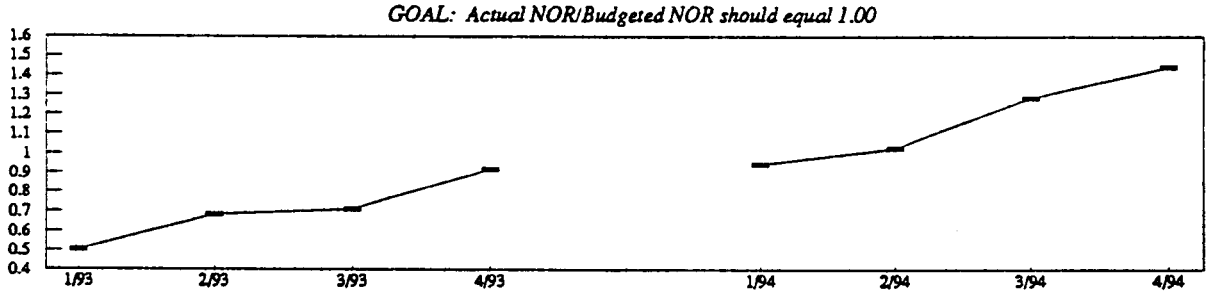
GOAL: Process Days Should show Continual Reduction



Processing time for DGSC-M repair averaged 133 days. Total processing days were 3,729 for 28 items in the 3rd Qtr FY94 and 3,465 total days for 25 items in the 4th Qtr FY94. Rebuild total process days for the 3rd Qtr FY94 were 4,483 for 20 items and 4,541 days for 13 items in the 4th Qtr FY94.

NET OPERATING RESULTS

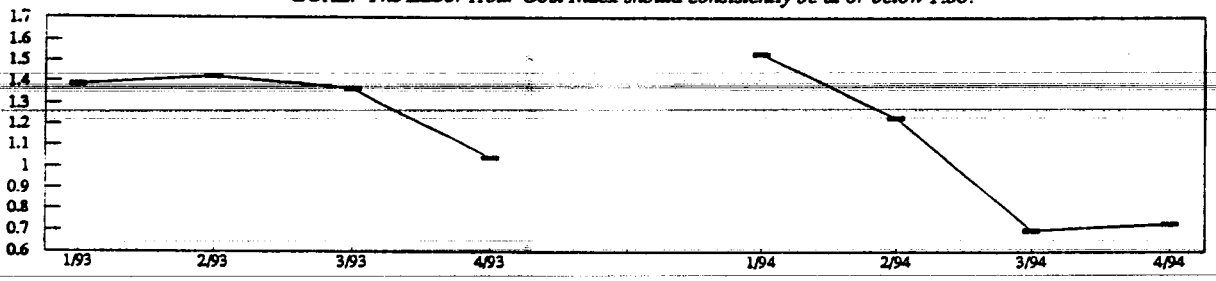
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The goal for revenue is to exceed cost and result in a positive NOR. The billable hourly rate is established to recover the cost of operating the maintenance facility as well as HQ indirect and G&A costs. FY94 showed an upward trend of improvement, finishing the year above our NOR goal.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The budgeted labor hour cost is computed on the total recoverable budget cost and projected billable hours. This does not include material costs, for purposes of the data conforming to the Annual Operating Budget. As workload increased during the year, the labor hour costs decreased.

DIRECTORATE OF IPE OPS, MECHANICSBURG PA

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	1,716,000	2,790,000	3,108,000	3,568,000	1,535,346	2,269,358	3,600,210	4,601,171
Total Cost ($)	3,401,000	3,173,000	4,151,000	1,477,000	1,628,488	2,078,796	2,061,073	2,552,560
Direct Materials ($)	460,000	508,000	843,000	950,000	184,518	216,623	741,230	1,040,749
Throughput ($)	1,256,000	2,282,000	2,265,000	2,618,000	1,350,828	2,052,735	2,858,980	3,560,422
Operating Expense ($)	2,941,000	2,665,000	3,308,000	527,000	1,443,970	1,862,173	1,319,843	1,511,811

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	1,256,000	2,282,000	2,265,000	2,618,000	1,350,828	2,052,735	2,858,980	3,560,422
Longterm Inventory ($)	0	0	0	0	0	0	0	0
INDEX								

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Repair Scheduled	33	20	19	36	11	21	28	25
Repair Completed	30	18	17	35	11	21	28	25
INDEX	0.91	0.90	0.89	0.97	1.00	1.00	1.00	1.00
Rebuild Scheduled	22	33	35	25	16	10	20	13
Rebuild Completed	14	19	26	22	13	8	20	13
INDEX	0.64	0.58	0.74	0.88	0.81	0.80	1.00	1.00

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Repair Process Days	2,845	1,365	2,143	2,345	1,253	3,043	3,729	3,465
Number of Items	23	8	10	13	11	21	28	25
AVG PROCESS DAYS	123.70	170.63	214.30	180.38	113.91	144.90	133.18	138.60
Rebuild Process Days	13486	12395	11636	5446	5879	2586	4483	4541
Number of Items	33	30	31	17	16	10	20	13
AVG PROCESS DAYS	408.67	413.17	375.35	320.35	367.44	258.60	224.15	349.31

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	3,578,000	7,156,000	10,735,133	14,707,385	2,466,506	4,218,218	5,686,528	7,998,727
Cum Budg Cost ($)	3,578,000	7,156,000	10,735,133	14,707,385	2,466,506	4,218,218	5,686,528	7,998,727
Budgeted NOR INDEX	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cum Actual Revenue ($)	1,715,000	4,505,000	7,611,000	11,179,000	1,535,346	3,804,704	7,404,915	12,006,089
Cum Actual Cost ($)	3,401,000	6,574,000	10,725,000	12,202,000	1,628,488	3,707,284	5,768,358	8,320,920
Actual NOR INDEX	0.50	0.69	0.71	0.92	0.94	1.03	1.28	1.44
NOR INDEX	0.50	0.69	0.71	0.92	0.94	1.03	1.28	1.44

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	3,109,000	6,218,000	9,327,000	12,638,000	2,701,740	5,360,016	4,912,354	6,803,233
Budgeted Total DLH	41,000	82,000	123,000	167,000	31,640	62,771	57,528	79,672
Bud Labor Hour Cost	$75.83	$75.83	$75.83	$75.68	$85.39	$85.39	$85.39	$85.39
Total Actual Cost ($)	2,941,000	5,606,000	8,914,000	9,441,000	1,443,970	3,306,143	4,331,274	7,280,171
Actual Total DLH	28,000	52,000	86,000	120,000	11,034	31,388	72,500	116,800
Actual Labor Hour Cost	$105.04	$107.81	$103.65	$78.68	$130.87	$105.33	$59.74	$62.33
Labor Hour Cost INDEX	1.39	1.42	1.37	1.04	1.53	1.23	0.70	0.73

APPENDIX A

DMOIS REPORTING SERVICE DEPOT MAINTENANCE ACTIVITIES

ARMY

Anniston Army Depot
Corpus Christi Army Depot
Letterkenny Army Depot
Red River Army Depot
Tobyhanna Army Depot

NAVAIR

Naval Aviation Depot Cherry Point
Naval Aviation Depot Jacksonville
Naval Aviation Depot North Island

NAVSEA

Long Beach Naval Shipyard
Norfolk Naval Shipyard
Pearl Harbor Naval Shipyard
Portsmouth Naval Shipyard
Puget Sound Naval Shipyard

AIR FORCE

Aerospace Guidance and Metrology Center
Aerospace Maintenance and Regeneration Center
Ogden Air Logistics Center
Oklahoma City Air Logistics Center
Sacramento Air Logistics Center
San Antonio Air Logistics Center
Warner Robins Air Logistics Center

MARINE CORPS

Marine Corps Logistics Base Albany
Marine Corps Logistics Base Barstow

APPENDIX A (Cont.)

DMOIS REPORTING SERVICE DEPOT MAINTENANCE ACTIVITIES

DEFENSE LOGISTICS AGENCY

Directorate of Industrial Plant Equipment Operations Mechanicsburg

APPENDIX B

SERVICE/DLA POINTS OF CONTACT
FOR
DEPOT MAINTENANCE OPERATIONS INDICATOR REPORT DATA

ARMY

Mr Carl Chirico

Address: Commander
US Army Depot System Command
Attn: AMSDS-RM-A (Mr Carl Chirico)
Chambersburg, PA 17201-4170

Phone: DSN 570-9034 Commercial (717) 267-9034

NAVAIR

Ms Carol Gaines

Address: Commanding Officer
Naval Aviation Depot North Island
Attn: Code 521 (Ms Carol Gaines)
P.O. Box 357058
San Diego, CA 92135-7058

Phone: DSN 735-3027 Commercial (619) 545-3027

NAVSEA

Mr Jim Jeter

Address: Commander
Naval Sea Systems Command
Attn: SEA-07221 (Mr Jim Jeter)
2531 Jefferson David Highway
Arlington, VA 22242-5160

Phone: DSN 332-3859 Commercial (703) 602-3859

AIR FORCE

Mr Charles Cooke

Address: Headquarters
Air Force Materiel Command
Attn: LGPP (Mr Charles Cooke)
4375 Chidlaw Road Suite 6
Wright-Patterson AFB, OH 45433-5001

Phone: DSN 787-4307 Commercial (513) 257 -4307

APPENDIX B (Cont.)

SERVICE/DLA POINTS OF CONTACT FOR DEPOT MAINTENANCE PERFORMANCE MEASUREMENT SYSTEM DATA

MARINE CORPS

Mr Harold Eidson

Address: Commander Marine Corps Logistics Bases
Code 88-2 (Mr Harold Eidson)
814 Radford Blvd
Albany, GA 31704-5000

Phone: DSN 567-6803 Commercial (912) 439-6803

DEFENSE LOGISTICS AGENCY

Ms Mary Kay Cyrus

Address: Commander
Defense General Supply Center
Office of Planning and Resource Management
DGSC-RR (Ms Mary Kay Cyrus)
Richmond, VA 23297-5226

Phone: DSN 695-4522 Commercial (804) 279-4841

APPENDIX C

GLOSSARY

A1	Overhaul
A2	Crash Damage
A/C	Aircraft
ACM	Advanced Cruise Missile
ADINTS	Automatice Depot Intertial Navigation Test Stations
AFMC	Air Force Materiel Command
AGM	Air to Ground Missile
AGMC	Aerospace Guidance and Metrology Center
ALC	Air Logistics Center
AMARC	Aerospace Maintenance and Regeneration Center
AMC	Army Materiel Command
AMC	Air Mobility Command
AMREP	Aircraft and Missile Maintenance, Production Compression Report
ANAD	Anniston Army Depot
AOR	Accumulated Operating Results
ATCOM	Aviation & Troop Support Command
AVLB	Armored Vehicle Launched Bridge
BO	Progressive Maintenance
BRAC	Base Closure and Realignment Commission
CCAD	Corpus Christi Army Depot
CECOM	US Army Communications Electronics Command
CHYPT	Naval Aviation Depot Cherry Point
DBOF	Defense Business Operating Fund
DDMC	Defense Depot Maintenance Council
DESCOM	US Army Depot Systems Command
DFAS	Defense Finance & Accounting Service
DLA	Defense Logistics Agency
DLH	Direct Labor Hours
DMBA	Depot Maintenance Business Area
DMP	Depot Maintenance Period
DMPMS	Depot Maintenance Performance Measurement System
DOD	Department of Defense
DPAH	Direct Product Actual Hour
EPA	Environmental Protection Agency
FAASV	Field Artillery Ammunition Supply Vehicle

APPENDIX C (Cont.)

GLOSSARY

HARM	High Speed Anti-Radiation Missile
HETS	Heavy Equipment Transporter System
IMU	Inertial Measurement Unit
INU	Inertial Navigation Unit
IO	Repair
IPE	Industrial Plant Equipment
IPR	In Process Review
JAX	Naval Aviation Depot Jacksonville
JEDMICS	Joint Engineering Drawing Management Information Control System
JPCG-DM	Joint Policy Coordinating Group on Depot Maintenance
JPMG	Joint Performance Measurement Group
LBNSY	Long Beach Naval Shipyard
LEAD	Letterkenny Army Depot
LGM	Land Based Guided Missile
MBT	Main Battle Tank
MCLBA	Marine Corps Logistics Base Albany
MCLBB	Marine Corps Logistics Base Barstow
MLRS	Multiple Launch Rocket System
MPS	Maritime Prepositioned Ships
NADEP	Naval Aviation Depot
NADOC	Naval Aviation Depot Operations Center
NAVAIR	Naval Air Systems Command
NAVSEA	Naval Sea Systems Command
NNSY	Norfolk Naval Shipyard
NOR	Net Operating Results
NORIS	Naval Aviation Depot North Island
OC-ALC	Oklahoma City Air Logistics Center
OE	Operating Expense
OO-ALC	Ogden Air Logistics Center
OSD	Office of the Secretary of Defense

APPENDIX C (Cont.)

GLOSSARY

PADS	Position Azimuth Determining System
PBD	Program Budget Decision
PCM	Pulse Code Modulation
PDM	Prgrammed Depot Maintenance
PDMSS	Prgrammed Depot Maintenance Standard System
PHNSY	Pearl Harbor Naval Shipyard
PNCLA	Naval Aviation Depot Pensacola
PRON	Procurement Request Order Number
PSNSY	Puget Sound Naval Shipyard
PTNSY	Portsmouth Naval Shipyard
RCIRON	Reliability Centered Inspect and Repair Only as Necessary
RIF	Reduction In Force
RRAD	Red River Army Depot
RSD	Reparable Support Division
RTC-524	Receiver Transmitter
SA-ALC	San Antonio Air Logistics Center
SM-ALC	Sacramento Air Logistics Center
SOF	Special Operations Forces
TEAD	Tooele Army Depot
TOAD	Tobyhanna Army Depot
TQM	Total Quality Management
VRC-12	Vehicle Radio Communication
WIP	Work In Process
WR-ALC	Warner-Robins Air Logistics Center

94

Hill

actual cost = 422,144,000

material cost
Q1 20 410 394
Q2 + 17 953 619
Q3 19 757 987
Q4 21 798 124
→ 79,929,124

cost w out material 342,223,876 = 62.32

direct labor hours 5491000

WR

actual cost
583743000

material cost
40509000
49793000
44125000
46108000
180535000

Tinker

733053440

material cost
64263796
85740413
92004387
80929697
~~70,944,000,000~~
322938290 > ~~46.79~~

cost w out material 410,15,150

$59.42

w out materials 403208000

Direct labor hours
7533000

$53.53

~~direct labor hours~~
DLH 6902256

McClellan

actual cost 491,043,872

material cost
33664149
48410631
37132565
23814837
143,682,180

cost w out material 347,361,690

DLHS 5873794

$59.14

Sanantonio

actual cost
735401,000

material cost
56483000
66550000
116,148,000
93,355,000
332536000

cost w out material 402,865,000

6116000

$65.87

FOREWORD

This report presents joint Service and DLA organic maintenance depot performance data reflected in the Depot Maintenance Operational Indicators System (DMOIS). It is the result of an evolutionary process of developing and enhancing depot performance indicator data.

The latest stage in this process began in early 1992, when the Joint Policy Coordinating Group on Depot Maintenance (JPCG-DM) directed the Joint Performance Measurement Group (JPMG) to develop indicators relating to the Theory of Constraints. At that time, there was a view among the Services that the existing Performance Measurement System Report had achieved commonality, but lacked comparability. As a result, the JPCG-DM directed the JPMG to look at other measures. The JPMG reviewed several sources for measurements including Competitive Edges, the Theory of Constraints, and the measures required by the Chief Financial Officers Act. The DMOIS Report is the result of the effort to revise the DMPMS. The JPMG is also developing additional indicators for quality and inventory.

The joint effort to identify and report depot performance data was first begun in response to a 1990 tasking by the Defense Depot Maintenance Council (DDMC). The DDMC commissioned a Performance Measurement Task Force whose report of 26 November 1990 recommended establishment of a Depot Maintenance Performance Measurement System (DMPMS). Subsequently, the JPCG-DM established the Joint Performance Measurement Group (JPMG) to implement and maintain the DMPMS.

The DMOIS reports are published semi-annually. The data presented covers two fiscal years by quarter, current fiscal year and past fiscal year. Since the first submission of the fiscal year is a mid-year submission (1st and 2nd quarters), there are six quarters of data displayed. The last submission for the fiscal year (3rd and 4th quarters) will display eight quarters of data.

The JPMG will continue to review and enhance the DMOIS to ensure that its indicators provide significant management information.

9.4

Hill

actual cost 422,144,000

material cost
20,410,394
17,953,619
19,757,987
21,798,124

Cost w out material 342,223,880

direct labor hours 5491000

$62.32

WR

actual cost 583743,000

material
40509,000
49793,000
44125,000
46108,000

total material cost 180535,000
403208

DLHs 7533,000

$53.53

Tinker

actual cost 733053,440

material cost
64263,796
85740,413
92004,387
80929,697

total mat 322938,290

w out 410115,150

DLH 6902,256

$59.42

Kelly

735401,000

56483,000
66550,000
116148 000
93355,000

3325 36000

cost w out material 402865000

DLHs 6116,000

$65.87

mcClellan

actual cost 491043,872

33664,149
48410,631
37732,565
23874,837

total material cost 143682,180

347361,690

direct labor hours 5873794

$59.14

Computation of Direct Labor hour costs without material 1994

	Hill	Kelly	McClellan	Robins	Tinker
actual total cost	422,144,000	735,401,000	491,043,872	583,743,000	733,053,440
Q1	20,410,395	56,483,000	33,664,149	40,509,000	64,263,796
Q2	17,953,619	66,550,000	48,410,631	49,793,000	85,740,413
Q3	19,757,987	116,148,000	37,732,565	44,125,000	92,004,387
Q4	21,798,124	93,355,000	23,874,837	46,108,000	80,929,679
total material cost	79,920,125	332,536,000	143,682,182	180,535,000	322,938,275
actual wout material	342,223,875	402,865,000	347,361,690	403,208,000	410,115,165
direct labor hours	5,491,000	6,116,000	5,873,794	7,533,000	6,902,256
labor hour cost					
withour material	$62.32	$65.87	$59.14	$53.53	$59.42

Computation of Direct Labor hour costs without material 1994

	Hill	Kelly	McClellan	Robins	Tinker
actual total cost	422,144,000	735,401,000	491,043,872	583,743,000	733,053,440
Q1	20,410,395	56,483,000	33,664,149	40,509,000	64,263,796
Q2	17,953,619	66,550,000	48,410,631	49,793,000	85,740,413
Q3	19,757,987	116,148,000	37,732,565	44,125,000	92,004,387
Q4	21,798,124	93,355,000	23,874,837	46,108,000	80,929,679
total material cost	79,920,125	332,536,000	143,682,182	180,535,000	322,938,275
actual wout material	342,223,875	402,865,000	347,361,690	403,208,000	410,115,165
direct labor hours	5,491,000	6,116,000	5,873,794	7,533,000	6,902,256
labor hour cost					
withour material	$62.32	$65.87	$59.14	$53.53	$59.42

Ogden 76.88

Tobyhanna 63.37

Sacramento 83.60

DEPOT MAINTENANCE OPERATIONS INDICATORS REPORT

1st Quarter FY93 Through 4th Quarter FY94

Atch 1

FOREWORD

This report presents joint Service and DLA organic maintenance depot performance data reflected in the Depot Maintenance Operational Indicators System (DMOIS). It is the result of an evolutionary process of developing and enhancing depot performance indicator data.

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INTRODUCTION

1.1 Description of the Key Areas and Their Indicators

The Depot Maintenance Operations Indicators System (DMOIS) Report is comprised of three key areas: Theory of Constraints, Timeliness, and Financial. Each key area has one or more indicators that are described below. The formulas employed by each Service and DLA in computing the indicators are documented in the DMOIS Handbook.

1.1.1 Theory of Constraints Indicators

The Theory of Constraints (TOC) represents a philosophy of global system improvement designed to assist organizations in achieving their goals. The TOC indicators are:

a. Throughput. Throughput is defined as the rate at which the system generates money through sales. The formula used to determine Throughput is revenue minus direct material. Revenue is defined as the realized result from the sale of a product or service. Direct material is defined as the material specifically required for the performance of depot maintenance as specified by a work authorization document. Throughput and Operating Expense are displayed on the same chart.

b. Operating Expense. Operating Expense is defined as all the money the system spends in turning inventory into Throughput. The formula used to determine Operating Expense is total actual cost minus direct material. Total actual cost is defined as amounts determined on the basis of costs incurred as distinguished from forecasted costs. Operating Expense and Throughput are displayed on the same chart.

c. Capital Investment Effectiveness. Capital Investment Effectiveness is the ratio of throughput to long term inventory. Long term inventory is defined as the total depreciated value of all capital assets (equipment, buildings, software), excluding land and fixed assets not in use, owned by the depot maintenance activity.

1.1.2 Timeliness

Timeliness Indicators provide information regarding a depot's ability to complete the workload in the agreed upon time. The timeliness indicators are:

a. Schedule Indicator. The Schedule Indicator is a ratio of the units completed on time to the units scheduled. Schedule is defined as the most current schedule for completion of planned or programmed work. Completion is defined as the date when a product is physically completed. On time is defined as completing the workload at the time promised. The Schedule Indicator is reported only by NAVAIR, Air Force and DLA.

b. Process Days. Process Days is calculated as an average for varying commodities. The formula used to calculate Process Days (except by NAVSEA) is the number of days (date completed minus date inducted) divided by the number of items. The formula used by NAVSEA to compute Process Days is scheduled flow days divided by actual flow days.

1.1.3 Financial Indicators

Financial indicators provide information about a depot's ability to manage to its budget. The financial indicators are:

a. Net Operating Results. Net Operating Results are calculated and displayed as two separate indexes, cumulative budgeted and cumulative actual. The cumulative budgeted is a ratio of the cumulative budgeted revenue to the cumulative budgeted cost. The cumulative actual is a ratio of the cumulative actual revenue to the cumulative actual cost.

b. Labor Hour Cost. Labor Hour Cost is a ratio of budgeted labor hour cost to actual labor hour cost. Budgeted labor hour cost is calculated as the total budgeted cost divided by the budgeted total direct labor hours. Actual labor hour cost is calculated as the total actual cost divided by the actual total direct labor hours.

2.1 Structure of the Report

This report portrays data for each Service, or Service Activity Group, and DLA. The depots are presented alphabetically within each Service and DLA grouping. The report presents the Service and DLA data in the following order:

Army
Naval Air Systems Command (NAVAIR)
Naval Sea Systems Command (NAVSEA) Shipyards
Air Force
Marine Corps
Defense Logistics Agency.

The operations indicators for each depot are in the following order for each reporting depot:

Throughput & Operating Expense
Capital Investment Effectiveness
Schedule Indicator
Process Days
Net Operating Results
Labor Hour Cost

2.2 Data Portrayal

For each depot, an introductory page provides supplementary data and an executive summary. The supplementary data includes: depot name, depot location, major workload, personnel levels, and current year budget. The following two pages for each depot reflect a graphic portrayal of all the indicators for that depot with analyses, when appropriate. The fourth page shows the data, the formula for each indicator, and the goal for that indicator.

The data presented covers two fiscal years by quarter, current fiscal year and past fiscal year. Since the first submission of the fiscal year is a mid year submission (1st and 2nd quarters), there are six quarters of data displayed. The last submission for the fiscal year (3rd and 4th quarters) will display eight quarters of data.

3.1 Reporting Activities

The depot maintenance activities that will report to the DMOIS are noted in Appendix A of this report. Depots that the Defense Base Closure and Realignment Commission have voted to close are not required to report.

4.1 Points of Contact

Any inquiries regarding data presented in this report should be referred to the respective Service or DLA representative to the JPMG. These individuals are identified in Appendix B.

5.1 Glossary

A glossary of acronyms used in this report is provided in Appendix C.

ARMY DEPOTS

ANNISTON ARMY DEPOT
ANNISTON, AL

MAJOR WORKLOAD ACCOMPLISHED:

During FY94, Anniston Army Depot repaired 476 M1 RCIRON vehicles, 22 M60/M48 AVLB RCIRON vehicles, 33 M728 RCIRON vehicles, 66 M88A1 RCIRON vehicles, 35 M551/NTC OPFOR vehicles, 15 M551A1 vehicles, 5 M60A1 AVLB overhaul vehicles, 6 M728 overhaul vehicles, and 42 M88A1 overhaul vehicles. ANAD repaired 33 M1 engines, 157 M1 forward modules, 343 M1 rear modules, 169 engines, 233 6V3T engines, and 15 1410 transmissions.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2506
Military:	3

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

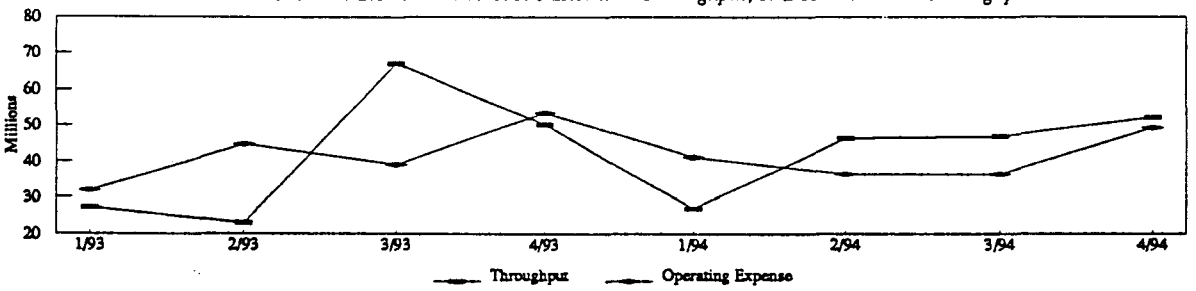
$271,564,000

M1A2 Upgrade Teaming with General Dynamics - A pilot program at ANAD was completed 30 Sept 94. ANAD has completed 49 vehicles on FY94 program and expects to complete the remainder by the end of December for a total of 86 vehicles. An FY95 program for a quantity of 120 is scheduled for induction at the end of October 1994 with production beginning in December 1994 and continuing through December 1995. Mining Equipment Manufacturing Team Effort with United Defense (BMY)- On 18 April, 1994, ANAD and Steel Products Division of United Defense signed a memorandum of agreement to develop specialized mining equipment in the U.S. ANAD is currently in the process of completing cost estimates for the effort to be performed at the depot. Preliminary estimates should be completed in the mid-November timeframe. M1A1 AIM Teaming with General Dynamics - AIM XXI is a public/private venture between ANAD and General Dynamics Land Systems to provide an integrated program for restoration, enhanced maintenance and information management support for the M1A1 Main Battle Tank (MBT). A $35M FY95 pilot program at the Army's National Training Center will restore 58-60 M1A1 tanks to a standard configuration incorporating performance, safety, and reliability improvements and fielding a "zero time," better than new MBT. The pilot program will also demonstrate the added value of enhanced intermediate level maintenance provided by joint OEM/civilian field maintenance support teams. Coupling restored M1A1s with aggressive field support will reduce life cycle maintenance cost and improve readiness.

ANNISTON ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

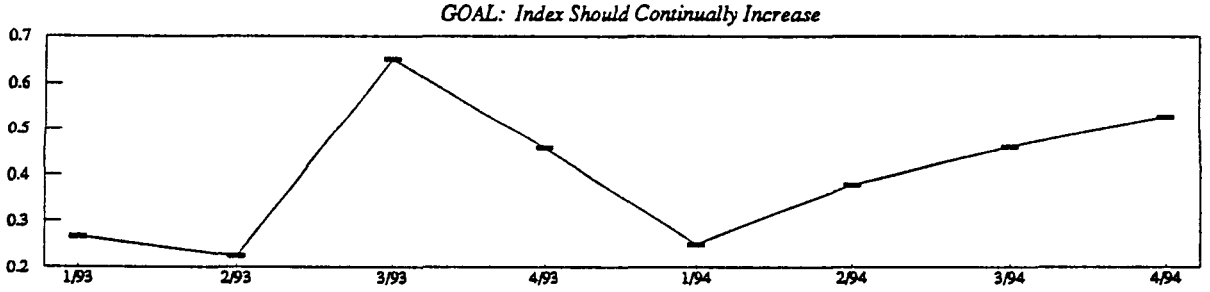
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Throughput has continued to show a positive trend in FY94. Revenue exceeded the plan per direct labor hour due to completion of prior year unliquidated obligations. Operating expenses exceeded the plan due to reimbursements from the Defense Finance and Accounting Service and Defense Logistics Agency which were not in the plan or fixed prices.

CAPITAL INVESTMENT EFFECTIVENESS

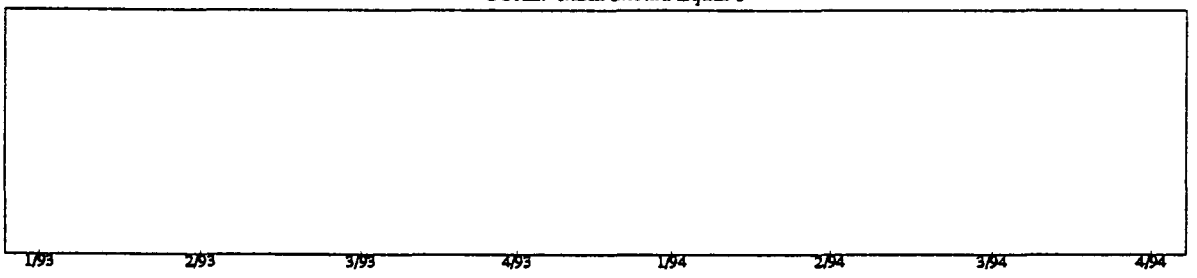
GOAL: Index Should Continually Increase



The positive trend in FY94 was mainly due to an increase in Throughput.

SCHEDULE INDICATOR

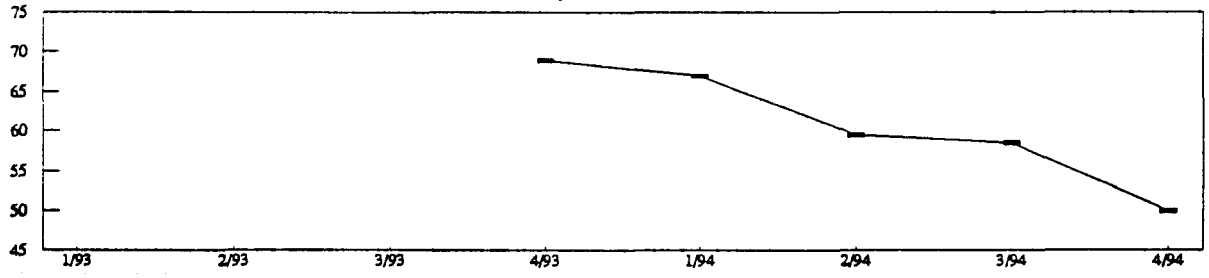
GOAL: Index Should Equal 1



ANNISTON ARMY DEPOT

PROCESS DAYS

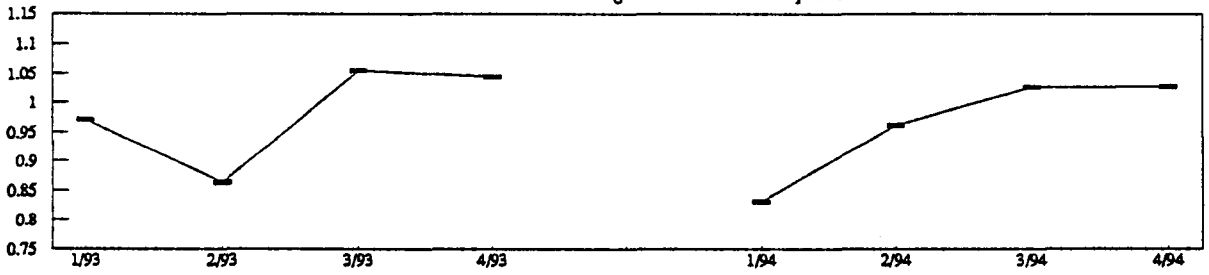
GOAL: Process Days Should show Continual Reduction



In FY94 ANAD reduced actual repair cycle time for M1 RCIRON vehicles from 67 days to 50 days. This was the result of production process improvements via TQM efforts throughout the Maintenance Directorate. Intensive management coupled with employee contributions through statistical process control and process assessment teams resulted in increased Throughput along the critical path of the vehicle production process.

NET OPERATING RESULTS

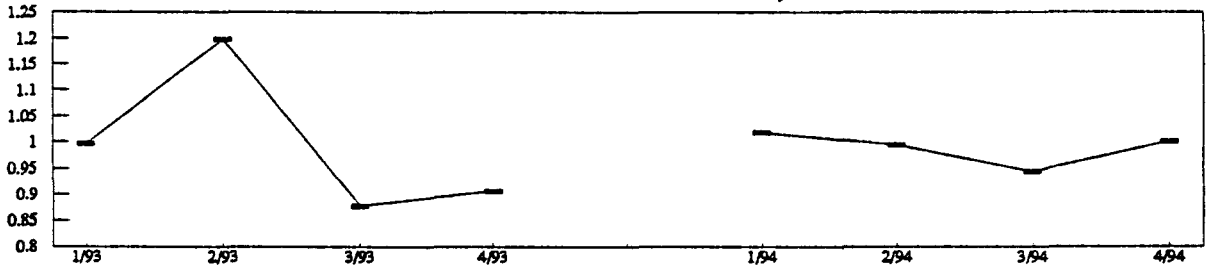
GOAL: Actual NOR/Budgeted NOR should equal 1.00



In FY94, costs are below the plan by nearly $15M. This was primarily due to a more intensive management of material cost. Revenue also exceeded the plan by $1.59 per hour which resulted in a favorable NOR. The NOR exceeded the plan by $7.2M.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Labor Hour Cost exceeded the plan by only $.17 (0.2%). This resulted from the fact that overtime exceeded the plan due to completion of prior year unliquidated obligations and to the completion of year-end production schedules.

ANNISTON ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	62,318,000	75,471,000	52,085,000	68,704,000	52,023,000	67,851,000	63,880,000	81,457,000
Total Cost ($)	67,023,000	97,140,000	24,160,000	71,972,000	66,325,000	58,082,000	53,633,000	78,461,000
Direct Materials ($)	35,075,000	52,519,000	(14,935,000)	18,546,000	25,131,000	21,564,000	17,131,000	29,290,000
Throughput ($)	27,243,000	22,952,000	67,020,000	50,158,000	26,892,000	46,287,000	46,749,000	52,167,000
Operating Expense ($)	31,948,000	44,621,000	39,095,000	53,426,000	41,194,000	36,518,000	36,502,000	49,171,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	27,243,000	22,952,000	67,020,000	50,158,000	26,892,000	46,287,000	46,749,000	52,167,000
Longterm Inventory ($)	101,890,000	102,058,000	102,774,000	109,798,000	107,234,403	122,387,304	101,832,440	98,713,933
INDEX	0.27	0.22	0.65	0.46	0.25	0.38	0.46	0.53

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

M! Tanks Process Days				8,335	6,232	4,641	5,269	5,599
Number of Items				121	93	78	90	112
AVG PROCESS DAYS				68.88	67.01	59.50	58.54	49.99

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	65,775,000	138,872,000	208,678,000	280,517,000	62,540,000	132,211,000	204,268,000	273,208,000
Cum Budg Cost ($)	68,752,000	142,832,000	218,406,000	295,025,000	66,325,000	132,009,000	203,145,000	271,654,000
Budgeted NOR INDEX	0.96	0.97	0.96	0.95	0.94	1.00	1.01	1.01
Cum Actual Revenue ($)	62,318,000	137,789,000	189,874,000	258,578,000	52,023,000	119,874,000	183,735,000	265,211,000
Cum Actual Cost ($)	67,023,000	164,163,000	188,323,000	260,295,000	66,325,000	124,407,000	178,040,000	256,501,000
Actual NOR INDEX	0.93	0.84	1.01	0.99	0.78	0.96	1.03	1.03
NOR INDEX	0.97	0.86	1.06	1.04	0.83	0.96	1.03	1.03

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	68,752,000	142,832,000	218,406,000	295,025,000	66,325,000	132,009,000	203,145,000	271,654,000
Budgeted Total DLH	753,655	1,598,363	2,409,186	3,246,752	744,884	1,565,590	2,391,944	3,178,543
Bud Labor Hour Cost	$91.22	$89.36	$90.66	$90.87	$89.04	$84.32	$84.93	$85.46
Total Actual Cost ($)	67,023,000	164,163,000	188,323,000	260,295,000	66,325,000	124,407,000	178,040,000	256,501,000
Actual Total DLH	737,432	1,532,232	2,367,749	3,161,415	730,900	1,482,197	2,220,203	2,995,334
Actual Labor Hour Cost	$90.89	$107.14	$79.54	$82.33	$90.74	$83.93	$80.19	$85.63
Labor Hour Cost INDEX	1.00	1.20	0.88	0.91	1.02	1.00	0.94	1.00

CORPUS CHRISTI ARMY DEPOT
CORPUS CHRISTI, TX

MAJOR WORKLOAD ACCOMPLISHED:

The depot repairs, overhauls and maintains Army helicopters, including the UH-1 Huey, the AH-1S Cobra, the UH-60 Black Hawk and the CH-47 Chinook. In addition, Corpus Christi is DESCOM's Center of Technical Excellence for the AH-64 Apache attack helicopter, the UH-60 Black Hawk and the new Light Helicopter (LHX) Program (engine and airframe).

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2786
Military:	7

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

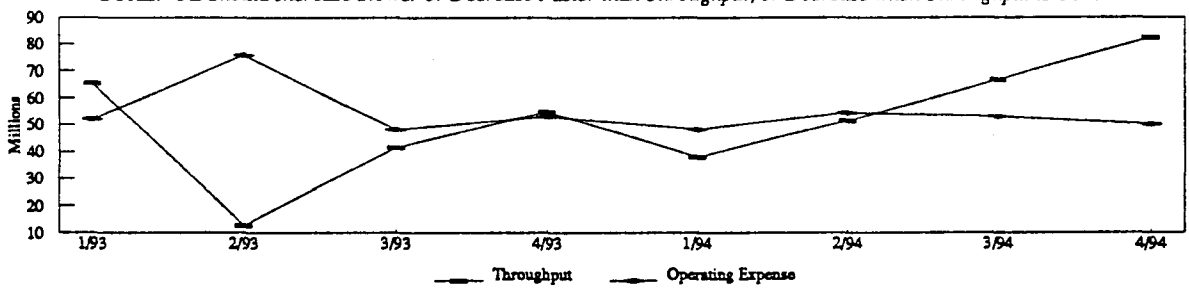
$325,582,000

Customer support and expense reduction continue to be a major focus for the business of the depot. Scheduling work based upon executability and capacity is positively influencing the schedule indicator. Continuing emphasis on process improvements is expected to continue to improve the Process Days Indicator. It is relevant to recognize that process days for the Blackhawk encompasses four types of programs, A1, A2, IO, and BO; and while some predictability of cycle time is appropriate, the condition of the aircraft upon arrival determines the scope of work (time to perform).

CORPUS CHRISTI ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

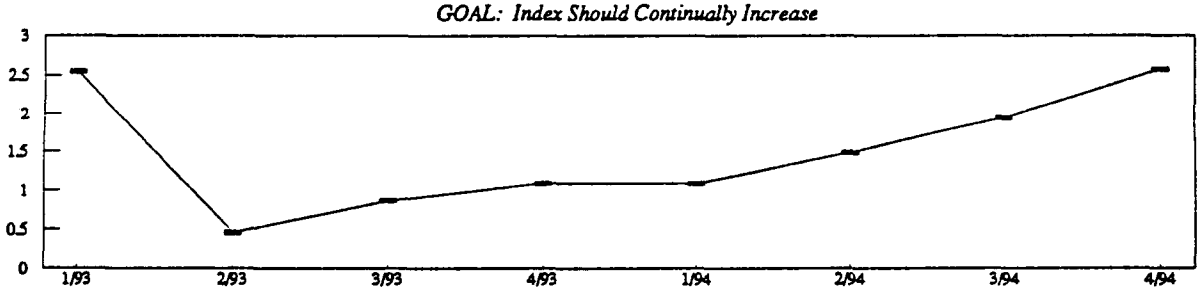
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Revenue increased while actual costs decreased at a steady rate during FY94. Actual Direct Labor Hour costs decreased 12.3% in 4th Qtr FY94 versus 4th Qtr FY93.

CAPITAL INVESTMENT EFFECTIVENESS

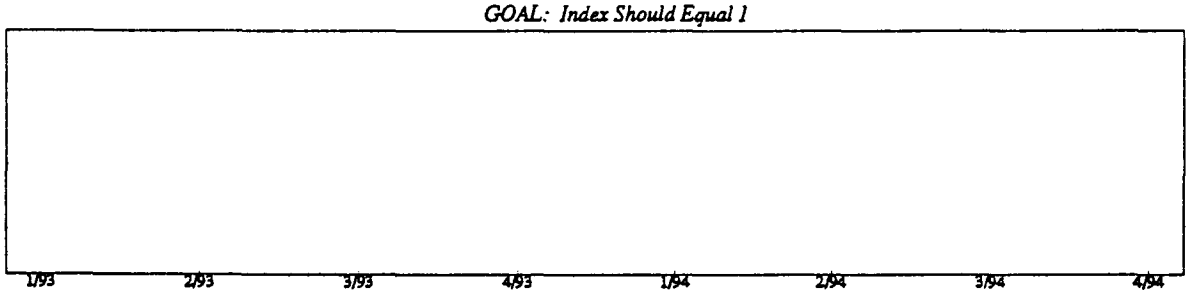
GOAL: Index Should Continually Increase



Increasing Throughput and decreasing book value of assets due to depreciation caused the positive acceleration of the Capital Investment Effectiveness Index.

SCHEDULE INDICATOR

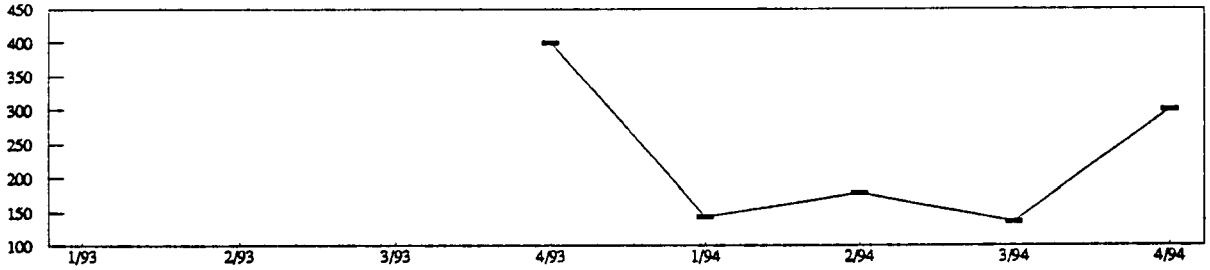
GOAL: Index Should Equal 1



CORPUS CHRISTI ARMY DEPOT

PROCESS DAYS

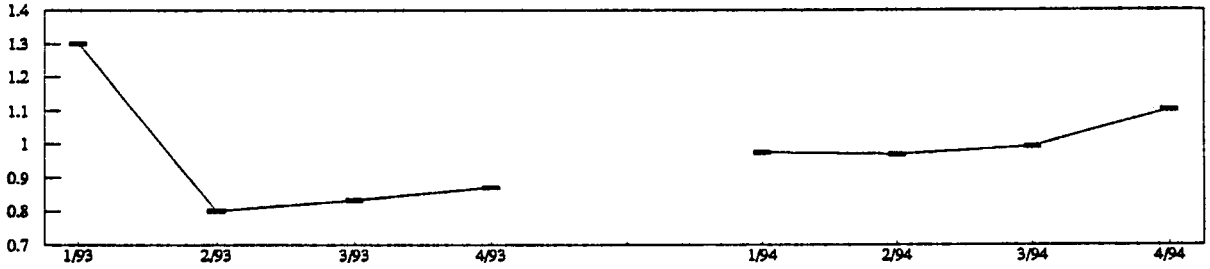
GOAL: Process Days Should show Continual Reduction



Process Days remained constant after declining dramatically from 4th Qtr FY93 until the completion of two crash-damaged aircraft, one from FY86 and the other from FY89. Inspect and Repair completed in the 4th Qtr FY94 increased from 136 to 145 days

NET OPERATING RESULTS

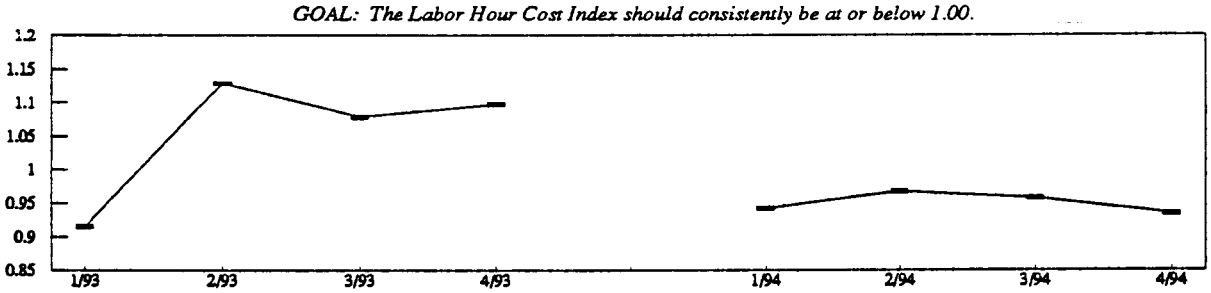
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Renegotiation of several PRONs at year-end IPR was a major reason for actual NOR to exceed budgeted NOR. Actual operating expenses were less than budgeted due to a material return credit of $11M from ATCOM.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Labor Hour Cost show a favorable consistent trend for FY94. Actual direct labor hours were consistently higher than budgeted, while actual costs were consistenetly lower than planned. The $11M material return credit from ATCOM influenced these results.

CORPUS CHRISTI ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	89,816,000	63,020,000	77,884,000	98,809,000	63,042,000	84,258,000	95,189,000	109,097,000
Total Cost ($)	76,318,000	126,148,000	84,495,000	96,942,000	73,167,000	87,406,000	81,528,000	76,725,000
Direct Materials ($)	24,261,000	50,224,000	36,384,000	43,998,000	25,051,000	32,990,000	28,537,000	26,683,000
Throughput ($)	65,555,000	12,796,000	41,500,000	54,811,000	37,991,000	51,268,000	66,652,000	82,414,000
Operating Expense ($)	52,057,000	75,924,000	48,111,000	52,944,000	48,116,000	54,416,000	52,991,000	50,042,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	65,555,000	12,796,000	41,500,000	54,811,000	37,991,000	51,268,000	66,652,000	82,414,000
Longterm Inventory ($)	25,719,000	27,831,000	47,970,000	49,954,000	34,685,914	34,532,339	34,166,524	31,999,721
INDEX	2.55	0.46	0.87	1.10	1.10	1.48	1.95	2.58

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Blackhawk Process Days				4,397	861	2,859	1,497	5,095
Number of Items				11	6	16	11	17
AVG PROCESS DAYS				399.73	143.50	178.69	136.09	299.71

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	83,909,000	179,404,000	283,913,000	387,186,000	66,879,000	150,078,000	245,550,000	325,582,000
Cum Budg Cost ($)	92,818,000	190,357,000	293,964,000	392,724,000	75,672,000	158,561,000	243,099,000	325,582,000
Budgeted NOR INDEX	0.90	0.94	0.97	0.99	0.88	0.95	1.01	1.00
Cum Actual Revenue ($)	89,816,000	152,836,000	230,720,000	329,529,000	63,042,000	147,300,000	242,489,000	351,586,000
Cum Actual Cost ($)	76,318,000	202,466,000	286,961,000	383,903,000	73,167,000	160,573,000	242,101,000	318,826,000
Actual NOR INDEX	1.18	0.75	0.80	0.86	0.86	0.92	1.00	1.10
NOR INDEX	1.30	0.80	0.83	0.87	0.97	0.97	0.99	1.10

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	92,818,000	190,357,000	293,964,000	392,724,000	75,672,000	158,561,000	243,099,000	325,582,000
Budgeted Total DLH	783,811	1,645,249	2,565,501	3,477,742	643,994	1,358,587	2,084,450	2,802,485
Bud Labor Hour Cost	$118.42	$115.70	$114.58	$112.92	$117.50	$116.71	$116.63	$116.18
Total Actual Cost ($)	76,318,000	202,466,000	286,961,000	383,903,000	73,167,000	160,573,000	242,101,000	318,826,000
Actual Total DLH	704,089	1,550,142	2,323,254	3,098,817	661,055	1,422,510	2,168,603	2,936,585
Actual Labor Hour Cost	$108.39	$130.61	$123.52	$123.89	$110.68	$112.88	$111.64	$108.57
Labor Hour Cost INDEX	0.92	1.13	1.08	1.10	0.94	0.97	0.96	0.93

LETTERKENNY ARMY DEPOT
CHAMBERSBURG, PA

MAJOR WORKLOAD ACCOMPLISHED:

Major workload included the production of 128 M109 self-propelled howitzers, 31 light recovery vehicles, 14 towed howitzers, 18 Patriot launchers, 6 complete Hawk systems, 8 Hawk shops, 30 Avenger fire units, and approximately 9,900 secondary items .

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1367
Military:	10

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

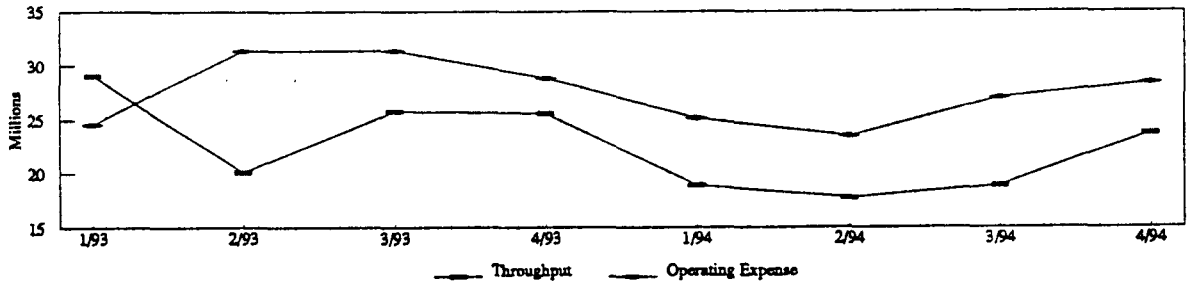
$136,433,000

Transitioning equipment, upgrading maintenance facilities, recruiting, and training all characterize LEAD's present effort in support of the tactical missile consolidation (e.g., during the 3rd Qtr, the AIM-7 test equipment was validated ahead of schedule). Highspeed Anti-Radiation Missile (HARM) peculiar equipment is installed and ready for use. As of May 94, LEAD completed first article test on AVENGER/ATAS Argon Bottle Refurbishment Certification Test Sets. The first Field Artillery Ammunition Supply Vehicle (FAASV) was sent to Yuma Proving Ground for testing. This was the first of 99 to be converted by LEAD to the M992A2 configuration. The converted vehicle is compatable with the M109A6 Paladin self-propelled artillery. FAASVs will be converted on a schedule to match Paladin fielding. LEAD accepted an Air Force program of 30 Sparrow AIM-7M missiles, and a Navy program for 11. Work began in the 4th Qtr. First article test was completed in September for the HELLFIRE launcher. This is the fifth missile to transition. LEAD fielded the second AVENGER system to Europe on schedule and with positive results. The Joint Engineering Data Management Information and Control System (JEDMICS), an automated mass storage system for mechanical data, was installed at LEAD. LEAD is the first depot to receive JEDMICS. Initial FY94 projections showed sufficient workload to execute the budgeted direct labor hours with minimum carryover to FY95. Revisions and decrements cut new orders by 16% and resulted in a carryover of approximately 4.2 months, including exclusions (fabrications/FMS). Available personnel were used in other mission areas, in self-help projects, and in supporting tactical missile. consolidation.

LETTERKENNY ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

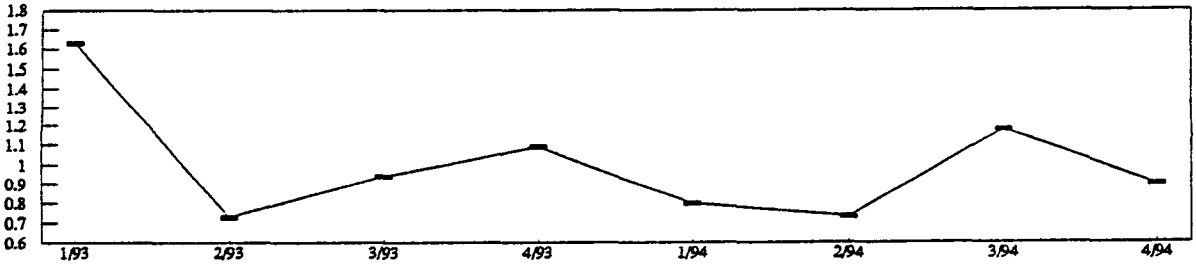
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Letterkenny Army Depot did not receive all of the workload it could accomplish. Because most depot costs are fixed in the year of execution, any decrease in assigned workload will have a negative impact on all indicators.

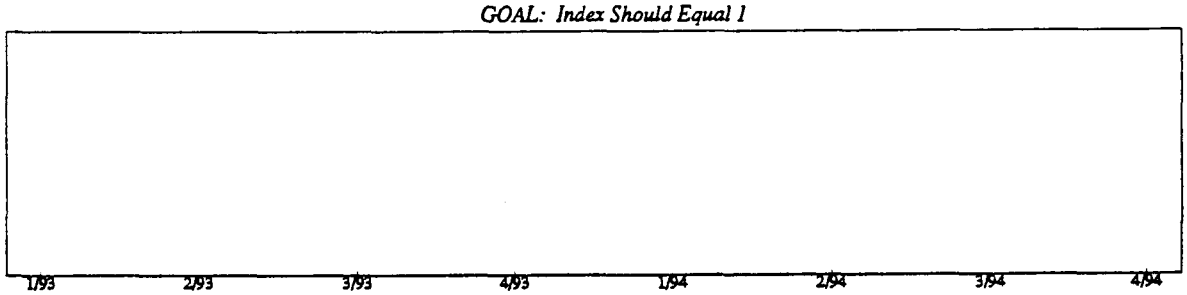
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

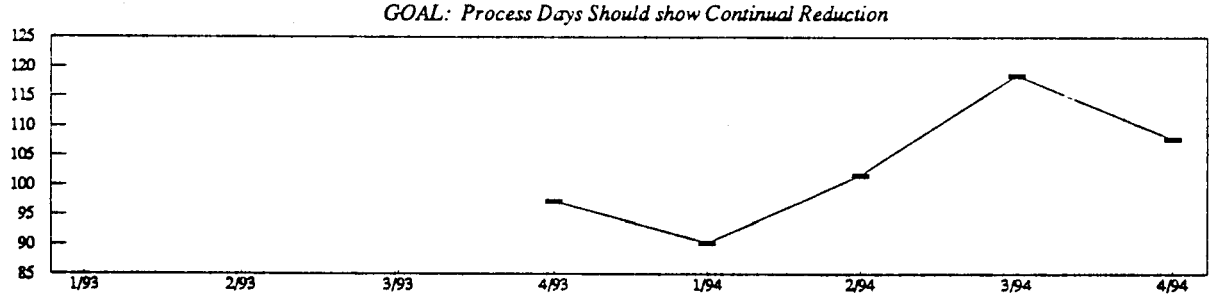
GOAL: Index Should Equal 1



LETTERKENNY ARMY DEPOT

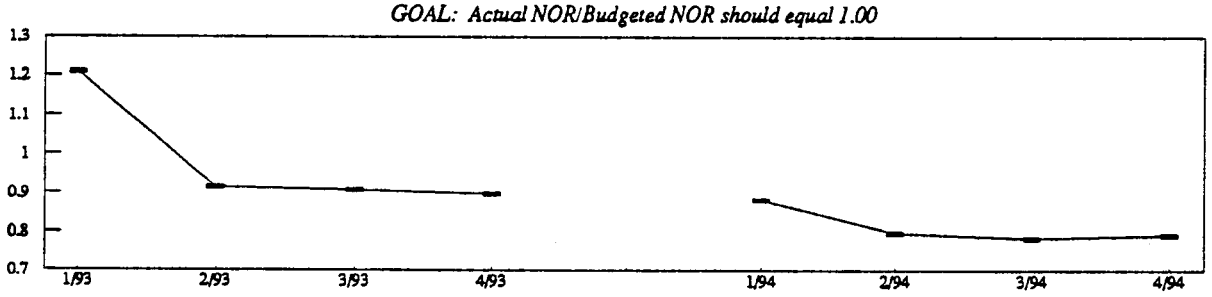
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



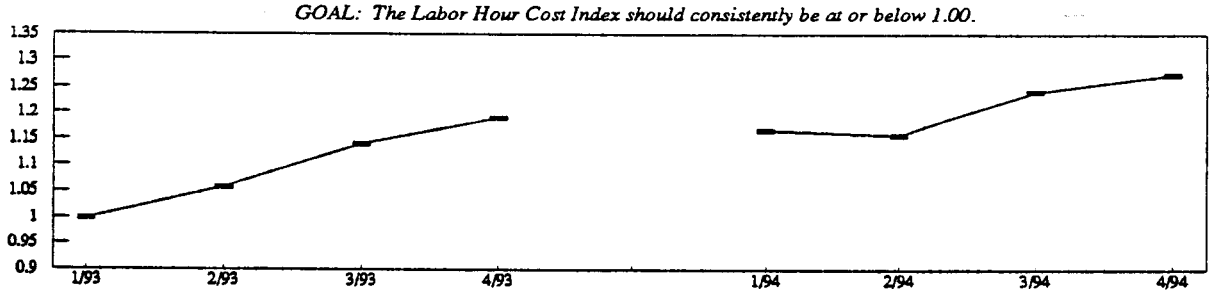
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



LETTERKENNY ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	38,114,000	24,371,000	31,790,000	28,215,000	23,849,000	20,903,000	26,668,000	31,182,000
Total Cost ($)	33,608,000	35,683,000	37,451,000	31,438,000	30,098,000	26,629,000	34,791,000	35,805,000
Direct Materials ($)	9,046,000	4,261,000	6,035,000	2,633,000	4,953,000	3,133,000	7,822,000	7,461,000
Throughput ($)	29,068,000	20,110,000	25,755,000	25,582,000	18,896,000	17,770,000	18,846,000	23,721,000
Operating Expense ($)	24,562,000	31,422,000	31,416,000	28,805,000	25,145,000	23,496,000	26,969,000	28,344,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	29,068,000	20,110,000	25,755,000	25,582,000	18,896,000	17,770,000	18,846,000	23,721,000
Longterm Inventory ($)	17,845,000	27,586,000	27,362,000	23,503,000	23,664,320	24,289,834	16,009,953	26,357,823
INDEX	1.63	0.73	0.94	1.09	0.80	0.73	1.18	0.90

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Paladin Process Days				1,460	1,083	1,424	2,134	971
Number of Items				15	12	14	18	9
AVG PROCESS DAYS				97.33	90.25	101.71	118.56	107.89

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	37,393,000	79,842,000	121,256,000	161,744,000	32,097,000	67,090,000	103,197,000	138,500,000
Cum Budg Cost ($)	39,901,000	81,034,000	124,518,000	163,710,000	35,697,000	67,949,000	103,918,000	136,433,000
Budgeted NOR INDEX	0.94	0.99	0.97	0.99	0.90	0.99	0.99	1.02
Cum Actual Revenue ($)	38,114,000	62,485,000	94,275,000	122,490,000	23,849,000	44,752,000	71,420,000	102,602,000
Cum Actual Cost ($)	33,608,000	69,291,000	106,742,000	138,180,000	30,098,000	56,727,000	91,518,000	127,323,000
Actual NOR INDEX	1.13	0.90	0.88	0.89	0.79	0.79	0.78	0.81
NOR INDEX	1.21	0.92	0.91	0.90	0.88	0.80	0.79	0.79

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	39,901,000	81,034,000	124,518,000	163,710,000	35,697,000	67,949,000	103,918,000	136,433,000
Budgeted Total DLH	458,460	974,499	1,472,858	1,960,062	379,403	788,926	1,218,971	1,648,915
Bud Labor Hour Cost	$87.03	$83.15	$84.54	$83.52	$94.09	$86.13	$85.25	$82.74
Total Actual Cost ($)	33,608,000	69,291,000	106,742,000	138,180,000	30,098,000	56,727,000	91,518,000	127,323,000
Actual Total DLH	386,817	788,250	1,106,478	1,390,986	274,159	568,792	864,973	1,206,475
Actual Labor Hour Cost	$86.88	$87.90	$96.47	$99.34	$109.78	$99.73	$105.80	$105.53
Labor Hour Cost INDEX	1.00	1.06	1.14	1.19	1.17	1.16	1.24	1.28

4,953,000
3,133,000
7822,000
7461,000
23,419,000

127,323,000
23,419,000
103,904,000 ÷ 1,206,475

86.15

RED RIVER ARMY DEPOT
TEXARKANA, TX

MAJOR WORKLOAD ACCOMPLISHED:

RRAD is the primary depot for overhaul and conversion of the M113 Armored Personnel Carrier family of vehicles. In the trend to shift to more advanced weapons systems, RRAD has become the designated maintenance point for the overhaul and conversion of the Bradley Fighting Vehicle and Multiple Launch Rocket System. RRAD is also the Army's Theatre Readiness Monitoring Facility for the PATRIOT system.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1642
Military:	5

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

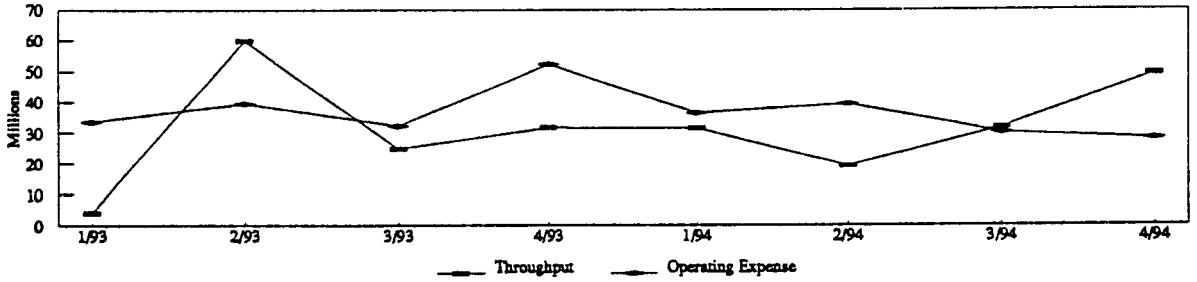
$218,773,000

RRAD is designated the organic source of repair for the M911/M747 Heavy Equipment Transporter System (HETS). For FY94, RRAD produced 358 Bradley Fighting Vehicles, 512 M113 Armored Personnel Carriers, and 12 Multiple Launch Rocket Systems. After a turbulent beginning, RRAD finished FY94 with a NOR loss of approximately $2M, a $14M improvement from the planned loss of $16M.

RED RIVER ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

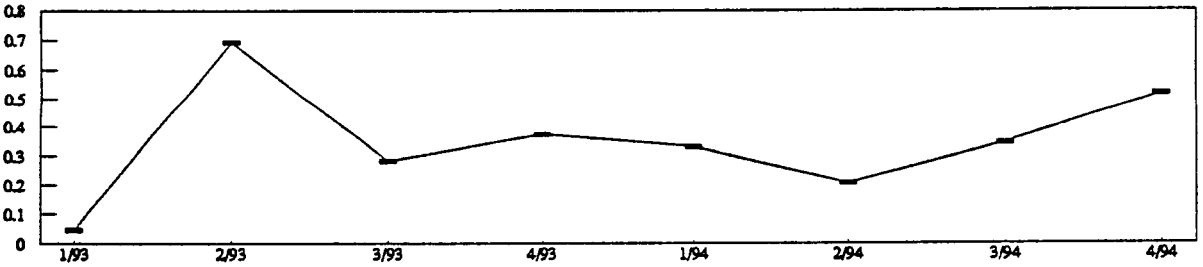
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



The pattern of actual Operating Expenses exceeding actual revenue (Throughput) reflected directed loss of $16M. RRAD finished FY94 with a $2M loss by decreasing operating costs rather than increasing prices/revenue.

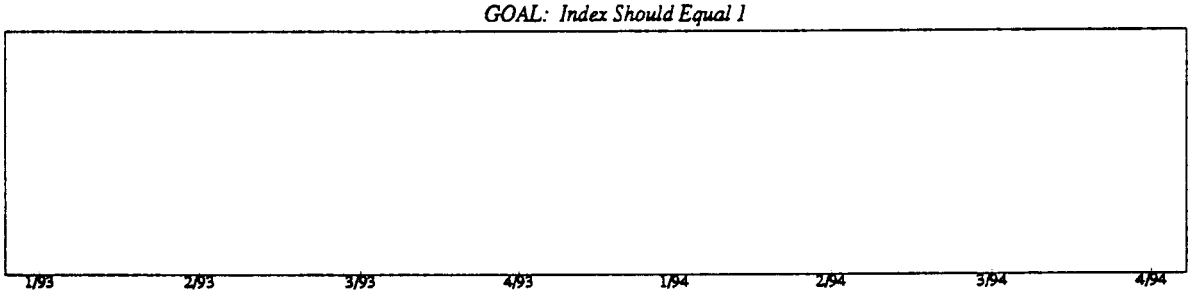
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

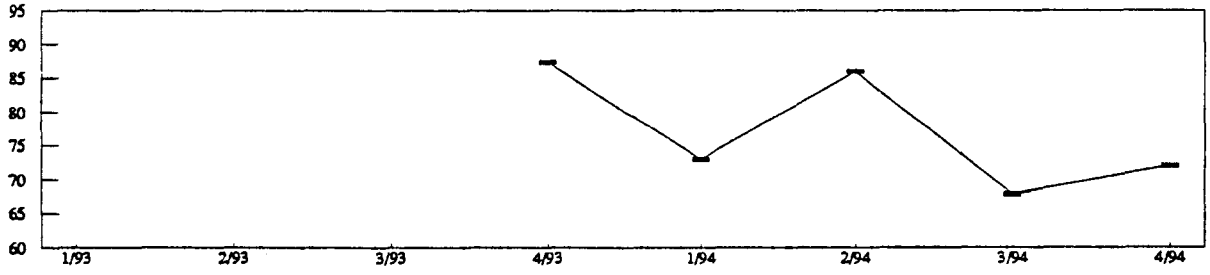
GOAL: Index Should Equal 1



RED RIVER ARMY DEPOT

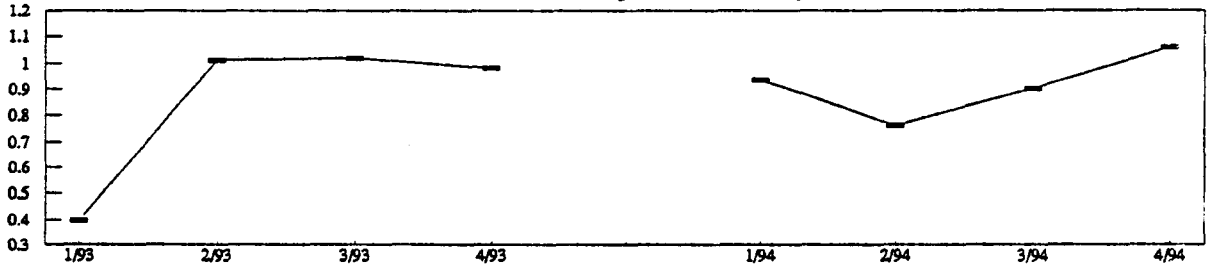
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



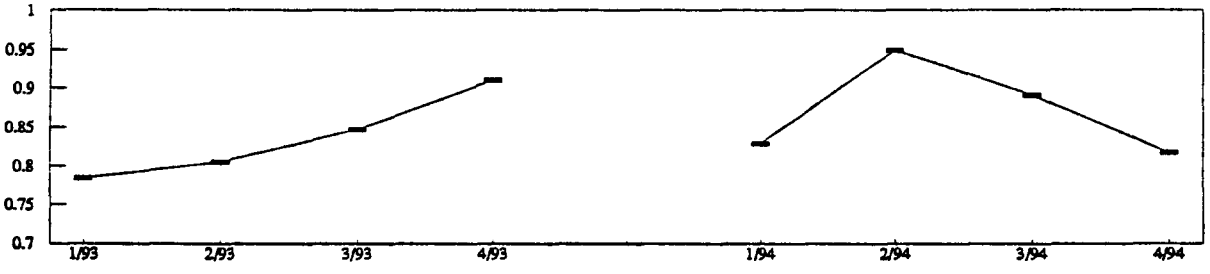
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Labor Hour Cost Index was below 1.00 for both FY93 and FY94, and the 4th Qtr FY94 actual labor hour cost, $79.32, is 12% below the 4th Qtr FY93 cost of $90.14.

RED RIVER ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	15,975,000	72,660,000	53,261,000	52,637,000	33,867,000	32,192,000	43,700,000	55,932,000
Total Cost ($)	45,407,000	52,366,000	60,584,000	73,347,000	38,732,000	52,420,000	42,118,000	34,787,000
Direct Materials ($)	11,953,000	12,735,000	28,412,000	21,000,000	2,350,000	12,990,000	12,078,000	6,630,000
Throughput ($)	4,022,000	59,925,000	24,849,000	31,637,000	31,517,000	19,202,000	31,622,000	49,302,000
Operating Expense ($)	33,454,000	39,631,000	32,172,000	52,347,000	36,382,000	39,430,000	30,040,000	28,157,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	4,022,000	59,925,000	24,849,000	31,637,000	31,517,000	19,202,000	31,622,000	49,302,000
Longterm Inventory ($)	83,668,000	86,415,000	87,954,000	85,014,000	95,409,007	92,857,704	92,012,986	95,055,023
INDEX	0.05	0.69	0.28	0.37	0.33	0.21	0.34	0.52

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Bradleys Process Days				3,841	2,920	4,386	2,848	3,965
Number of Items				44	40	51	42	55
AVG PROCESS DAYS				87.30	73.00	86.00	67.81	72.09

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	55,874,000	118,085,000	179,805,000	241,450,000	43,224,000	93,751,000	147,136,000	203,220,000
Cum Budg Cost ($)	63,375,000	131,874,000	204,900,000	282,542,000	46,277,000	98,599,000	161,000,000	218,773,000
Budgeted NOR INDEX	0.88	0.90	0.88	0.85	0.93	0.95	0.91	0.93
Cum Actual Revenue ($)	15,975,000	88,635,000	141,896,000	194,533,000	33,867,000	66,059,000	109,759,000	165,691,000
Cum Actual Cost ($)	45,407,000	97,773,000	158,357,000	231,704,000	38,732,000	91,152,000	133,270,000	168,057,000
Actual NOR INDEX	0.35	0.91	0.90	0.84	0.87	0.72	0.82	0.99
NOR INDEX	0.40	1.01	1.02	0.98	0.94	0.76	0.90	1.06

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	63,375,000	131,874,000	204,900,000	282,542,000	46,277,000	98,599,000	161,000,000	218,773,000
Budgeted Total DLH	642,239	1,370,316	2,107,969	2,853,688	519,729	1,102,412	1,682,745	2,252,511
Bud Labor Hour Cost	$98.68	$96.24	$97.20	$99.01	$89.04	$89.44	$95.68	$97.12
Total Actual Cost ($)	45,407,000	97,773,000	158,357,000	231,704,000	38,732,000	91,152,000	133,270,000	168,057,000
Actual Total DLH	586,337	1,261,408	1,922,682	2,570,353	524,672	1,073,522	1,562,798	2,118,750
Actual Labor Hour Cost	$77.44	$77.51	$82.36	$90.14	$73.82	$84.91	$85.28	$79.32
Labor Hour Cost INDEX	0.78	0.81	0.85	0.91	0.83	0.95	0.89	0.82

TOBYHANNA ARMY DEPOT
TOBYHANNA, PA

MAJOR WORKLOAD ACCOMPLISHED:

Tobyhanna's major mission responsibilites include the repair, overhaul, modification, conversion, test and new system maintenance planning of both strategic and tactical communications and electronic equipment.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2235
Military:	27

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

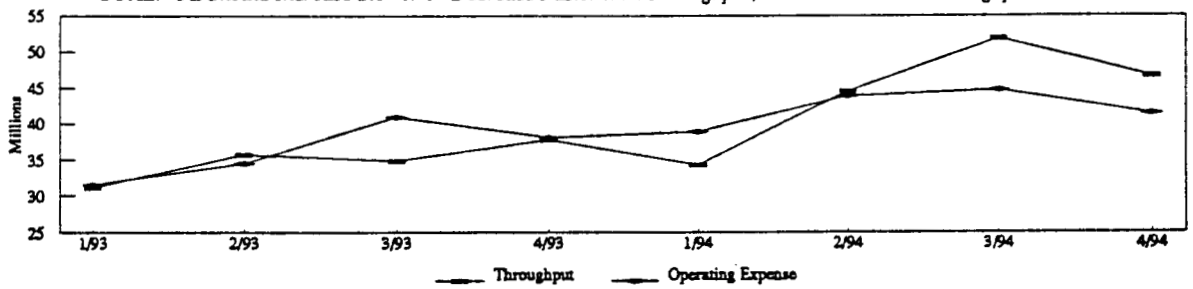
$207,537,000

These operating indicators depict a positive, increasing Throughput. Actual revenue was higher than planned due to the receipt of unprogrammed workload which had less material, supply, and equipment expenditures than the original workload it replaced. The reductions in cost resulted in an increased Net Operating Result Index (NOR) and a reduction in actual cost per direct labor hour.

TOBYHANNA ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

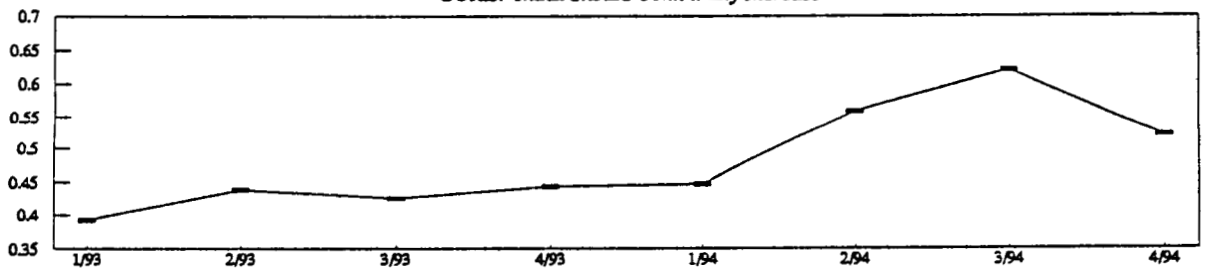
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



FY94 Throughput shows an overall positive trend compared to FY93 due to an increase in customer workload. Operating expenses remained under control as the direct result of cost-cutting measures and year-end adjustments of estimated expenses to actual expenses.

CAPITAL INVESTMENT EFFECTIVENESS

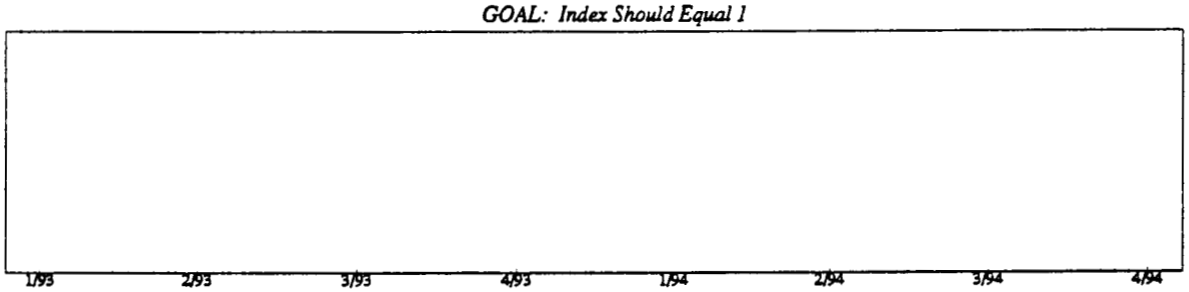
GOAL: Index Should Continually Increase



Capital Investment Effectiveness increased in FY94 due to an increase in customer workload.

SCHEDULE INDICATOR

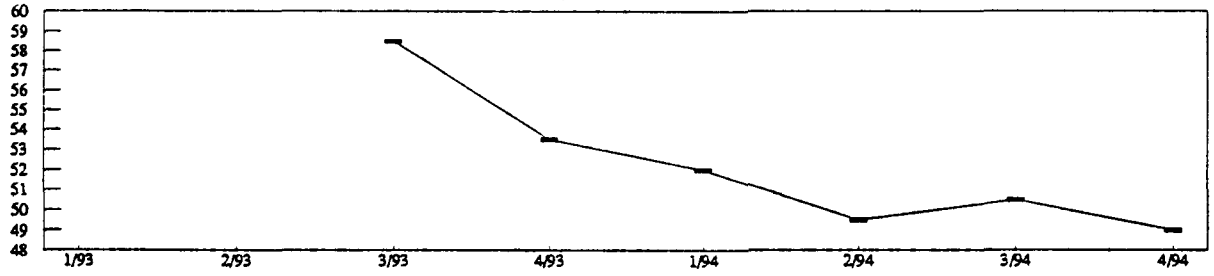
GOAL: Index Should Equal 1



TOBYHANNA ARMY DEPOT

PROCESS DAYS

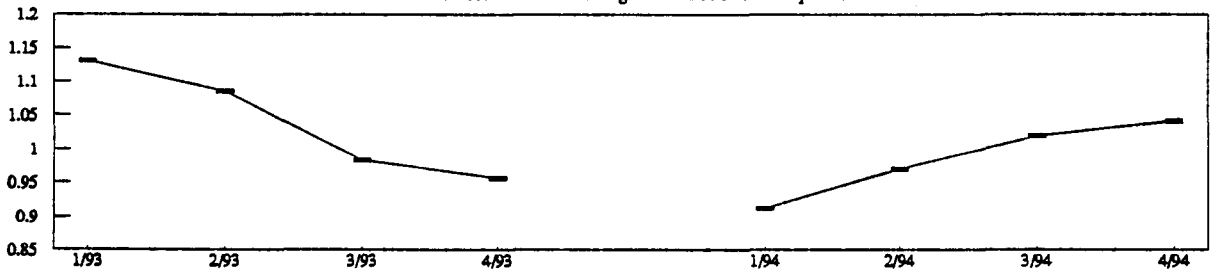
GOAL: Process Days Should show Continual Reduction



Process days for the PCM Tele Terminal reflect a continuing postive downward trend.

NET OPERATING RESULTS

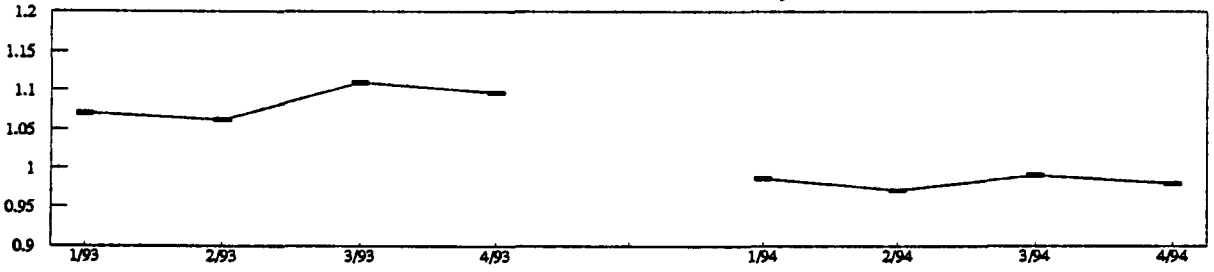
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Completion of unprogrammed workload such as Rack 41's and workload for Army Reserves and National Guard were the primary reasons for the increase of actual revenue over planned revenue. Decreased costs were primarily the result of decreased material, supply and equipment expenditures.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Decrease is attributable to an underacheivement of direct labor hours due to workload shortfalls in overhaul areas, a snow emergency day, and the non-receipt of funding for numerous programs such as the RTC-524, VRC-12, voice multiplexer avionics, and surveillance radar programs. The direct labor hour shortfall has contributed to the cost decrease because of the slow receipt of workable authorizations.

TOBYHANNA ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	39,960,000	46,747,000	45,084,000	45,035,000	41,151,000	51,885,000	61,661,000	54,607,000
Total Cost ($)	40,348,000	45,526,000	51,092,000	45,310,000	45,686,000	51,233,000	54,552,000	49,398,000
Direct Materials ($)	8,849,000	10,946,000	10,188,000	7,243,000	6,814,000	7,360,000	9,842,000	8,015,000
Throughput ($)	31,111,000	35,801,000	34,896,000	37,792,000	34,337,000	44,525,000	51,819,000	46,592,000
Operating Expense ($)	31,499,000	34,580,000	40,904,000	38,067,000	38,872,000	43,873,000	44,710,000	41,383,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	31,111,000	35,801,000	34,896,000	37,792,000	34,337,000	44,525,000	51,819,000	46,592,000
Longterm Inventory ($)	79,285,000	81,650,000	81,994,000	85,214,000	76,764,000	79,562,000	83,508,000	89,261,000
INDEX	0.39	0.44	0.43	0.44	0.45	0.56	0.62	0.52

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

PCM Tele Terminal Process Days			117	107	104	99	101	98
Number of Items			2	2	2	2	2	2
AVG PROCESS DAYS			58.50	53.50	52.00	49.50	50.50	49.00

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	35,084,000	76,902,000	122,433,000	170,438,000	49,814,000	104,698,000	157,114,000	207,537,000
Cum Budg Cost ($)	40,086,000	82,660,000	125,128,000	168,006,000	50,492,000	105,800,000	156,921,000	207,537,000
Budgeted NOR INDEX	0.88	0.93	0.98	1.01	0.99	0.99	1.00	1.00
Cum Actual Revenue ($)	39,960,000	86,707,000	131,791,000	176,826,000	41,151,000	93,036,000	154,697,000	209,304,000
Cum Actual Cost ($)	40,348,000	85,874,000	136,966,000	182,276,000	45,686,000	96,919,000	151,471,000	200,869,000
Actual NOR INDEX	0.99	1.01	0.96	0.97	0.90	0.96	1.02	1.04
NOR INDEX	1.13	1.09	0.98	0.96	0.91	0.97	1.02	1.04

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	40,086,000	82,660,000	125,128,000	168,006,000	50,492,000	105,800,000	156,921,000	207,537,000
Budgeted Total DLH	759,000	1,524,000	2,322,000	3,105,000	767,932	1,587,306	2,406,861	3,211,357
Bud Labor Hour Cost	$52.81	$54.24	$53.89	$54.11	$65.75	$66.65	$65.20	$64.63
Total Actual Cost ($)	40,348,000	85,874,000	136,966,000	182,276,000	45,686,000	96,919,000	151,471,000	200,869,000
Actual Total DLH	713,000	1,490,000	2,291,000	3,072,000	704,089	1,496,517	2,344,000	3,170,000
Actual Labor Hour Cost	$56.59	$57.63	$59.78	$59.33	$64.89	$64.76	$64.62	$63.37
Labor Hour Cost INDEX	1.07	1.06	1.11	1.10	0.99	0.97	0.99	0.98

6214
7360
9842
8015
32,031,000

200,869,000
32,031,000
168,838,000 ÷ 3,170,000
$53.26

NAVAL AVIATION DEPOTS

NADEP CHERRY POINT
CHERRY POINT, NC

MAJOR WORKLOAD ACCOMPLISHED:

AIRCRAFT: AV-8B Harrier II, A-4 Skyhawk, C-130 Hercules, F-4 Phantom II (Drone Conversion, USAF RF-4C, F4-E &F-4G), H-46 Sea Knight and CH-53 Sea Stallion

ENGINES: F402, J79, T400, T58, T64 and T76

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	3614
Military:	74

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

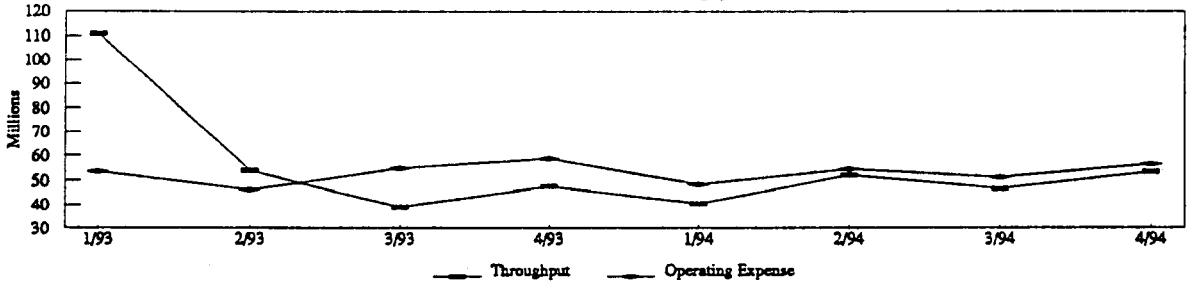
$349,162,996

Throughout FY94, NADEP Cherry Point continued to make improvements in its financial and overall process days indicators, while placing a great deal of emphasis on the transition of workload and personnel as a result of BRAC 93 decisions. During FY94, Cherry Point's rolls grew by 725 individuals. NADEP Cherry Point began transitioning the H-1, H-2, H3, H-53, H-60 and A-4 manufacturing workload. The NADEP also established capability for 247 H-53 components. Cherry Point has successfully transitioned the CH-53E aircraft from Pensacola, completing the first aircraft 44 calendar days ahead of schedule. Prototype inductions of the CH-53D, MH-53E and the RH-53D aircraft have been accomplished on schedule.

NADEP CHERRY POINT

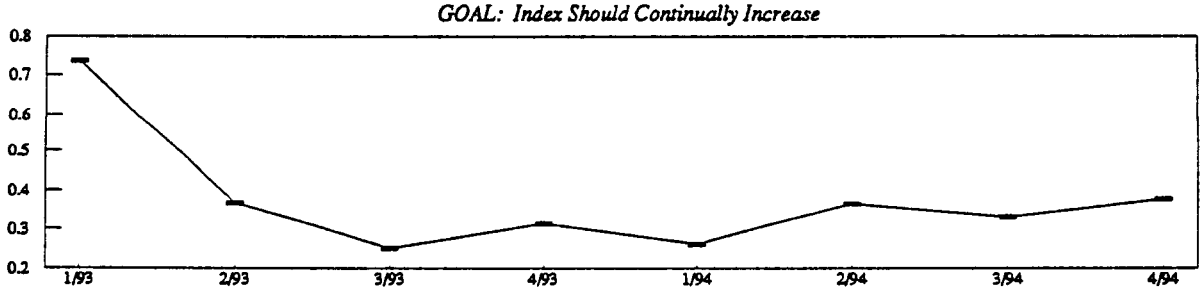
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



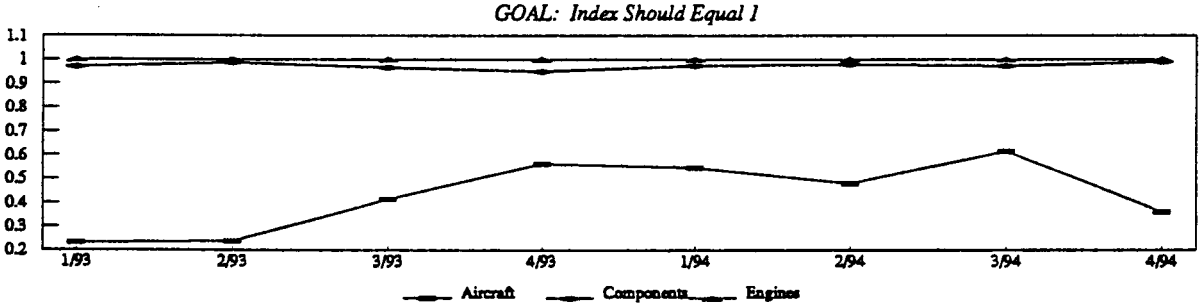
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

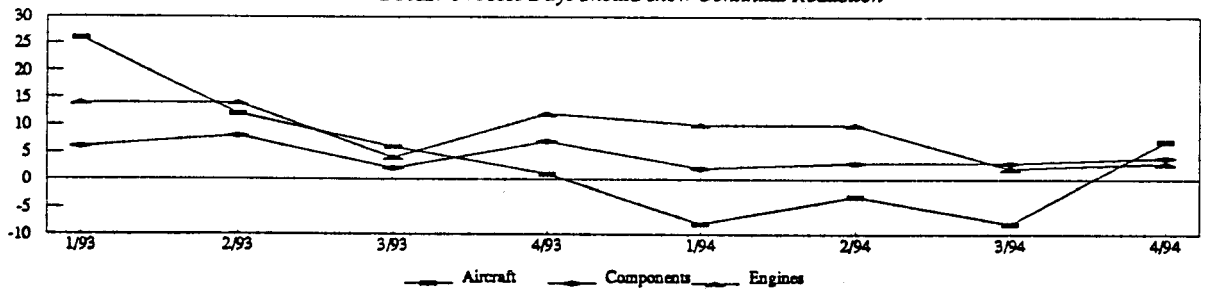


The Schedule Indicator for aircraft shows overall improvement although it was slightly down in the 4th Qtr FY94. Experienced depot personnel have been reassigned to aircraft programs that are transitioning to Cherry Point and there is an overall learning curve associated with the new programs. A breakdown by the number of days aircraft missed schedule is: 5 aircraft < 10 days, 4 aircraft < 20 days, and 7 aircraft >20 days.

NADEP CHERRY POINT

PROCESS DAYS

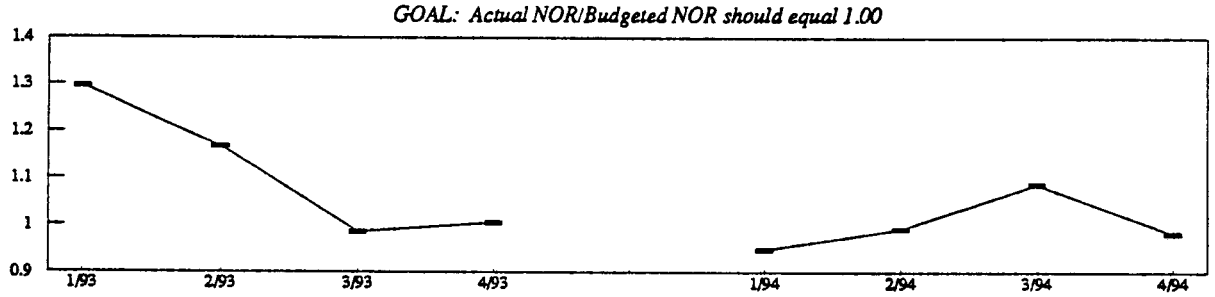
GOAL: Process Days Should show Continual Reduction



The slight rise in aircraft Process Days in the 4th Qtr FY94 was a result of increased emphasis on the product line of a major customer.

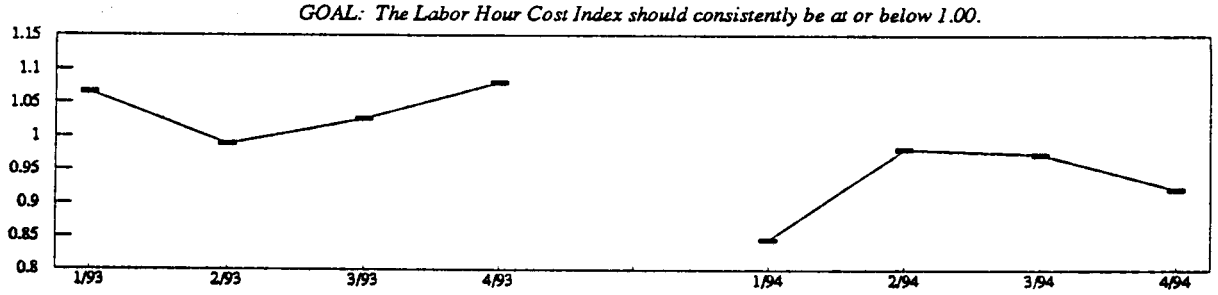
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



NADEP CHERRY POINT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue	148,921,214	82,727,888	72,614,456	80,742,869	68,316,637	85,517,345	81128023	85500122
Total Cost	91,592,760	74,957,009	88,561,174	91,779,039	76,403,144	87,852,085	85614928	88558573
Direct Materials	37,975,147	28,567,052	33,582,562	32,961,667	27,825,216	33,289,236	34275681	32031346
Throughput	110,946,067	54,160,836	39,031,894	47,781,202	40,491,421	52,228,109	46,852,342	53,468,776
Operating Expense	53,617,613	46,389,957	54,978,612	58,817,372	48,577,928	54,562,849	51,339,247	56,527,227

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput	110,946,067	54,160,836	39,031,894	47,781,202	40,491,421	52,228,109	46,852,342	53,468,776
Longterm Inventory	150,663,991	147,362,957	154,971,548	152,405,903	154,080,793	143,292,994	142,115,251	141,832,131
INDEX	0.74	0.37	0.25	0.31	0.26	0.36	0.33	0.38

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	26	21	29	16	11	23	26	25
Aircraft Completed	6	5	12	9	6	11	16	9
INDEX	0.23	0.24	0.41	0.56	0.55	0.48	0.62	0.36
Components Scheduled	2,835	2,521	3,987	4,445	3,999	3,646	3815	4087
Components Completed	2,750	2,488	3,856	4,223	3,897	3,571	3711	4044
INDEX	0.97	0.99	0.97	0.95	0.97	0.98	0.97	0.99
Engines Scheduled	130	109	92	93	70	94	86	100
Engines Completed	130	109	92	93	70	94	86	100
INDEX	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	74	84	68	42	115	119	109	97
Aircraft Actual	100	96	74	43	107	116	101	104
VARIANCE	26	12	6	1	-8	-3	-8	7
Components Planned	30	28	26	24	27	28	27	29
Components Actual	36	36	28	31	29	31	30	33
VARIANCE	6	8	2	7	2	3	3	4
Engines Planned	39	39	32	30	41	34	34	31
Engines Actual	53	53	36	42	51	44	36	34
VARIANCE	14	14	4	12	10	10	2	3

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue	105,626,000	207,238,000	305,553,000	371,837,000	77,062,000	157,215,000	223,444,000	353,914,000
Cum Budg Cost	84,227,000	173,895,000	252,447,000	336,561,000	81,693,000	166,421,000	258,391,000	367,024,000
Budgeted NOR INDEX	1.25	1.19	1.21	1.10	0.94	0.94	0.86	0.96
Cum Actual Revenue	148,921,214	231,649,101	304,263,557	385,007,426	68,316,637	153,833,982	234,962,004	320,462,126
Cum Actual Cost	91,592,780	166,549,790	255,110,963	346,890,003	76,428,055	164,255,229	249,870,157	338,428,730
Actual NOR INDEX	1.63	1.39	1.19	1.11	0.89	0.94	0.94	0.95
NOR INDEX	1.30	1.17	0.99	1.00	0.95	0.99	1.09	0.98

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost	84,227,000	173,895,000	252,447,000	336,561,000	81,693,000	166,421,000	258,391,000	367,024,000
Budgeted Total DLH	769,000	1,590,000	2,294,000	3,084,000	611,000	1,441,000	2,204,000	3,030,000
Bud Labor Hour Cost	109.53	109.37	110.05	109.13	133.70	115.49	117.24	121.13
Total Actual Cost	91,592,780	166,549,790	255,110,963	346,890,003	76,428,055	164,255,229	249,870,157	338,428,730
Actual Total DLH	784,792	1,540,291	2,260,262	2,941,452	675,883	1,449,773	2,188,559	3,033,821
Actual Labor Hour Cost	116.71	108.13	112.87	117.93	113.08	113.30	114.17	111.55
Labor Hour Cost INDEX	1.07	0.99	1.03	1.08	0.85	0.98	0.97	0.92

NADEP JACKSONVILLE
JACKSONVILLE, FL

MAJOR WORKLOAD ACCOMPLISHED:

P-3 Orions, A-7E's, Components, and Engines (J52 and F404), calibration, GSE, engineering and manufacturing.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	3109
Military:	29

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$343,130,648

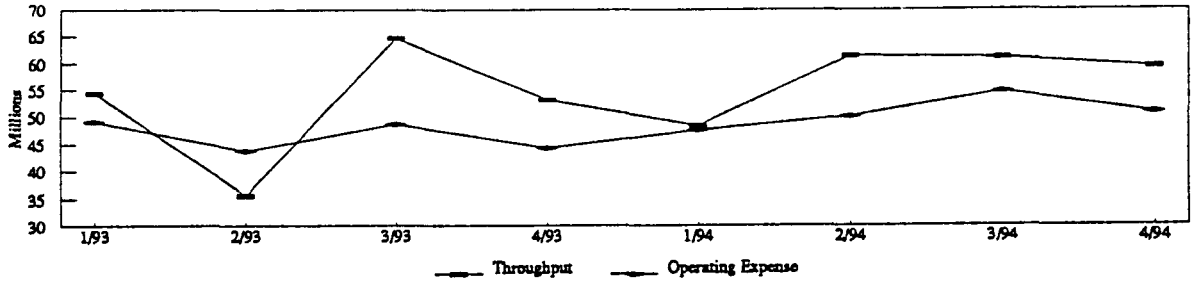
NADEP JAX was awarded the 1994 Florida Governor's Business Leadership Award.

The J52 engine contract was begun in second quarter.

NADEP JACKSONVILLE

THROUGHPUT & OPERATING EXPENSE

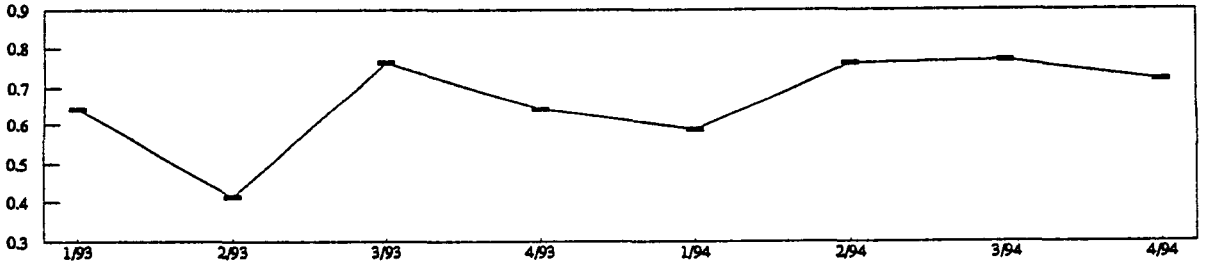
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



BRAC-93 funding delays reduced Throughput and year end close-out adjustments caused the apparent reduction in operating expense.

CAPITAL INVESTMENT EFFECTIVENESS

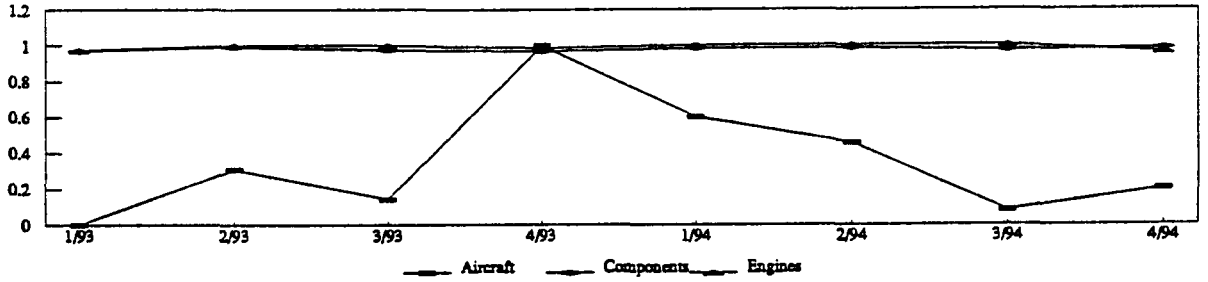
GOAL: Index Should Continually Increase



The BRAC-93 funding delays have disrupted this indicator.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

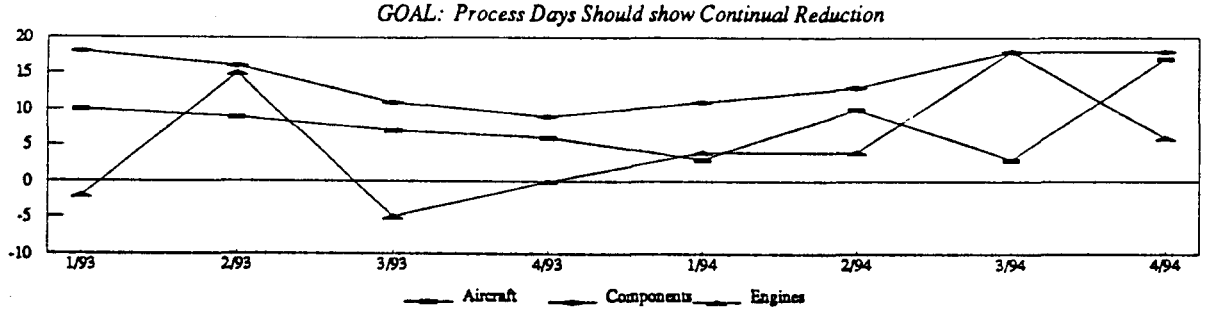


Aircraft not completed on schedule either required major repairs or were intentionally delayed to accelerate work on other aircraft to meet mandatory customer completion dates.

NADEP JACKSONVILLE

PROCESS DAYS

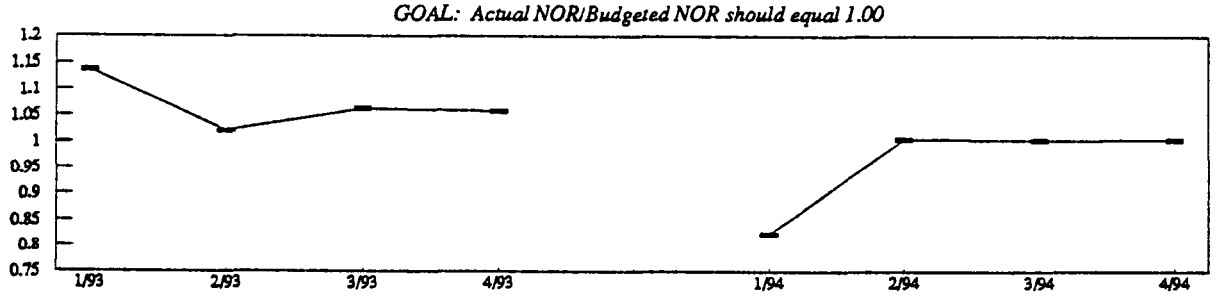
GOAL: Process Days Should show Continual Reduction



Some aircraft completed in FY94 required major repairs which increased process days. Increase in process days for engines was mostly attributable to material constraints.

NET OPERATING RESULTS

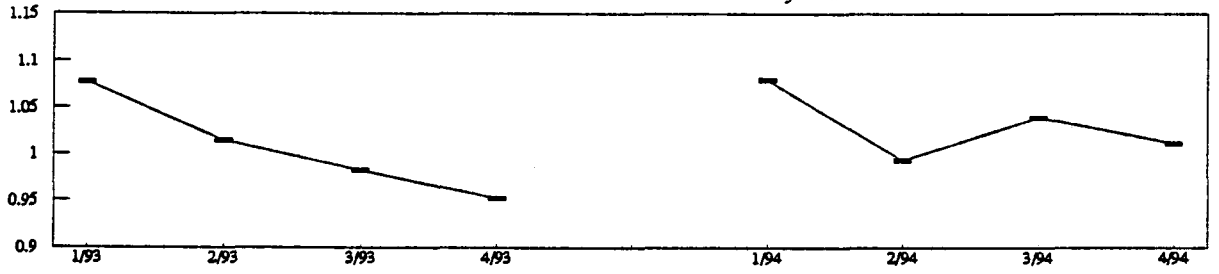
GOAL: Actual NOR/Budgeted NOR should equal 1.00



NADEP JAX was the only naval aviation depot to complete FY94 with a positive NOR.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Delay of the BRAC-93 workload transition due to lack of funding, combined with staffing action to accomplish those transitions have put upward pressure on the labor hour cost. This was offset by year end close-out adjustments.

NADEP JACKSONVILLE

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	98,730,000	82,512,000	107,661,000	99,057,000	86,077,000	93,358,000	98,875,000	88,691,000
Total Cost ($)	93,394,000	90,684,000	91,661,000	90,226,000	85,295,000	82,009,000	92,581,000	80,100,000
Direct Materials ($)	44,260,000	46,864,000	42,966,000	45,888,000	37,738,000	31,975,000	37,870,000	29,367,000
Throughput ($)	54,470,000	35,648,000	64,695,000	53,169,000	48,339,000	61,383,000	61,005,000	59,324,000
Operating Expense ($)	49,134,000	43,820,000	48,695,000	44,338,000	47,557,000	50,034,000	54,711,000	50,733,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	54,470,000	35,648,000	64,695,000	53,169,000	48,339,000	61,383,000	61,005,000	59,324,000
Longterm Inventory ($)	84,880,000	86,300,000	84,593,000	82,768,000	82,373,000	80,481,000	79,186,000	82,169,000
INDEX	0.64	0.41	0.76	0.64	0.59	0.76	0.77	0.72

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	9	13	7	7	5	11	13	10
Aircraft Completed	0	4	1	7	3	5	1	2
INDEX	0.00	0.31	0.14	1.00	0.60	0.45	0.08	0.20
Components Scheduled	3,955	3,402	5,623	5,893	5,638	5,269	5,067	4,961
Components Completed	3,838	3,370	5,474	5,705	5,533	5,180	4,924	4,848
INDEX	0.97	0.99	0.97	0.97	0.98	0.98	0.97	0.98
Engines Scheduled	150	154	137	147	152	129	86	135
Engines Completed	146	154	137	145	152	129	86	129
INDEX	0.97	1.00	1.00	0.99	1.00	1.00	1.00	0.96

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	125	61	80	30	65	52	52	73
Aircraft Actual	135	70	87	36	68	62	55	56
VARIANCE	10	9	7	6	3	10	3	17
Components Planned	27	26	25	25	25	25	24	23
Components Actual	45	42	36	34	36	38	42	41
VARIANCE	18	16	11	9	11	13	18	18
Engines Planned	43	38	50	43	35	37	37	12
Engines Actual	41	53	45	43	39	41	55	18
VARIANCE	-2	15	-5	0	4	4	18	6

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	85,726,000	177,939,000	277,442,000	378,959,000	99,397,000	182,750,000	277,031,000	375,190,000
Cum Budg Cost ($)	92,241,000	184,482,000	281,288,000	378,095,000	81,090,000	171,277,000	259,736,000	349,434,000
Budgeted NOR INDEX	0.93	0.96	0.99	1.00	1.23	1.07	1.07	1.07
Cum Actual Revenue ($)	98,730,000	181,241,000	288,903,000	387,959,000	86,077,000	179,435,000	278,310,000	367,001,000
Cum Actual Cost ($)	93,394,000	184,077,000	275,738,000	365,965,000	85,295,000	167,304,000	259,885,000	339,986,000
Actual NOR INDEX	1.06	0.98	1.05	1.06	1.01	1.07	1.07	1.08
NOR INDEX	1.14	1.02	1.06	1.06	0.82	1.01	1.00	1.01

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	92,241,000	184,482,000	281,288,000	378,095,000	81,090,000	171,277,000	259,736,000	349,434,000
Budgeted Total DLH	745,000	1,506,000	2,267,000	2,990,000	696,000	1,492,000	2,347,000	3,203,000
Bud Labor Hour Cost	123.81	122.50	124.08	126.45	116.51	114.80	110.67	109.10
Total Actual Cost ($)	93,394,000	184,077,000	275,738,000	365,965,000	85,295,000	167,304,000	259,885,000	339,986,000
Actual Total DLH	700,000	1,481,000	2,261,000	3,039,000	678,000	1,466,000	2,258,000	3,079,000
Actual Labor Hour Cost	133.42	124.29	121.95	120.42	125.80	114.12	115.10	110.42
Labor Hour Cost INDEX	1.08	1.01	0.98	0.95	1.08	0.99	1.04	1.01

NADEP NORTH ISLAND
SAN DIEGO, CA

MAJOR WORKLOAD ACCOMPLISHED:

F/A-18 Hornet, C-2 Greyhound, E-2 Hawkeye, S-3 Viking, F-14 In-Service Repair, F/A-18 Center Barrel Splice, ASO/DMISA/FMS components, LM2500 and T64 engines, manufacturing, mobile (van) manufacturing, F-5/T38 adversary support, avionics, support equipment, shipboard repair, calibration, and engineering/software.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	3587
Military:	29

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

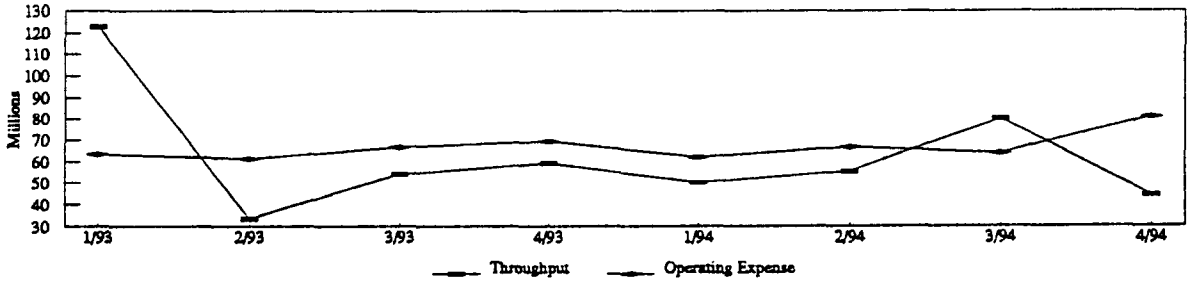
$328,715,000

Naval Aviation Depot North Island provides a wide range of engineering, calibration, manufacturing, overhaul and repair services performed on aircraft, engines, ships, and components. The Depot's Primary Standards Laboratory provides primary calibration standards for Navy and other DoD agencies. In addition to functioning as the Navy's largest bearing repair facility, the Depot dispatches field teams to deployed ships and aviation units world wide. North Island is also one of the three DoD depots that has large engine overhaul capability. Management of the Depot is committed to Total Quality Leadership involving suppliers, customers and fellow NAVAIR TEAM as an integral part of operational planning. Over a quarter of the Depot's work effort is dedicated to support of the Navy's frontline F/A-18, E-2, C-2, and S-3 carrier aircraft. The Depot's extensive engineering and software specialists provide state of the art cradle to grave support for aircraft and other customer programs. North Island's cost and financial performance is generally improving. In particular, Net Operating Results and Labor Hour Cost are significantly improved, while Capital Investment Effectiveness shows continuing dramatic gains. The F/A-18 Aircraft schedule and process days performance has improved significantly as compared to the first two quarters of FY94. The improvement is due to the completion of all "must meet" scheduled aircraft, which caused priority shifts. The second contributor centered around specific process improvements such as revalidation of the work requirement specification and its resultant process streamlining, material requirements forecasting and disciplined asset management, and schedule accounting at all levels of aircraft process. These elements accounted for 80% of the total performance improvement illustrated.

NADEP NORTH ISLAND

THROUGHPUT & OPERATING EXPENSE

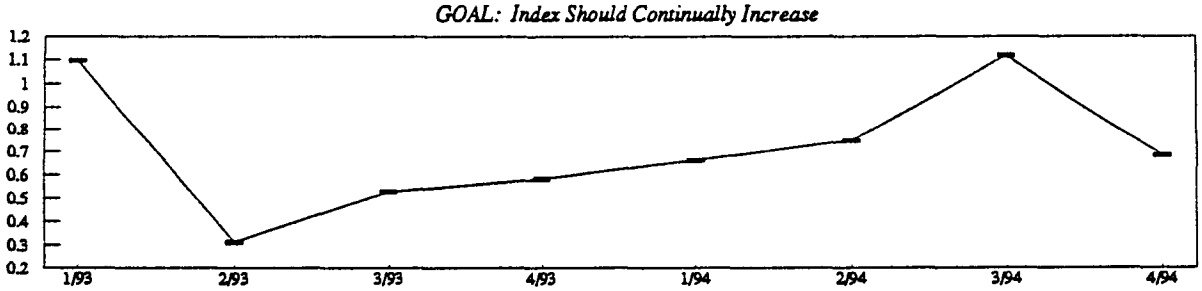
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



In 1st and 2nd Qtr FY93, Throughput data exhibited anomalous variations because of a Defense Business Operating Fund accounting policy change. And, a financial programming change (revenue recognition) incorporated in 3rd Qtr FY94 and removed in 4th Qtr FY94 caused revenue to be overstated in 3rd Qtr FY94. The Throughput and Operating Expense index is constant with previous quarters if 3rd Qtr aberrations are ignored.

CAPITAL INVESTMENT EFFECTIVENESS

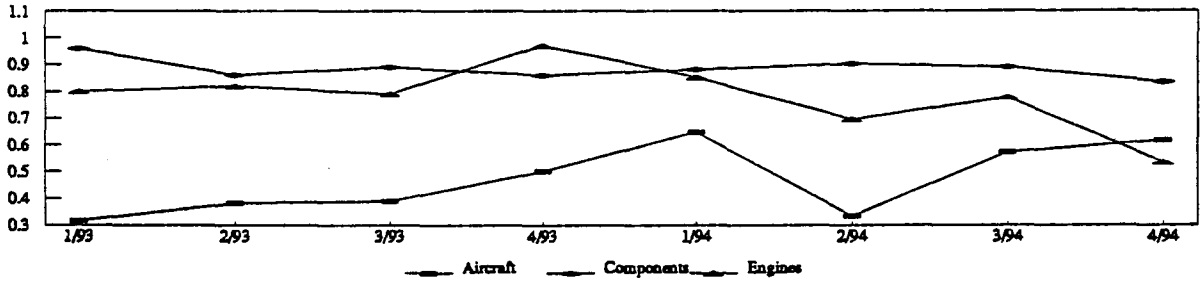
GOAL: Index Should Continually Increase



Long-term inventory has decreased from $143M at the end of FY92 to $65M at the end of FY94. A steady upward trend in this index has been the result. Note: The financial programming change previously explained also impacted this index in 4th Qtr FY94.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

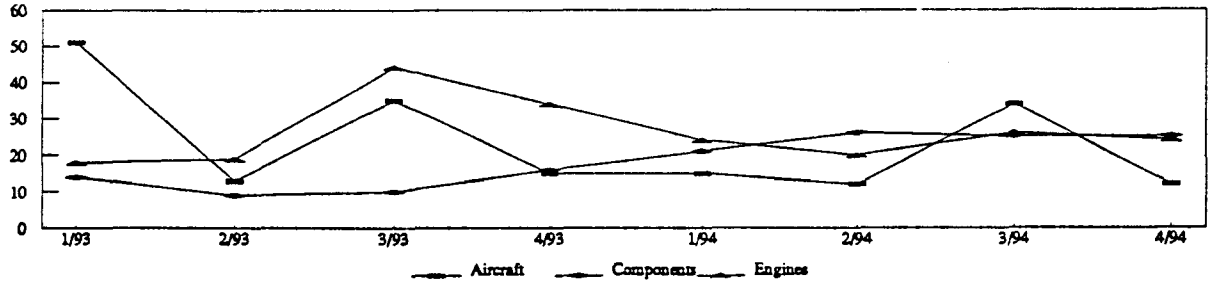


Aircraft schedule performance improvements illustrated above are due to enhanced material management, and the employment of a "standardized" program management/scheduling tool.

NADEP NORTH ISLAND

PROCESS DAYS

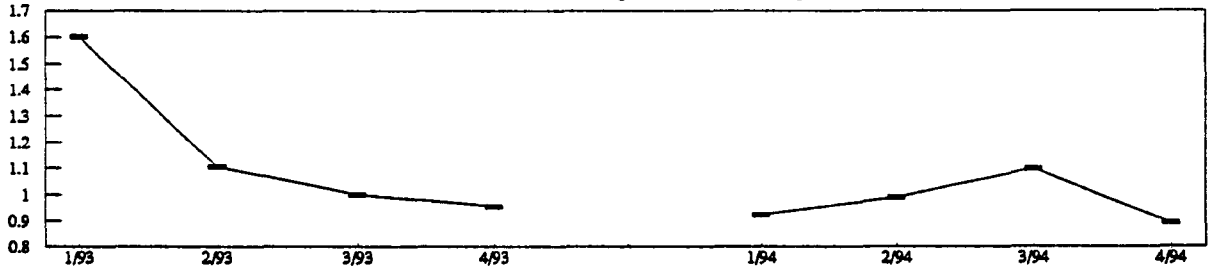
GOAL: Process Days Should show Continual Reduction



Aircraft process days performance has improved due to work requirement specification revalidation, and the resulting process of "tailoring" to optimize process operation integration.

NET OPERATING RESULTS

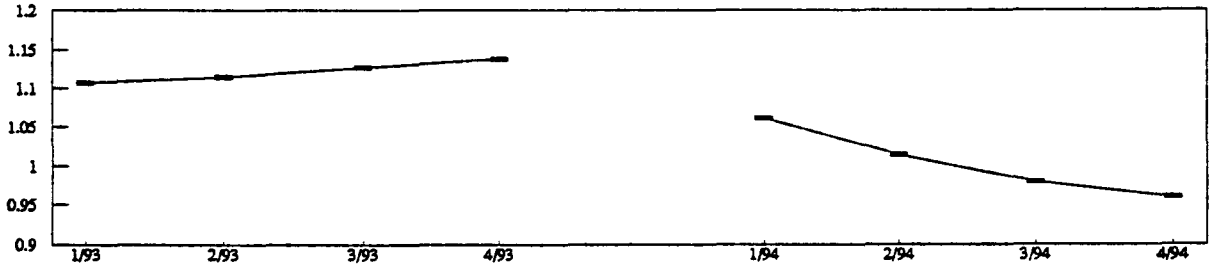
GOAL: Actual NOR/Budgeted NOR should equal 1.00



This index is impacted by revenue and exhibits the same type of 3rd Qtr FY94 spike found in the Throughput and Operating Expense index. Normalized data reflects a favorable indexing trend.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Current performance reflects a concerted effort to reduce indirect costs within the depot.

NADEP NORTH ISLAND

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	142,279,930	58,470,677	77,311,100	80,146,185	67,412,008	77,838,189	100,944,845	60,754,116
Total Cost ($)	82,888,620	86,547,802	89,837,567	90,073,560	79,374,182	88,901,343	84,824,684	97,464,829
Direct Materials ($)	19,251,286	25,001,962	23,047,106	20,666,717	17,131,273	22,122,878	20,815,123	16,363,547
Throughput ($)	123,028,644	33,468,715	54,263,994	59,479,468	50,280,735	55,715,311	80,129,722	44,390,569
Operating Expense ($)	63,637,334	61,545,840	66,790,461	69,406,843	62,242,909	66,778,465	64,009,561	81,101,282

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	123,028,644	33,468,715	54,263,994	59,479,468	50,280,735	55,715,311	80,129,722	44,390,569
Longterm Inventory ($)	112,242,283	107,441,605	102,762,506	102,372,051	76,208,285	74,396,575	71,824,858	65,099,304
INDEX	1.10	0.31	0.53	0.58	0.66	0.75	1.12	0.68

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	19	21	18	12	17	27	14	13
Aircraft Completed	6	8	7	6	11	9	8	8
INDEX	0.32	0.38	0.39	0.50	0.65	0.33	0.57	0.62
Components Scheduled	2,296	2,748	3,579	4,084	4,284	3,820	3,845	3,750
Components Completed	2,202	2,364	3,184	3,508	3,772	3,445	3,419	3,123
INDEX	0.96	0.86	0.89	0.86	0.88	0.90	0.89	0.83
Engines Scheduled	50	50	43	35	27	23	18	15
Engines Completed	40	41	34	34	23	16	14	8
INDEX	0.80	0.82	0.79	0.97	0.85	0.70	0.78	0.53

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	230	261	262	269	258	376	332	233
Aircraft Actual	281	274	297	284	273	388	366	245
VARIANCE	51	13	35	15	15	12	34	12
Components Planned	30	30	27	25	25	25	25	24
Components Actual	44	39	37	41	46	51	50	49
VARIANCE	14	9	10	16	21	26	25	25
Engines Planned	45	46	47	47	69	69	69	69
Engines Actual	63	65	91	81	93	89	95	93
VARIANCE	18	19	44	34	24	20	26	24

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	69,785,000	145,691,000	224,046,000	302,401,000	76,000,000	141,037,000	218,472,000	322,185,000
Cum Budg Cost ($)	65,117,000	135,947,000	209,061,000	282,175,000	82,634,000	161,817,000	246,862,000	328,715,000
Budgeted NOR INDEX	1.07	1.07	1.07	1.07	0.92	0.87	0.88	0.98
Cum Actual Revenue ($)	142,279,930	200,750,607	278,061,707	358,207,892	67,412,008	145,250,197	246,195,042	306,949,158
Cum Actual Cost ($)	82,888,620	169,436,422	259,273,989	349,347,549	79,374,182	168,275,525	253,100,209	350,565,038
Actual NOR INDEX	1.72	1.18	1.07	1.03	0.85	0.86	0.97	0.88
NOR INDEX	1.60	1.11	1.00	0.96	0.92	0.99	1.10	0.89

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	65,117,000	135,947,000	209,061,000	282,175,000	82,634,000	161,817,000	246,862,000	328,715,000
Budgeted Total DLH	808,000	1,686,000	2,594,000	3,501,000	883,000	1,622,000	2,470,000	3,205,000
Bud Labor Hour Cost	80.59	80.63	80.59	80.60	93.58	99.76	99.94	102.56
Total Actual Cost ($)	82,888,620	169,436,422	259,273,989	349,347,549	79,374,182	168,275,525	253,100,209	350,565,038
Actual Total DLH	929,394	1,885,888	2,855,144	3,808,726	798,846	1,663,128	2,582,939	3,560,266
Actual Labor Hour Cost	89.19	89.84	90.81	91.72	99.36	101.18	97.99	98.47
Labor Hour Cost INDEX	1.11	1.11	1.13	1.14	1.06	1.01	0.98	0.96

NAVAL SHIPYARDS

LONG BEACH NAVAL SHIPYARD
LONG BEACH, CA

MAJOR WORKLOAD ACCOMPLISHED:

Surface ship overhaul, alteration and repair.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2955
Military:	33

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$327,980,000

Long Beach Naval Shipyard completed 5 ships in FY94. Three were completed on time and two were completed late for a total of 15 days late for the FY. The late completions were due to new work and material delays.

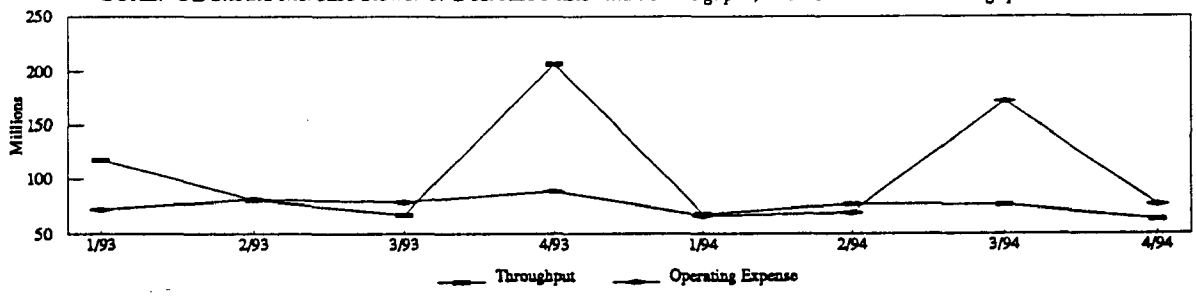
Operating expenses exceeded Throughput due to an unplanned reduction in workload. The shipyard budgeted for 3,781,044 direct labor manhours of workload and only executed 3,475,343 manhours. This loss of workload caused labor costs to exceed the budgeted rate by about 8% and actual NOR to exceed the budgeted NOR by 7%.

Naval shipyard workloads are generally being reduced across the board due to reductions in force structure.

LONG BEACH NAVAL SHIPYARD

THROUGHPUT & OPERATING EXPENSE

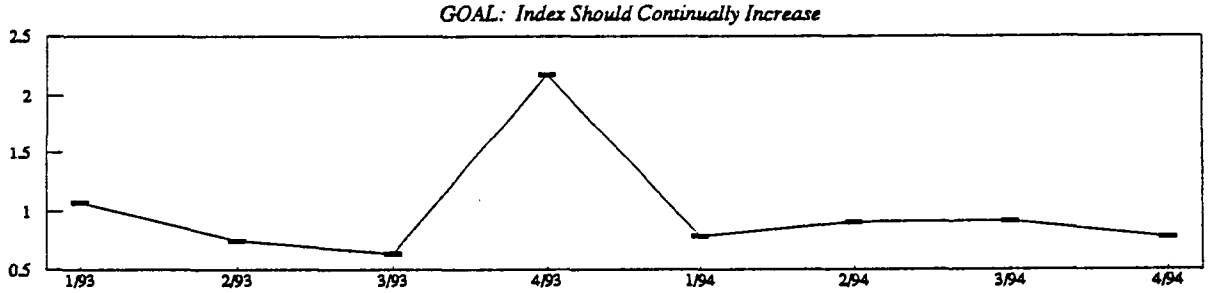
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Shipyard operating expeenses exceeded Throughput slightly due to the unplanned loss in workload for the year.

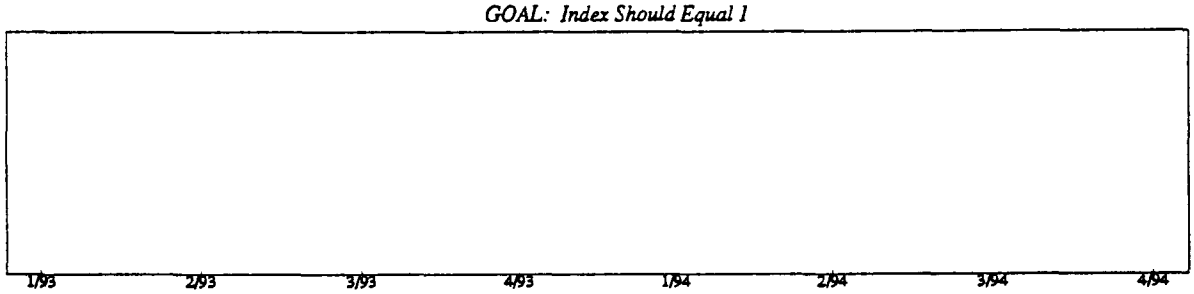
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

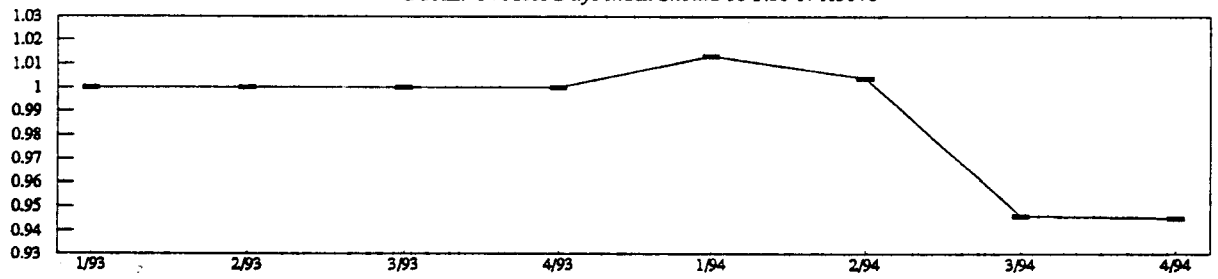


NAVSEA does not report on this indicator.

LONG BEACH NAVAL SHIPYARD

PROCESS DAYS

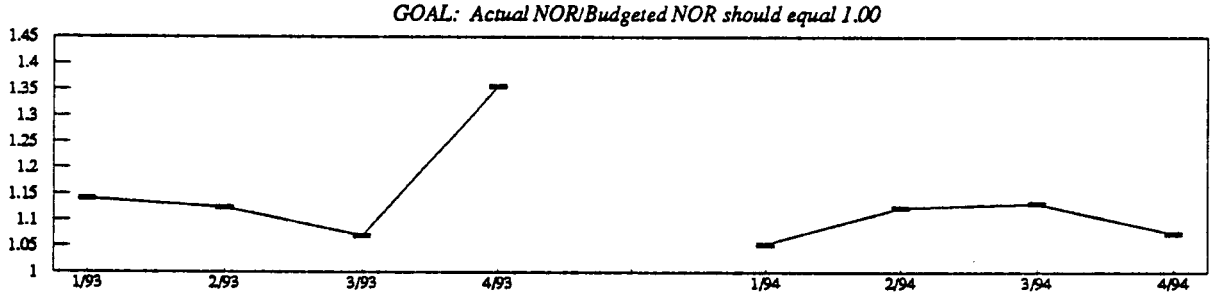
GOAL: Process Days Index Should be 1.00 or Above



The 3rd and 4th Qtr FY94 index is attributable to three ships which were completed slightly late due to new work and material delays.

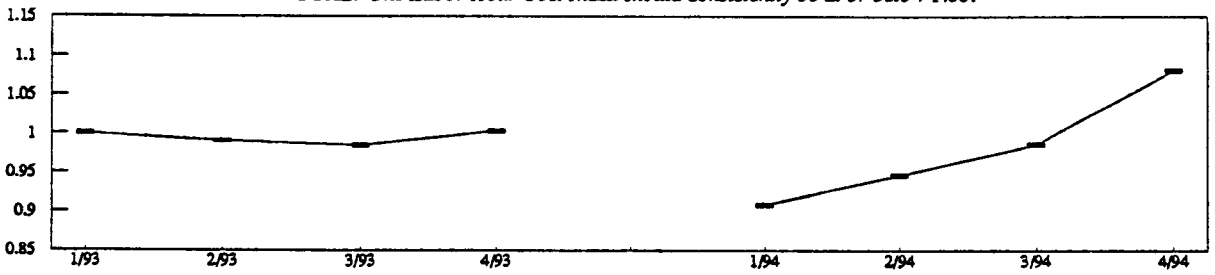
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



LONG BEACH NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	124,583,857	89,155,324	75,511,819	213,345,000	72,196,000	83,418,000	82,336,000	69,796,000
Total Cost ($)	79,193,092	89,670,861	86,941,047	95,337,000	70,596,000	76,053,000	177,973,000	82,450,000
Direct Materials ($)	6,312,334	7,936,631	7,833,035	6,531,000	3,937,000	6,373,000	6,075,000	6,080,000
Throughput ($)	118,271,523	81,218,693	67,678,784	206,814,000	68,259,000	77,045,000	76,261,000	63,716,000
Operating Expense ($)	72,880,758	81,734,230	79,108,012	88,806,000	66,659,000	69,680,000	171,898,000	76,370,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	118,271,523	81,218,693	67,678,784	206,814,000	68,259,000	77,045,000	76,261,000	63,716,000
Longterm Inventory ($)	109,763,853	109,248,725	106,751,062	94,876,000	87,495,000	84,793,000	82,977,000	82,525,000
INDEX	1.08	0.74	0.63	2.18	0.78	0.91	0.92	0.77

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	676	396	109	457	540	256	475	242
Actual Flow Days	676	396	109	457	533	255	502	256
INDEX	1.00	1.00	1.00	1.00	1.01	1.00	0.95	0.95

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	117,549,000	182,920,000	257,381,000	344,745,000	80,001,000	154,440,000	225,259,000	288,202,000
Cum Budg Cost ($)	85,278,000	162,443,000	243,336,000	326,532,000	82,393,000	163,600,000	240,760,000	308,842,000
Budgeted NOR INDEX	1.38	1.13	1.06	1.06	0.97	0.94	0.94	0.93
Cum Actual Revenue ($)	124,583,857	213,739,181	289,251,000	502,596,000	72,196,000	155,614,000	237,950,000	307,746,000
Cum Actual Cost ($)	79,193,092	168,863,953	255,805,000	351,142,000	70,596,446	146,649,000	224,622,000	307,072,000
Actual NOR INDEX	1.57	1.27	1.13	1.43	1.02	1.06	1.06	1.00
NOR INDEX	1.14	1.12	1.07	1.36	1.05	1.12	1.13	1.07

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	85,278,000	162,443,000	243,336,000	326,532,000	82,393,000	163,600,000	240,760,000	308,842,000
Budgeted Total DLH	1,311,936	2,304,776	3,373,776	4,436,520	918,680	1,792,180	2,756,041	3,781,044
Bud Labor Hour Cost	$65.00	$70.48	$72.13	$73.60	$89.69	$91.29	$87.36	$81.68
Total Actual Cost ($)	79,193,092	168,863,953	255,805,000	351,142,000	70,596,000	146,649,000	224,622,000	307,072,000
Actual Total DLH	1,218,067	2,418,292	3,599,997	4,752,007	866,538	1,696,494	2,605,941	3,475,343
Actual Labor Hour Cost	$65.02	$69.83	$71.06	$73.89	$81.47	$86.44	$86.20	$88.36
Labor Hour Cost INDEX	1.00	0.99	0.99	1.00	0.91	0.95	0.99	1.08

NORFOLK NAVAL SHIPYARD
PORTSMOUTH, VA

MAJOR WORKLOAD ACCOMPLISHED:

Overhaul, repair, alteration and inactivation of submarines, surface ships, and aircraft carriers and reactor compartment disposal and hull recycling.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	7563
Military:	108

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$656,660,000

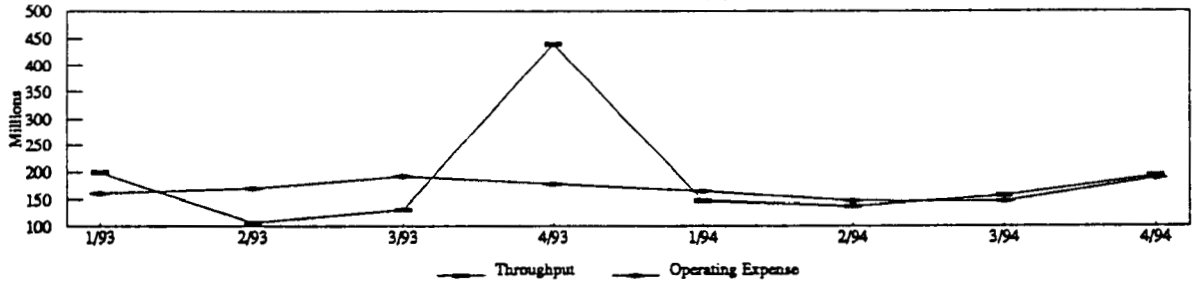
The shipyard completed 11 depot maintenance availabilities for the Fleet during FY94. The 3rd Qtr completions were slightly ahead of schedule and the 4th Qtr ships were slightly behind schedule. The two 4th Qtr ships were late by a total of 33 days due to new work directed by the customer.

Throughput exceeded operating expenses slightly. The shipyard executed less direct labor manhours of workload than budgeted, causing an increase in the hourly rate for the year.

NORFOLK NAVAL SHIPYARD

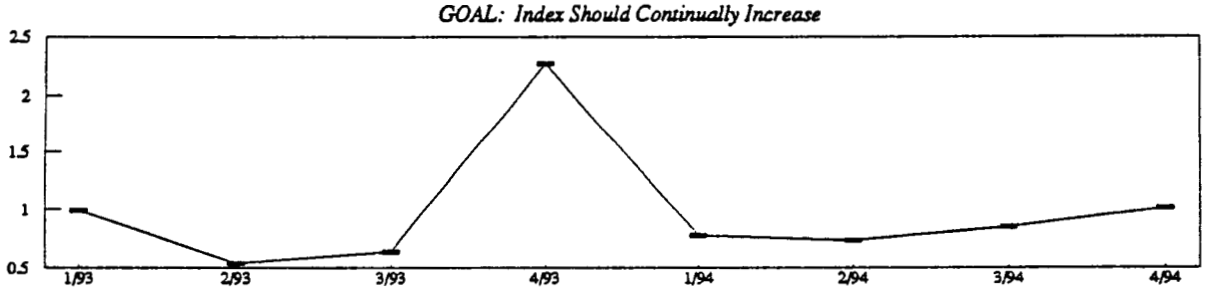
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



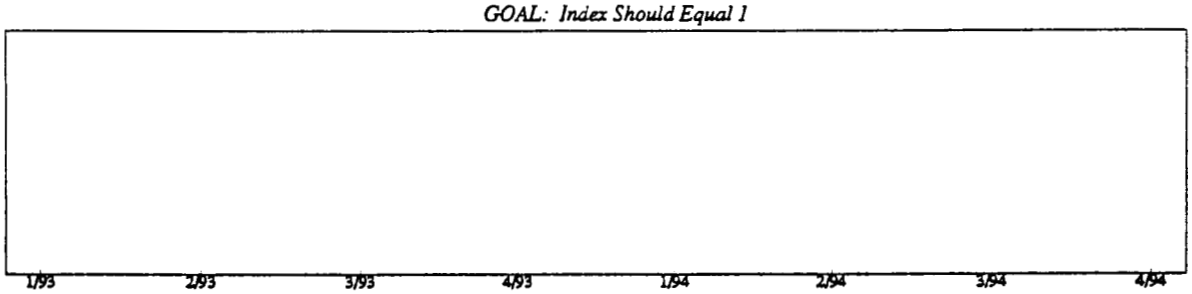
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

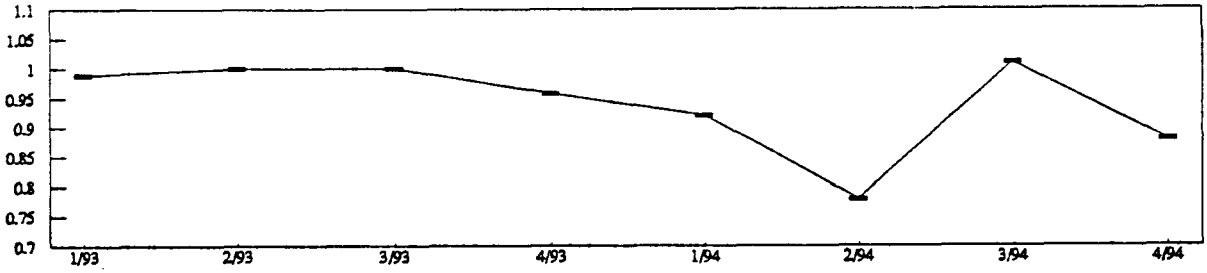


NAVSEA does not report this indicator.

NORFOLK NAVAL SHIPYARD

PROCESS DAYS

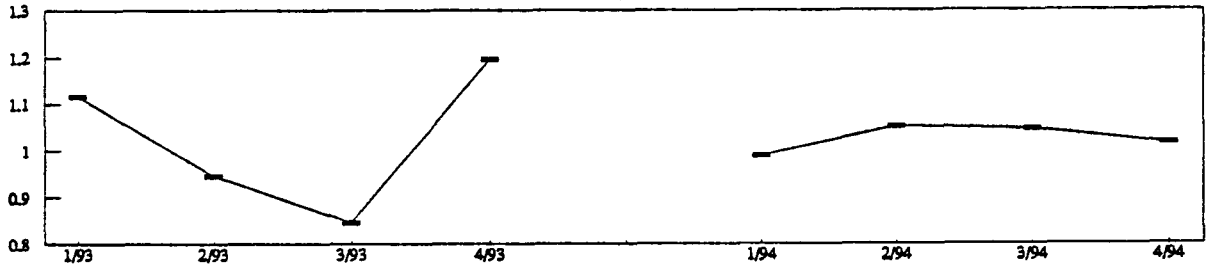
GOAL: Process Days Index Should be 1.00 or Above



The 3rd Qtr FY94 completions have been adjusted for subsequent schedule extensions. The 4th Qtr FY94 index is attributable to new work on two ships.

NET OPERATING RESULTS

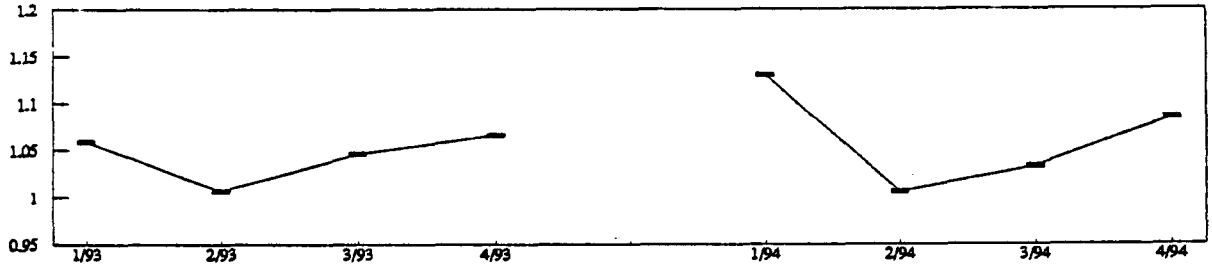
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The actual NOR index exceeded the budgeted NOR index slightly due to the loss of workload.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The actual labor costs exceeded the budgeted labor hour costs by 8% due to the unplanned loss of workload and delayed RIF approval during FY94.

NORFOLK NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	215,947,510	123,623,025	147,184,465	455,881,000	164,183,000	146,384,000	170,792,000	212,957,000
Total Cost ($)	177,566,217	187,707,348	208,834,435	194,713,000	181,711,000	156,291,000	160,091,000	208,749,000
Direct Materials ($)	16,421,623	16,898,566	15,948,811	15,874,000	16,345,000	8,967,000	13,484,000	19,542,000
Throughput ($)	199,525,887	106,724,459	131,235,654	440,007,000	147,838,000	137,417,000	157,308,000	193,415,000
Operating Expense ($)	161,144,594	170,808,782	192,885,624	178,839,000	165,366,000	147,324,000	146,607,000	189,207,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	199,525,887	106,724,459	131,235,654	440,007,000	147,838,000	137,417,000	157,308,000	193,415,000
Longterm Inventory ($)	201,445,994	196,714,592	204,012,000	193,935,000	190,975,000	187,651,000	185,962,000	191,317,000
INDEX	0.99	0.54	0.64	2.27	0.77	0.73	0.85	1.01

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	434	454	364	480	624	1338	313	240
Actual Flow Days	439	454	364	501	678	1717	310	273
INDEX	0.99	1.00	1.00	0.96	0.92	0.78	1.01	0.88

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	170,090,000	318,634,000	485,593,000	652,553,000	139,840,000	272,659,000	450,618,000	634,437,000
Cum Budg Cost ($)	156,264,000	324,322,000	484,747,000	637,588,000	153,122,000	312,661,000	488,293,000	656,660,000
Budgeted NOR INDEX	1.09	0.98	1.00	1.02	0.91	0.87	0.92	0.97
Cum Actual Revenue ($)	215,947,510	339,570,535	486,755,000	942,636,000	164,183,000	310,567,000	481,359,000	694,316,000
Cum Actual Cost ($)	177,566,217	365,273,565	574,108,000	768,821,000	181,711,000	338,002,000	498,093,000	706,842,000
Actual NOR INDEX	1.22	0.93	0.85	1.23	0.90	0.92	0.97	0.98
NOR INDEX	1.12	0.95	0.85	1.20	0.99	1.05	1.05	1.02

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	156,264,000	324,322,000	483,987,000	637,588,000	153,122,000	312,661,000	488,293,000	656,660,000
Budgeted Total DLH	3,003,832	5,550,976	8,332,000	10,897,864	2,371,721	4,626,801	7,115,164	9,759,050
Bud Labor Hour Cost	$52.02	$58.43	$58.09	$58.51	$64.56	$67.58	$68.63	$67.29
Total Actual Cost ($)	177,566,217	365,273,565	574,108,000	768,821,000	181,711,000	338,002,000	498,093,000	706,842,000
Actual Total DLH	3,223,063	6,207,238	9,447,690	12,324,121	2,490,207	4,973,143	7,026,541	9,684,280
Actual Labor Hour Cost	$55.09	$58.85	$60.77	$62.38	$72.97	$67.97	$70.89	$72.99
Labor Hour Cost INDEX	1.06	1.01	1.05	1.07	1.13	1.01	1.03	1.08

PEARL HARBOR NAVAL SHIPYARD
PEARL HARBOR, HA

MAJOR WORKLOAD ACCOMPLISHED:

Submarine and surface ship overhaul, alteration and repair.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	4255
Military:	50

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$214,775,392

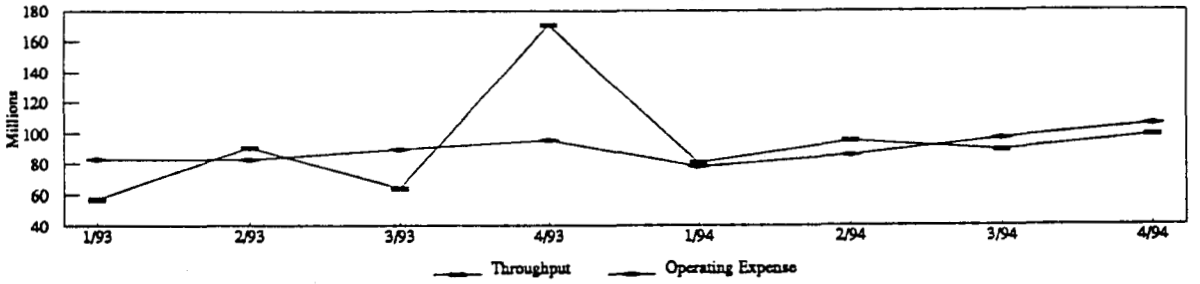
The shipyard completed 8 ships during FY 94, with the four 4th Qtr ships finishing slightly ahead of schedule.

Operating expenses exceeded Throughput by approximately $7M due to a reduction in workload during FY 94. The shipyard budgeted for 4,033,586 direct labor manhours of worklaod and only executed 3,846,825 direct labor hours which adversely impacted both the labor hour cost and net operating results.

PEARL HARBOR NAVAL SHIPYARD

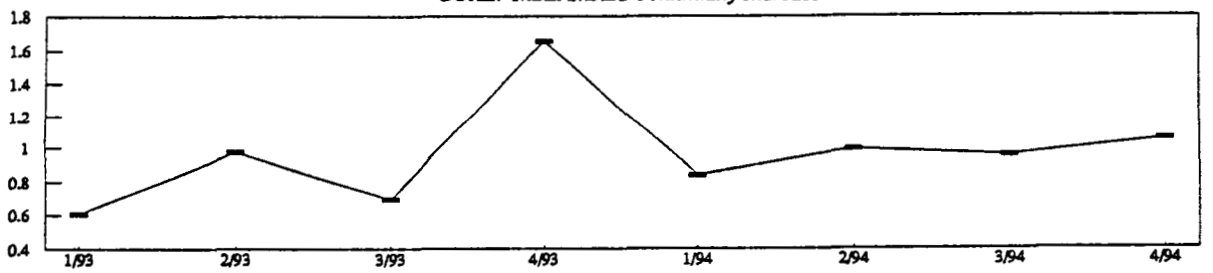
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



CAPITAL INVESTMENT EFFECTIVENESS

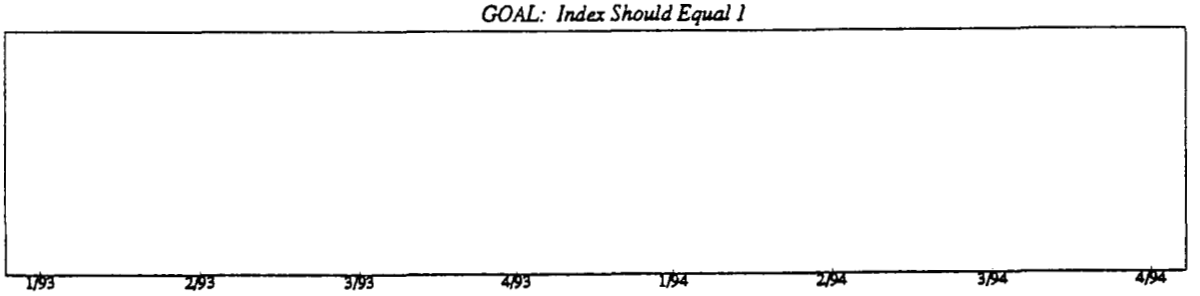
GOAL: Index Should Continually Increase



Operating expenses exceeded Throughput by approximately $7M due to a reduction in FY94 workload directed by the customers.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

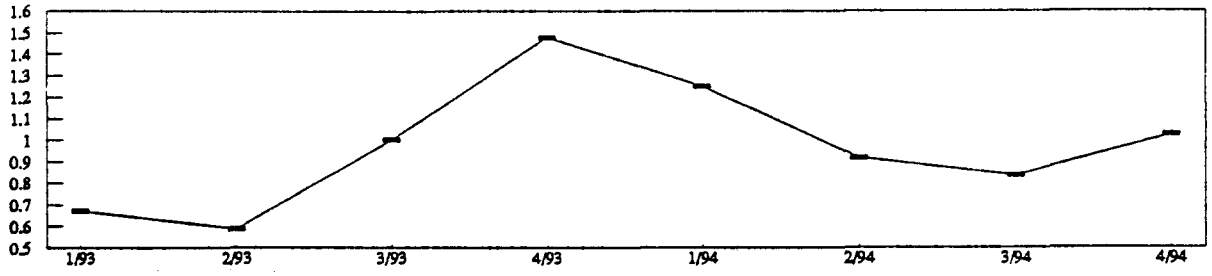


NAVSEA does not report this indicator.

PEARL HARBOR NAVAL SHIPYARD

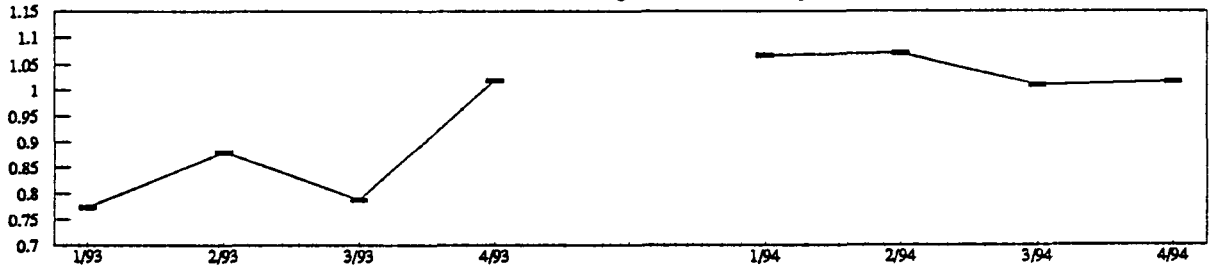
PROCESS DAYS

GOAL: Process Days Index Should be 1.00 or Above



NET OPERATING RESULTS

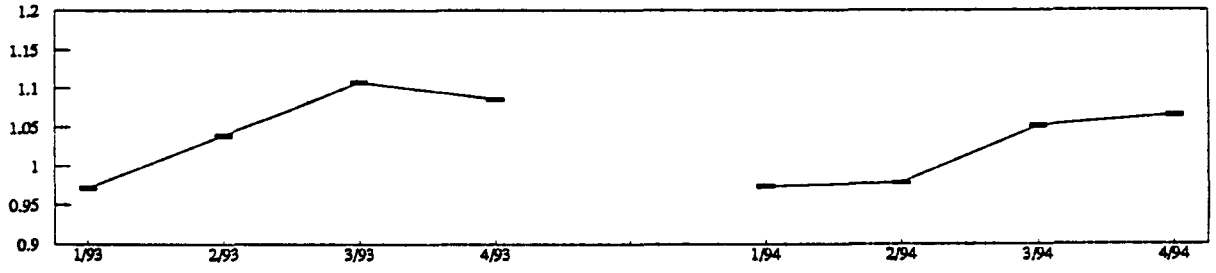
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Actual costs exceeded revenues by 1% due to a loss of workload.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Actual labor costs exceeded the budgeted rate by 7% due to the unanticipated loss of workload.

PEARL HARBOR NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	63,772,934	95,660,745	71,191,321	176,842,000	85,394,000	98,995,000	94,776,000	104,921,000
Total Cost ($)	89,545,166	87,706,703	96,584,131	101,597,000	82,719,000	89,508,000	102,643,000	111,916,000
Direct Materials ($)	6,686,324	5,223,005	7,285,671	6,139,000	4,951,000	4,131,000	6,096,000	6,516,000
Throughput ($)	57,086,610	90,437,740	63,905,650	170,703,000	80,443,000	94,864,000	88,680,000	98,405,000
Operating Expense ($)	82,858,842	82,483,698	89,298,460	95,458,000	77,768,000	85,377,000	96,547,000	105,400,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	57,086,610	90,437,740	63,905,650	170,703,000	80,443,000	94,864,000	88,680,000	98,405,000
Longterm Inventory ($)	93,868,625	92,666,174	91,931,982	102,987,932	95,594,000	95,548,000	93,081,000	93,055,000
INDEX	0.61	0.98	0.70	1.66	0.84	0.99	0.95	1.06

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	61	405	697	544	334	412	381	1038
Actual Flow Days	91	688	697	368	267	448	456	1013
INDEX	0.67	0.59	1.00	1.48	1.25	0.92	0.84	1.02

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	76,442,000	176,159,000	286,411,000	389,407,000	88,293,000	182,975,000	279,193,000	371,504,000
Cum Budg Cost ($)	83,114,000	172,209,000	268,131,000	365,685,000	91,290,000	183,116,000	277,423,000	380,292,000
Budgeted NOR INDEX	0.92	1.02	1.07	1.06	0.97	1.00	1.01	0.98
Cum Actual Revenue ($)	63,772,934	159,453,679	230,645,000	407,487,000	85,394,000	184,389,000	279,165,000	384,086,000
Cum Actual Cost ($)	89,545,166	177,251,869	273,836,000	375,433,000	82,719,000	172,227,000	274,870,000	386,786,000
Actual NOR INDEX	0.71	0.90	0.84	1.09	1.03	1.07	1.02	0.99
NOR INDEX	0.77	0.88	0.79	1.02	1.07	1.07	1.01	1.02

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	83,114,000	172,209,000	268,131,000	365,685,000	91,290,000	183,116,000	277,423,000	380,292,000
Budgeted Total DLH	980,920	2,181,192	3,599,048	4,858,712	980,274	1,912,338	2,940,822	4,033,586
Bud Labor Hour Cost	$84.73	$78.95	$74.50	$75.26	$93.13	$95.76	$94.34	$94.28
Total Actual Cost ($)-	89,545,166	177,251,869	273,836,000	375,433,000	82,719,000	172,227,000	274,870,000	386,786,000
Actual Total DLH	1,087,232	2,159,011	3,318,304	4,591,070	911,695	1,837,009	2,769,594	3,846,825
Actual Labor Hour Cost	$82.36	$82.10	$82.52	$81.77	$90.73	$93.75	$99.25	$100.55
Labor Hour Cost INDEX	0.97	1.04	1.11	1.09	0.97	0.98	1.05	1.07

PORTSMOUTH NAVAL SHIPYARD
PORTSMOUTH, NH

MAJOR WORKLOAD ACCOMPLISHED:

Overhaul, repair and alteration of submarines

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	4220
Military:	106

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$345,675,000

The shipyard completed a Depot Maintenance Period (DMP) on the USS Pittsburgh (SSN 720) during FY94. The ship completed 5.5 months late due to unplanned growth in the work package.

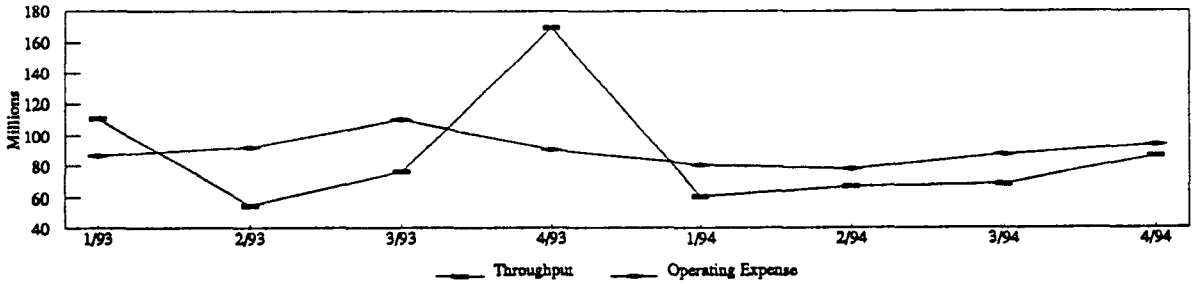
In FY94, the shipyard budgeted for 4,955,240 direct labor manhours of workload and executed only 4,211,204 manhours due to workload reductions by the Fleet. This condition adversely impacted both labor costs and net operating results.

Portsmouth Naval Shipyard also experienced increased operating expenses due to a delay in RIF approval.

PORTSMOUTH NAVAL SHIPYARD

THROUGHPUT & OPERATING EXPENSE

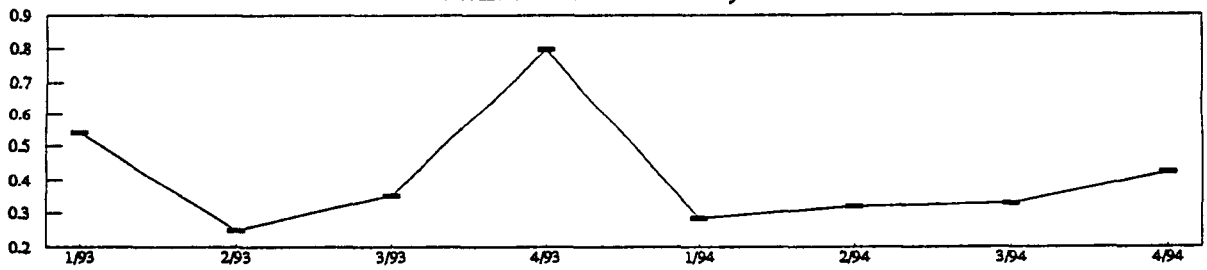
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Operating Expenses exceed Throughput due to unexpected workload reductions.

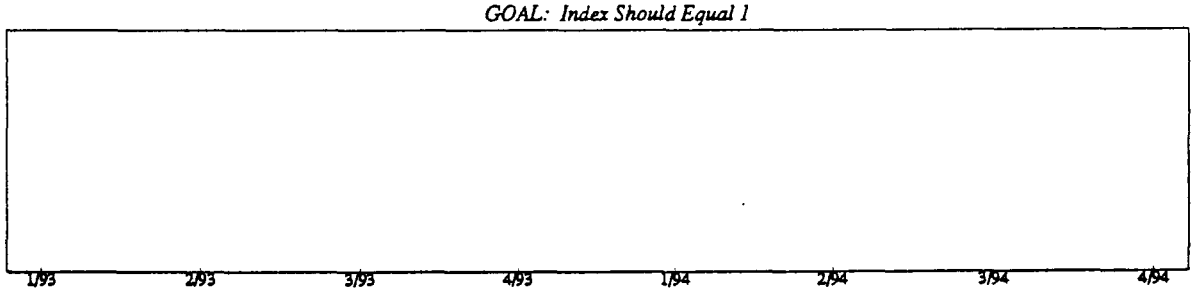
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

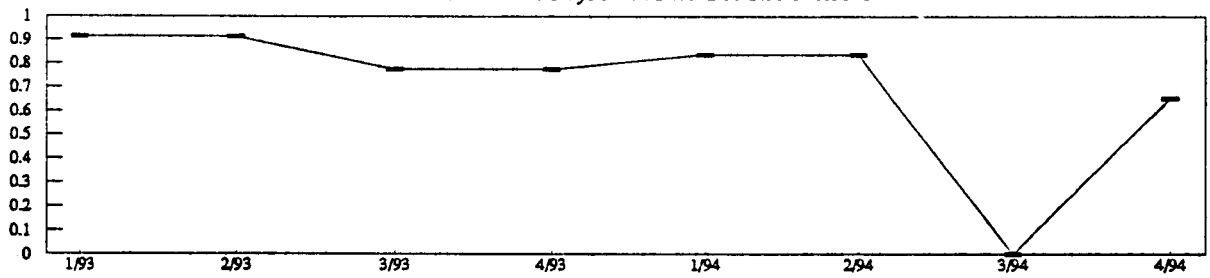


NAVSEA does not report this indicator.

PORTSMOUTH NAVAL SHIPYARD

PROCESS DAYS

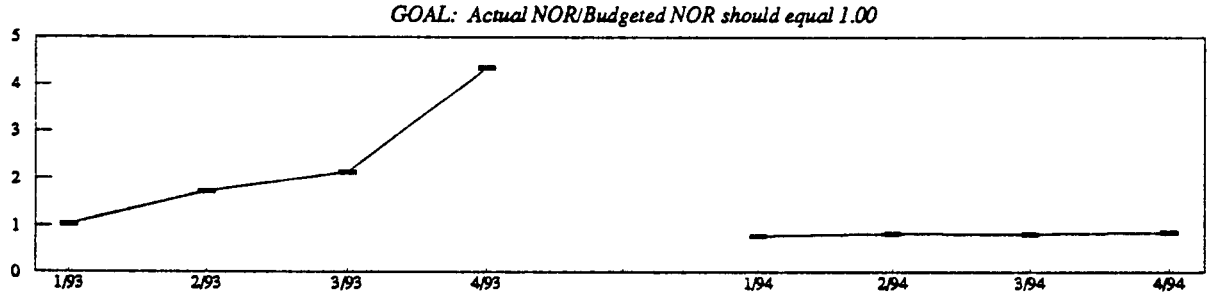
GOAL: Process Days Index Should be 1.00 or Above



No ships were scheduled or completed during the 3rd Qtr FY94. The 4th Qtr FY94 index is due to growth and new work on the USS Pittsburgh DMP.

NET OPERATING RESULTS

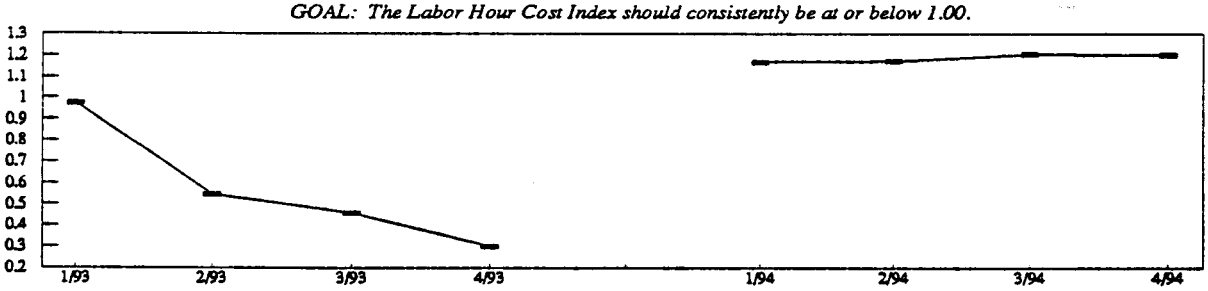
GOAL: Actual NOR/Budgeted NOR should equal 1.00



FY94 NOR reflects an unplanned workload reduction.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The unplanned workload reduction, coupled with a delay in RIF approval adversely impacted shipyard labor costs for FY94.

PORTSMOUTH NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	115,299,851	60,277,568	80,946,581	173,093,000	63,920,000	69,540,000	71,984,000	91,504,000
Total Cost ($)	91,172,121	97,309,549	115,107,330	94,355,000	83,844,000	80,564,000	91,202,000	98,991,000
Direct Materials ($)	4,378,389	5,244,520	4,856,091	3,710,000	3,313,000	2,736,000	3,755,000	5,185,000
Throughput ($)	110,921,462	55,033,048	76,090,490	169,383,000	60,607,000	66,804,000	68,229,000	86,319,000
Operating Expense ($)	86,793,732	92,065,029	110,251,239	90,645,000	80,531,000	77,828,000	87,447,000	93,806,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	110,921,462	55,033,048	76,090,490	169,383,000	60,607,000	66,804,000	68,229,000	86,319,000
Longterm Inventory ($)	205,482,999	219,979,619	215,830,937	212,531,000	213,625,570	209,272,631	207,146,000	203,477,000
INDEX	0.54	0.25	0.35	0.80	0.28	0.32	0.33	0.42

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	764	764	913	913	426	426	0	316
Actual Flow Days	837	837	1180	1180	509	509	0	483
INDEX	0.91	0.91	0.77	0.77	0.84	0.84	0.00	0.65

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	106,090,000	182,080,000	268,753,000	357,626,000	81,838,000	159,652,000	245,515,000	336,745,000
Cum Budg Cost ($)	86,836,000	172,852,000	257,147,000	341,187,000	84,054,000	163,974,000	252,162,000	345,862,000
Budgeted NOR INDEX	1.22	1.05	1.05	1.05	0.97	0.97	0.97	0.97
Cum Actual Revenue ($)	115,299,851	175,577,419	256,524,000	429,617,000	63,920,000	133,460,000	205,444,000	296,948,000
Cum Actual Cost ($)	91,172,121	97,309,549	115,107,330	94,355,000	83,844,000	164,408,000	255,610,000	354,601,000
Actual NOR INDEX	1.26	1.80	2.23	4.55	0.76	0.81	0.80	0.84
NOR INDEX	1.04	1.71	2.13	4.34	0.78	0.83	0.83	0.86

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	86,836,000	172,852,000	257,147,000	341,187,000	84,054,000	163,974,000	252,162,000	345,862,000
Budgeted Total DLH	1,320,144	2,740,832	4,198,120	5,810,152	1,204,262	2,349,297	3,612,785	4,955,240
Bud Labor Hour Cost	$65.78	$63.07	$61.25	$58.72	$69.80	$69.80	$69.80	$69.80
Total Actual Cost ($)	91,172,121	97,309,549	115,107,330	94,355,000	83,844,000	164,408,000	255,610,000	354,601,000
Actual Total DLH	1,421,790	2,820,282	4,099,591	5,349,280	1,023,324	2,000,175	3,030,681	4,211,204
Actual Labor Hour Cost	$64.12	$34.50	$28.08	$17.64	$81.93	$82.20	$84.34	$84.20
Labor Hour Cost INDEX	0.97	0.55	0.46	0.30	1.17	1.18	1.21	1.21

PUGET SOUND NAVAL SHIPYARD
BREMERTON, WA

MAJOR WORKLOAD ACCOMPLISHED:

Overhaul, alteration, inactivation and repair of submarines, aircraft carriers and surface ships, reactor compartment disposal and hull recycling

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	10593
Military:	78

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$797,232,000

Puget Sound Naval Shipyard executed 12,254,515 direct labor manhours to complete 8 major availabilities during FY 94. The shipyard was budgeted for 13,481,544 manhours, which is a 1,227,029 manhours loss in workload for the fiscal year.

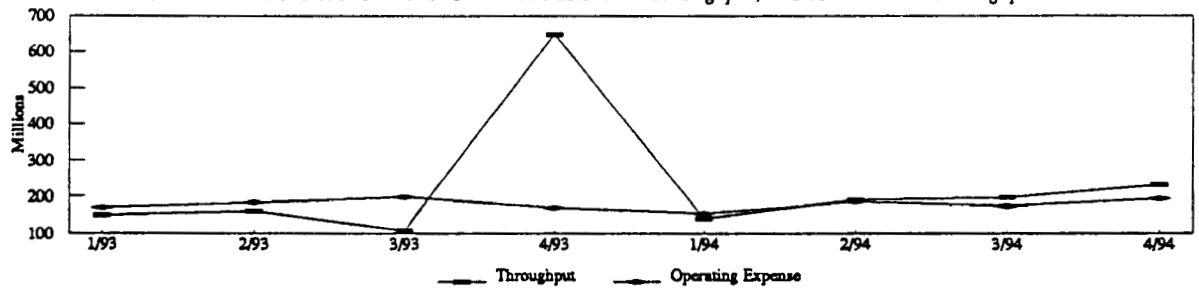
The shipyard completed virtually all ships on or ahead of schedule with 2 ships completed early, 4 ships completed on time and 2 ships late for a total of 38 days early for the FY.

Shipyard Throughput exceeded operating expenses by a comfortable margin of $39M and revenues exceeded cost by 7%. Labor costs exceeded the budgeted rate due to the loss of workload.

PUGET SOUND NAVAL SHIPYARD

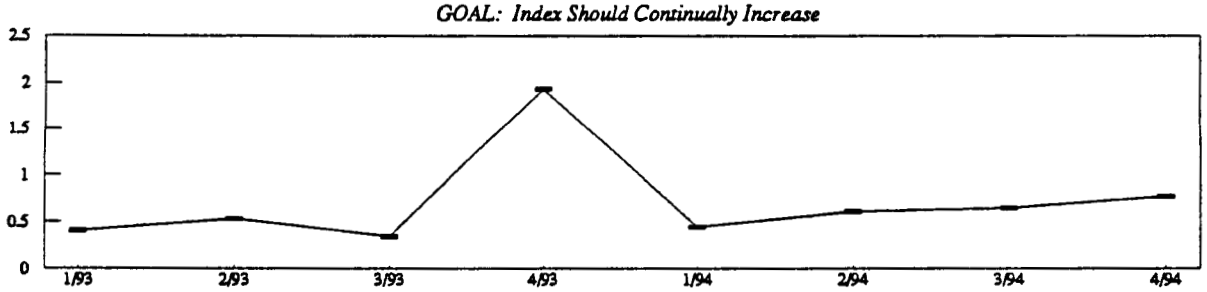
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



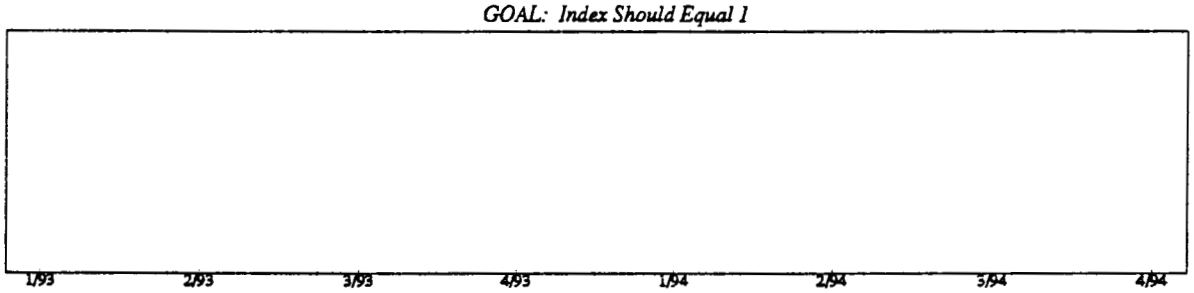
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

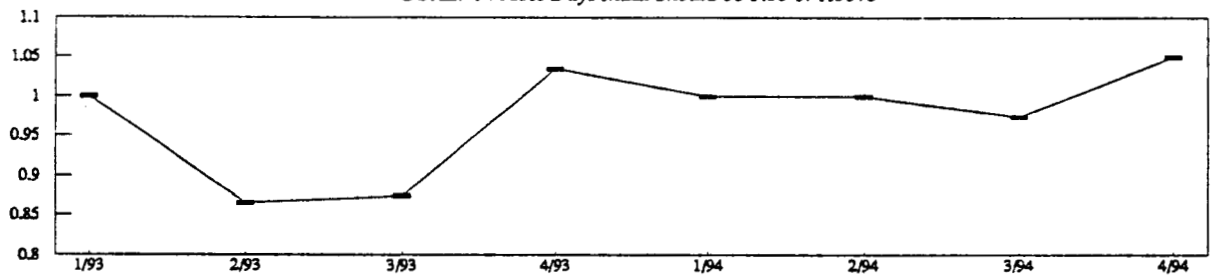


NAVSEA does not report this indicator.

PUGET SOUND NAVAL SHIPYARD

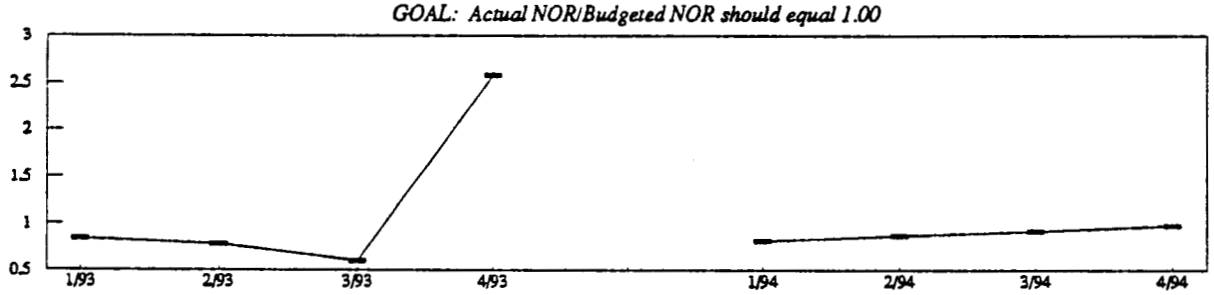
PROCESS DAYS

GOAL: Process Days Index Should be 1.00 or Above



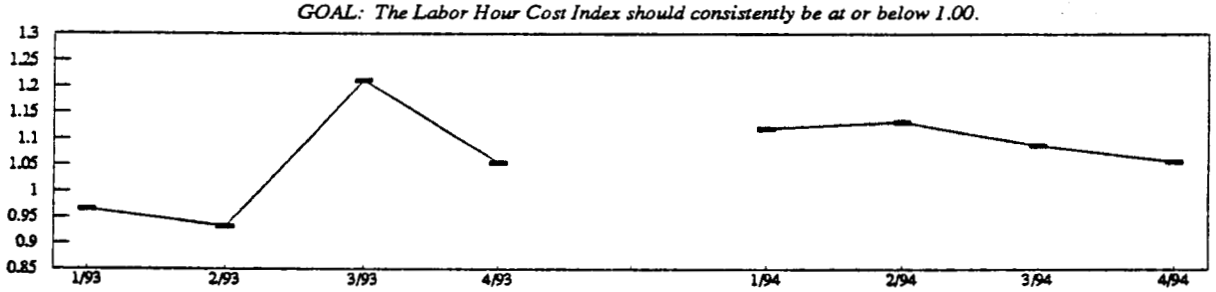
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Actual labor costs exceeded the budgeted hourly rate due to a 1.2M manhour loss of workload.

PUGET SOUND NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	168,461,134	176,446,064	118,641,802	665,554,000	156,112,000	200,121,000	212,545,000	250,114,000
Total Cost ($)	189,405,099	199,642,356	208,844,667	185,585,878	170,638,000	194,240,000	189,599,000	211,100,000
Direct Materials ($)	19,326,355	16,036,120	10,765,525	16,030,000	16,370,000	9,338,000	16,256,000	17,279,000
Throughput ($)	149,134,779	160,409,944	107,876,277	649,524,000	139,742,000	190,783,000	196,289,000	232,835,000
Operating Expense ($)	170,078,744	183,606,236	198,079,142	169,555,878	154,268,000	184,902,000	173,343,000	193,821,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	149,134,779	160,409,944	107,876,277	649,524,000	139,742,000	190,783,000	196,289,000	232,835,000
Longterm Inventory ($)	369,284,482	300,567,629	313,006,049	335,543,049	315,257,000	312,213,000	302,991,000	301,185,000
INDEX	0.40	0.53	0.34	1.94	0.44	0.61	0.65	0.77

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	181	1835	1270	720	256	1019	1632	1742
Actual Flow Days	181	2121	1453	696	256	1019	1676	1660
INDEX	1.00	0.87	0.87	1.03	1.00	1.00	0.97	1.05

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	197,216,000	191,673,000	158,497,000	245,715,000	198,236,000	424,060,000	652,465,000	872,514,000
Cum Budg Cost ($)	186,187,000	169,138,000	167,305,000	176,841,000	176,000,000	377,747,000	583,117,000	797,232,000
Budgeted NOR INDEX	1.06	1.13	0.95	1.39	1.13	1.12	1.12	1.09
Cum Actual Revenue ($)	168,481,134	176,445,064	118,641,802	665,554,000	156,112,000	356,233,000	568,778,000	818,892,000
Cum Actual Cost ($)	189,405,099	199,642,356	208,844,667	185,585,878	170,638,000	364,878,000	554,477,000	765,577,000
Actual NOR INDEX	0.89	0.88	0.57	3.59	0.91	0.98	1.03	1.07
NOR INDEX	0.84	0.78	0.60	2.58	0.81	0.87	0.92	0.98

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	186,187,000	169,138,000	167,305,000	176,841,000	176,000,000	377,747,000	583,117,000	797,232,000
Budgeted Total DLH	3,264,663	2,969,079	2,946,071	3,075,011	3,123,916	6,710,052	10,229,924	13,481,544
Bud Labor Hour Cost	$57.03	$56.97	$56.79	$57.51	$56.34	$56.30	$57.00	$59.14
Total Actual Cost ($)	189,405,099	199,642,356	208,844,667	185,585,878	170,638,000	364,878,000	554,477,000	765,577,000
Actual Total DLH	3,440,751	3,761,667	3,035,339	3,059,561	2,701,766	5,719,435	8,943,809	12,254,515
Actual Labor Hour Cost	$55.05	$53.07	$68.80	$60.66	$63.16	$63.80	$62.00	$62.47
Labor Hour Cost INDEX	0.97	0.93	1.21	1.05	1.12	1.13	1.09	1.06

AIR FORCE AIR LOGISTICS CENTERS AND SPECIALIZED CENTERS

AEROSPACE GUIDANCE AND METROLOGY CENTER
NEWARK AFB, OH

MAJOR WORKLOAD ACCOMPLISHED:

Minuteman III MGS	Peacekeeper MGCS	B-1B INU	F-15 IMU	F-16 INU
F-117 IMU	KC-135 INU	PADs IMU	DMINS IMU	TMDE
Carousel IMU	SPN-GEANS IMU	ESGN IMU	Displacement Gyro	

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	828
Military:	5

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

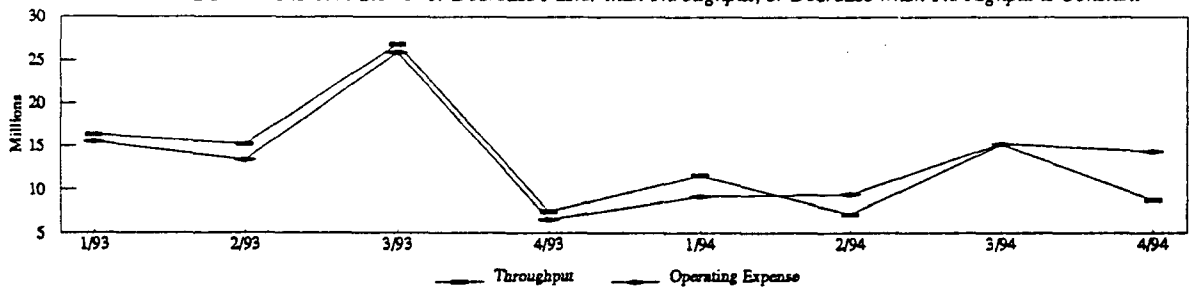
$81,600,000

Aerospace Guidance and Metrology Center 3rd and 4th quarter operations indicators were adversely affected by higher than anticipated Reparable Support Division (RSD) material costs and a planned FY94 budgeted loss of $7.5 million. Our Direct Product Labor Hours (DPAH) were also less than budgeted due to decreased customer requirements in the following workloads: LN-39, Carousel, CN1375, 7901A, PADS, and software development. These three factors have reduced our revenue, increased total cost, affected our schedule indicator and increased our labor hour costs.

AEROSPACE GUIDANCE AND METROLOGY CENTER

THROUGHPUT & OPERATING EXPENSE

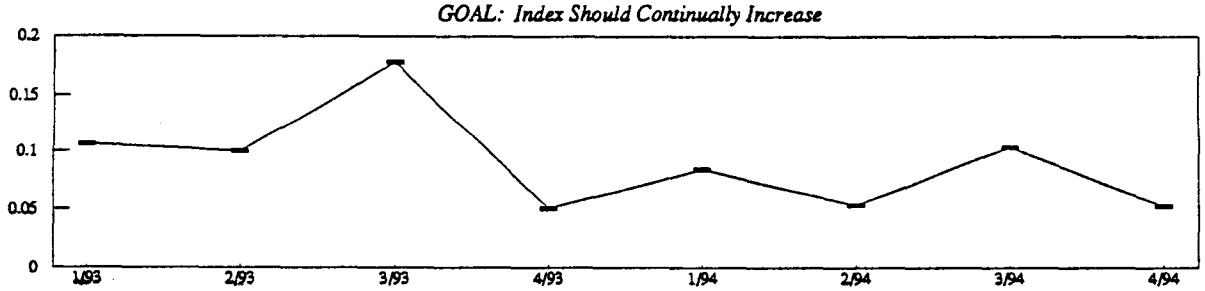
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



A decrease in 3rd & 4th quarter customer requirements, causing reduced revenue, coupled with increased material and RSD charges has resulted in decreased throughput and an increase in our operating expenses.

CAPITAL INVESTMENT EFFECTIVENESS

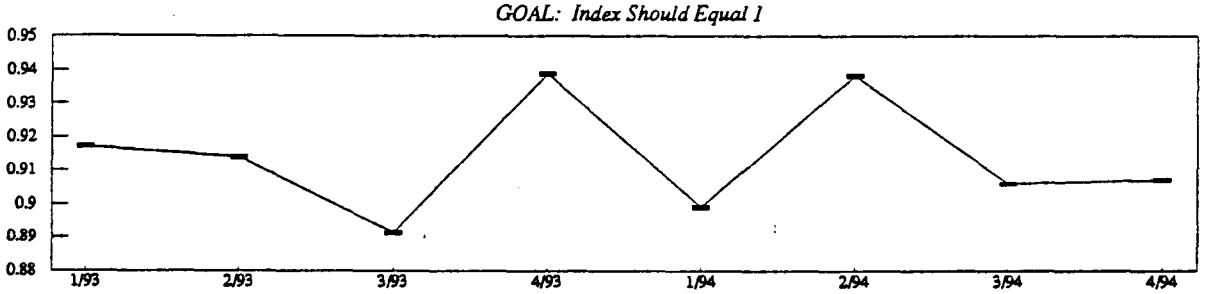
GOAL: Index Should Continually Increase



An increase of $20 million in funded/unfunded equipment has increased our long term inventory value. This increase was driven by the purchase of 11 Automatic Depot Inertial Navigation Test Stations (ADINTS) in support of the B-1B, F-16, and Advanced Cruise Missile (ACM) workloads. The reduction in throughput and this increase in long term inventory value has resulted in a decrease in our capital investment effectiveness.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

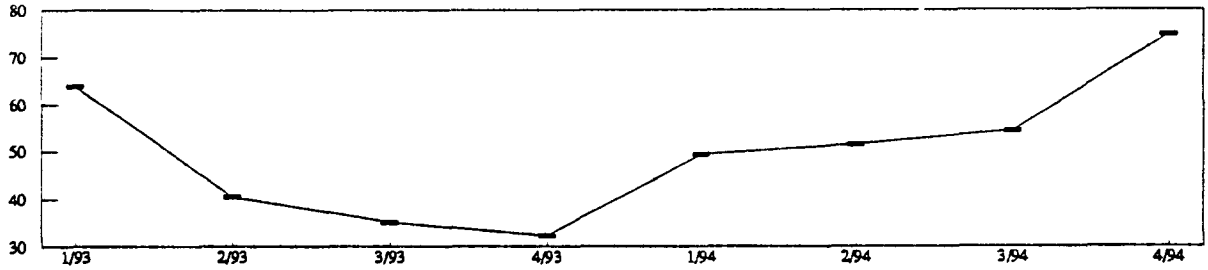


The main driver for our 3rd quarter schedule indicator was a result of a late start of our new Ring Laser Gyro workload. The 4th quarter schedule indicator was caused by the lack of parts used in the repair of our Carousel module workload.

AEROSPACE GUIDANCE AND METROLOGY CENTER

PROCESS DAYS

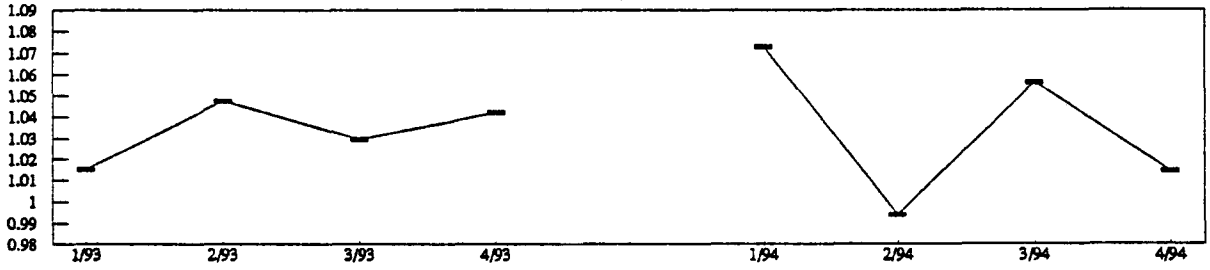
GOAL: Process Days Should show Continual Reduction



AGMC uses 7 workloads as "pacing items" (3 IMU/INU, 2 Gyro, 1 Velocity Meter and the Minuteman III Missile Guidance Set). Two of our pacing workloads, 7901 Gyro and Carousel IMU, had significantly longer turn around times. These two workloads produced units with longer than average time awaiting parts. These units coupled with reduced receipts increased our overall process days indicator.

NET OPERATING RESULTS

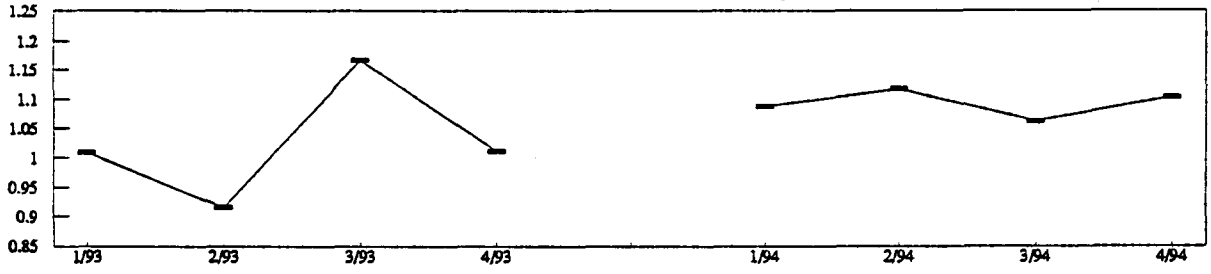
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The FY94 2nd quarter actual costs were higher as a result of an erroneous RSD charge of $1.3 million for 20 Fuel Saver computers. This error was corrected in the 3rd quarter, causing our cumulative actual cost to be artificially higher in the 2nd quarter and lower in the 3rd quarter.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Reduced customer requirements in the following workloads have caused a decrease in our total direct labor hours: LN-39, Carousel, CN 1375 Gyro, 7901A Gyro, PADS and software development. These 6 workloads account for 107 thousand production hours that were budgeted but did not generate.

AEROSPACE GUIDANCE AND METROLOGY CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	20,300,000	19,800,000	32,200,000	10,000,000	19,506,000	18,381,000	18,735,000	16,244,000
Total Cost ($)	19,466,000	17,929,000	31,255,000	9,054,000	17,122,000	20,675,000	18,859,000	21,789,000
Direct Materials ($)	3,957,000	4,575,000	5,333,000	2,485,000	7,888,000	11,196,000	3,584,000	7,447,000
Throughput ($)	16,343,000	15,225,000	26,867,000	7,515,000	11,618,000	7,185,000	15,151,000	8,797,000
Operating Expense ($)	15,509,000	13,354,000	25,922,000	6,569,000	9,234,000	9,479,000	15,275,000	14,342,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	16,343,000	15,225,000	26,867,000	7,515,000	11,618,000	7,185,000	15,151,000	8,797,000
Longterm Inventory ($)	153,627,378	152,125,269	151,005,859	147,948,833	137,182,208	133,719,085	146,014,132	166,225,597
INDEX	0.11	0.10	0.18	0.05	0.08	0.05	0.10	0.05

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Components Scheduled	3,379	2,941	2,855	2,995	2,985	2,903	2,938	2,680
Components Completed	3,099	2,688	2,545	2,812	2,684	2,724	2,662	2,431
INDEX	0.92	0.91	0.89	0.94	0.90	0.94	0.91	0.91

PROCESS DAYS

DATE INDUCTED - DATE COMPLETED = PROCESS DAYS

Components Process Days	57,895	33,371	29,210	31,109	51,010	53,913	54,557	48,266
Number of Items	907	824	833	966	1,034	1,048	1,004	645
AVG PROCESS DAYS	63.83	40.50	35.07	32.20	49.33	51.44	54.34	74.83

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	20,678,000	45,381,000	70,655,000	95,217,000	19,569,000	40,779,000	61,423,000	81,754,000
Cum Budg Cost ($)	20,091,000	44,372,000	69,082,000	93,717,000	18,432,000	40,437,000	64,916,000	89,283,000
Budgeted NOR INDEX	1.03	1.02	1.02	1.02	1.06	1.01	0.95	0.92
Cum Actual Revenue ($)	20,339,000	40,059,000	72,288,000	82,272,000	19,506,000	37,887,000	56,622,000	72,866,000
Cum Actual Cost ($)	19,466,000	37,395,000	68,650,000	77,704,000	17,122,000	37,797,000	56,656,000	78,445,000
Actual NOR INDEX	1.04	1.07	1.05	1.06	1.14	1.00	1.00	0.93
NOR INDEX	1.02	1.05	1.03	1.04	1.07	0.99	1.06	1.01

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	20,091,000	44,372,000	69,082,000	93,717,000	18,432,000	40,437,000	64,916,000	89,283,000
Budgeted Total DLH	279,802	573,612	873,642	1,165,012	241,126	505,517	765,146	1,019,722
Bud Labor Hour Cost	$71.80	$77.36	$79.07	$80.44	$76.44	$79.99	$84.84	$87.56
Total Actual Cost ($)	19,466,000	37,395,000	68,650,000	77,704,000	17,122,000	37,797,000	56,656,000	78,445,000
Actual Total DLH	268,532	527,816	744,189	954,954	205,779	422,747	628,279	811,675
Actual Labor Hour Cost	$72.49	$70.85	$92.25	$81.37	$83.21	$89.41	$90.18	$96.65
Labor Hour Cost INDEX	1.01	0.92	1.17	1.01	1.09	1.12	1.06	1.10

AEROSPACE MAINT AND REGENERATION CENTER
DAVIS-MONTHAN AFB, AZ

MAJOR WORKLOAD ACCOMPLISHED:

Prepare A/C for long/short term storage, represerve A/C in storage and maintain A/C in storage. Withdraw A/C from storage and prepare them for flyaway. Remove parts and assemblies from stored aircraft and cover overland deliveries. Deliver A/C to museums and transport of A/C to gunnery/bombing ranges. EPA clean-up on static display A/C and miscellaneous special projects. Also elimination site for B-52's under terms of Strategic Arms Reduction Treaty.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	576
Military:	

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$41,355,000

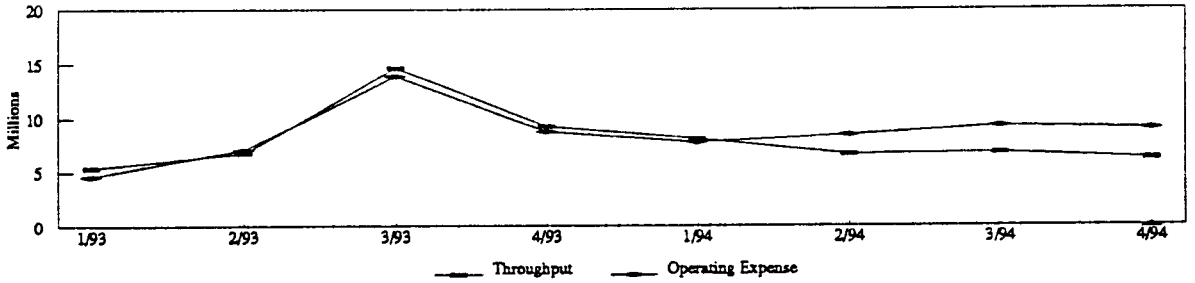
AMARC is a service organization that provides for storage, regeneration and disposal of aircraft and related aerospace items as well as selected non-aero-space, out-sized and specialized items. Encompassing 2,600 acres, AMARC currently has more than 4,950 aircraft in storage with an acquisition value of nearly $15.9B. Related aerospace items in storage include production tooling, engines, pylons, pylon load adapters and airframe components. In FY94, AMARC received 735 aircraft valued at $4B. In addition, nearly 3,000 line items of tooling were added to the inventory. In FY94, AMARC returned 197 aircraft and 28,612 parts and components valued at $994M. WIth an operating budget of $49M, this equates to a return of $20 in goods and services for every dollar spent. AMARC eliminated 57% of the 350 B-52 heavy bombers in accordance with the Strategic Arms Reduction Treaty and manages over 104,000 line items of aircraft production tooling, including equipment from the B-1, C-141 and A-10 production lines.

Performance of the indicators was affected by a requirement to meet a programmed loss of $7.7M for FY94, a change in the method of depreciation occurring in the 2nd and 3rd Qtr of FY93, the completion of the F-106 Full Scale Aerial Target Program, construction to primary facilities involved in the process-in activity and non-materialization of the jet engine intermediate maintenance (JEIM) workload.

AEROSPACE MAINT AND REGENERATION CENTER

THROUGHPUT & OPERATING EXPENSE

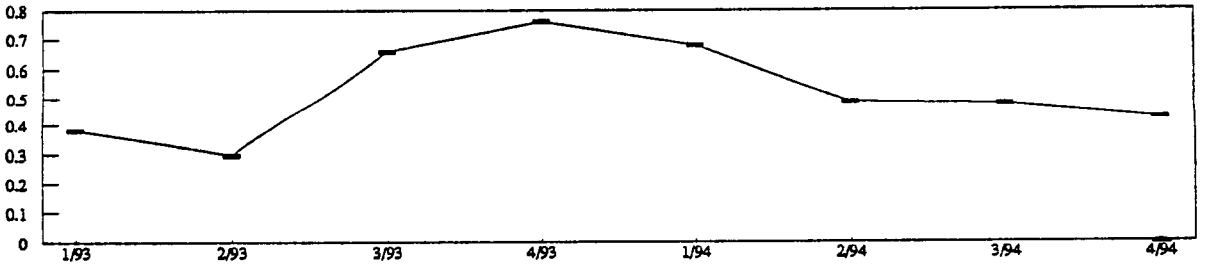
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Headquarters requirement mandating a $7.7M loss for FY94 and a reduction in revenue generated from existing project workloads caused expenses to be greater than throughput.

CAPITAL INVESTMENT EFFECTIVENESS

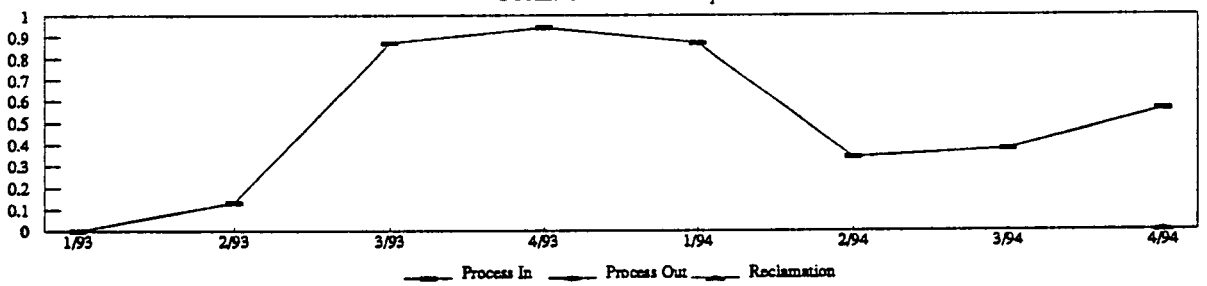
GOAL: Index Should Continually Increase



Downward movement resulted from audit finding leading to adjustments in depreciation accounts and inventory build-up in preparation for the F-4 drone program.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

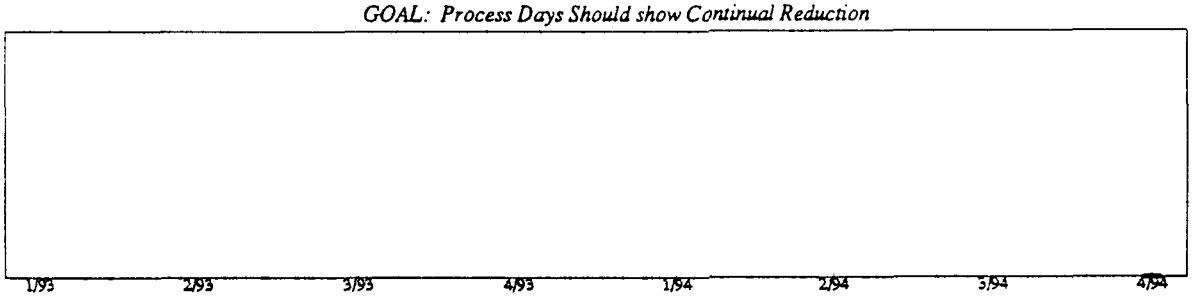


OUT: 1st half FY94 downturn due to end of F106 program & increase in parts and manhour requirements from earlier priority demands. 2nd half upturn due to end of F106 program and improvement in workload preplanning activity. OUT: FY94 trend impacted by large number of F16s needing det. cord removal. Small upturn result of A/C undergoing minimum preservation in per designated requirements. RECLAMATION: Procedures used to establish delivery date under 29% increase in demand for prioroty removal items led

AEROSPACE MAINT AND REGENERATION CENTER

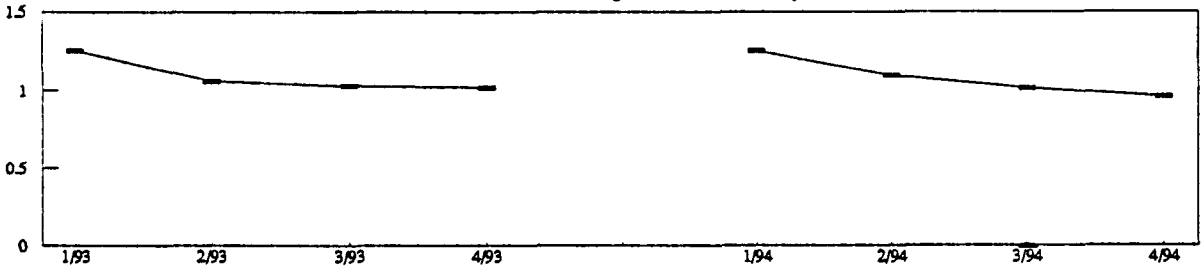
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



NET OPERATING RESULTS

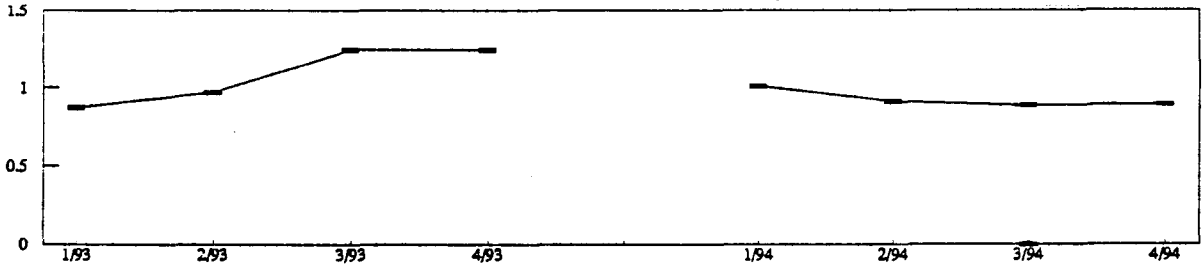
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Experience with prior drone programs contributed to AMARC's ability to more accurately forecast drone program costs.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Donor aircraft were identified to supply parts/components for drone program aircraft. thereby reducing RSD costs to the customer. Better resource utilization among AMARC's processes lowered costs.

AEROSPACE MAINT AND REGENERATION CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	8,065,290	8,771,277	17,392,903	12,076,475	11,186,659	7,756,327	7,251,886	8,128,640
Total Cost ($)	7,304,171	9,122,414	16,613,840	11,578,115	10,842,390	9,578,398	9,764,927	10,927,247
Direct Materials ($)	2,707,077	2,107,650	2,795,750	2,847,166	3,136,783	1,174,951	539,444	1,967,852
Throughput ($)	5,358,213	6,663,627	14,597,153	9,229,309	8,049,876	6,581,376	6,712,442	6,160,788
Operating Expense ($)	4,597,094	7,014,764	13,818,090	8,730,949	7,705,607	8,403,447	9,225,483	8,959,395

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	5,358,213	6,663,627	14,597,153	9,229,309	8,049,876	6,581,376	6,712,442	6,160,788
Longterm Inventory ($)	14,069,828	22,428,755	22,235,538	12,114,825	11,879,928	13,511,504	13,989,677	14,520,569
INDEX	0.38	0.30	0.66	0.76	0.68	0.49	0.48	0.42

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Process In Scheduled	103	45	78	208	93	85	95	75
Process In Completed	0	6	68	196	81	29	36	42
INDEX	0.00	0.13	0.87	0.94	0.87	0.34	0.38	0.56
Process Out Scheduled	13	20	29	22	16	16	15	6
Process Out Completed	10	13	26	20	6	6	7	6
INDEX	0.77	0.65	0.90	0.91	0.38	0.38	0.47	1.00
Reclamation Scheduled	903	906	865	758	847	772	1164	1577
Reclamation Completed	872	897	857	752	841	753	1093	1385
INDEX	0.97	0.99	0.99	0.99	0.99	0.98	0.94	0.88

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	7,672,000	16,843,000	26,295,000	35,702,000	10,050,000	19,860,000	30,523,000	41,355,000
Cum Budg Cost ($)	8,719,000	17,423,000	26,110,000	35,017,000	11,509,000	23,445,000	35,632,000	48,145,000
Budgeted NOR INDEX	0.88	0.97	1.01	1.02	0.87	0.85	0.86	0.86
Cum Actual Revenue ($)	8,065,290	16,836,567	34,229,470	46,305,945	11,866,659	18,942,590	26,194,872	34,323,512
Cum Actual Cost ($)	7,304,171	16,425,585	33,040,425	44,618,540	10,842,390	20,420,788	30,185,715	41,675,866
Actual NOR INDEX	1.10	1.03	1.04	1.04	1.09	0.93	0.87	0.82
NOR INDEX	1.25	1.06	1.03	1.02	1.25	1.10	1.01	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	8,719,000	17,423,000	26,110,000	35,017,000	11,509,000	23,445,000	35,632,000	48,145,000
Budgeted Total DLH	154,550	312,821	470,687	628,309	160,778	321,348	491,006	662,792
Bud Labor Hour Cost	$56.42	$55.70	$55.47	$55.73	$71.58	$72.96	$72.57	$72.64
Total Actual Cost ($)	7,304,171	16,425,585	33,040,425	44,618,540	10,842,390	20,420,788	30,185,715	41,112,962
Actual Total DLH	148,291	304,328	477,494	640,995	149,750	307,696	470,764	635,085
Actual Labor Hour Cost	$49.26	$53.97	$69.20	$69.61	$72.40	$66.37	$64.12	$64.74
Labor Hour Cost INDEX	0.87	0.97	1.25	1.25	1.01	0.91	0.88	0.89

OGDEN AIR LOGISTICS CENTER
HILL AFB, UT

MAJOR WORKLOAD ACCOMPLISHED:

F/RF-4 Phantom, F-16 Fighting Falcon, LGM-30 Minuteman Missile, LGM-118A Peacekeeper Missile, GBU-15 Laser Guided Bomb, Simulators/Training Devices, AGM-65 Maverick Missile, Cruise Missiles, Landing Gear, Wheels & Brakes, Air Munitions, Explosives, Photonics, Aircraft Instruments, and Aircraft Guns.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	4765
Military:	278

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$417,116,000

There are at least four items of interest that have had a significant impact on the performance of these indicators. During the 1st Qtr FY93, DMRD 904 became effective, which required the costs of Reparable Support Division (RSD) material be added to the data systems that track production costs and revenue. RSD material is used to repair an item that belongs to an organization other than the depot (such as Air Combat Command). The costs associated with this material are then considered in the profit and loss aspect of depot performance, which makes those costs more accurate when considering the total cost of doing business. When the data systems were reprogrammed to address RSD material, the systems did not consistently recognize the costs in the debit and credit accounting format. Most of these problems have been resolved; there are a few, however, which are being dealt with on a case by case basis. The second item was a change in the accounting procedures called "Revenue Recognition." In the past some of the costs and most of the revenues were counted in the data system once the end product was completed. Under revenue recognition, costs and revenues are counted as the product moves through the WIP phase. This new procedure became effective during the 3rd Qtr FY93, at which time costs and revenues accumulated to date for those items in the WIP were added to the system in a "lump sum" entry. This caused the costs to be artifically high for the Qtr. Both of these items will have a short term impact on these performance measures. The third item is anticipated workload did not materialize as planned. Fourth, materials for the F/A-18 workload were not available in a timely manner causing the schedule and flowdays indicators for aircraft to show an undesirable trend.

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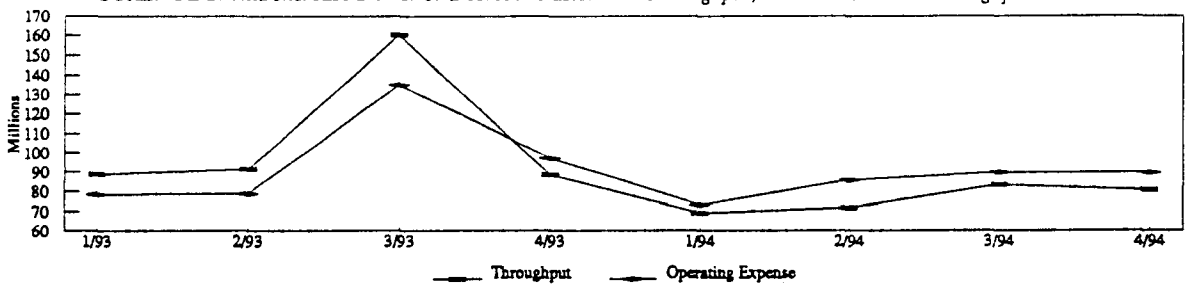
THROUGHPUT & OPERATING EXPENSE

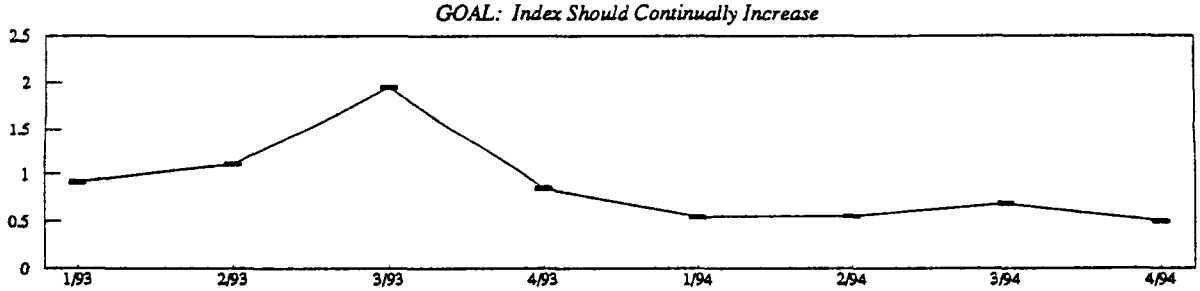
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



At the beginning of FY93, data system problems resulted from the implementation of DMRD 904. The data system was prevented from recognizing all of the costs and revenues accumulated during the Qtr. The large increase in total cost and revenue during 3rd Qtr FY93 was due to the change in revenue recognition. T has been lower than OE since 4th Qtr FY93 because workload has not materialized at the anticipated rate. In the 4th Qtr FY94, T was down because fewer hours were sold than in the previous quarter.

CAPITAL INVESTMENT EFFECTIVENESS

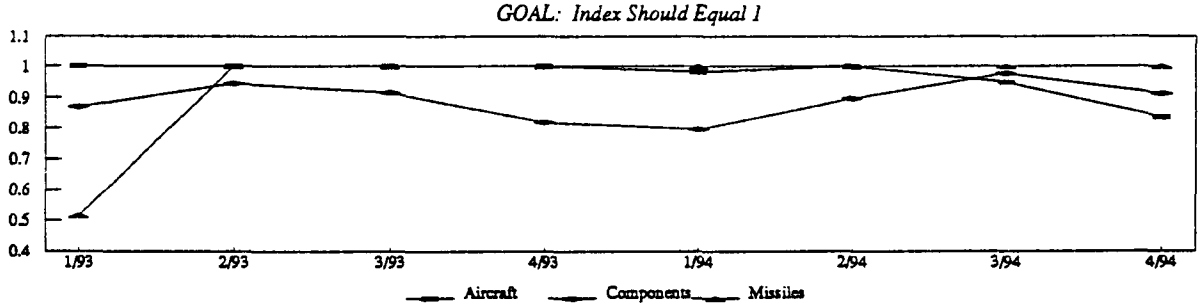
GOAL: Index Should Continually Increase



The inception of DMRD 904 resulted in data system problems that caused the system to show costs and sales to be lower than they actually were during 1st Qtr FY93. The accounting procedure change in revenue recognition (costs and sales) has caused throughput to be artificially high in 3rd Qtr FY93. The trend from 4th Qtr FY93 through 4th Qtr FY94 is the result of a "wall to wall" inventory of capital equipment as well as significant adjustments to the G017 System to correct programming problems.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



Components dropped during 4th Qtr FY93, 1st Qtr FY94 and 4th Qtr FY94 due to carryover of workload. Second Qtr FY94 data improved once these assets began to produce. This is an annual cycle due to the manner in which workload is inducted. Aircraft dropped during 3rd and 4th Qtr FY94 due to non-availibility of kit components and other aircraft material specifically related to the F/A-18 workload. F-16 aircraft were on time 100% for all of FY94, and C-130 aircraft were on time 96% for all of FY94.

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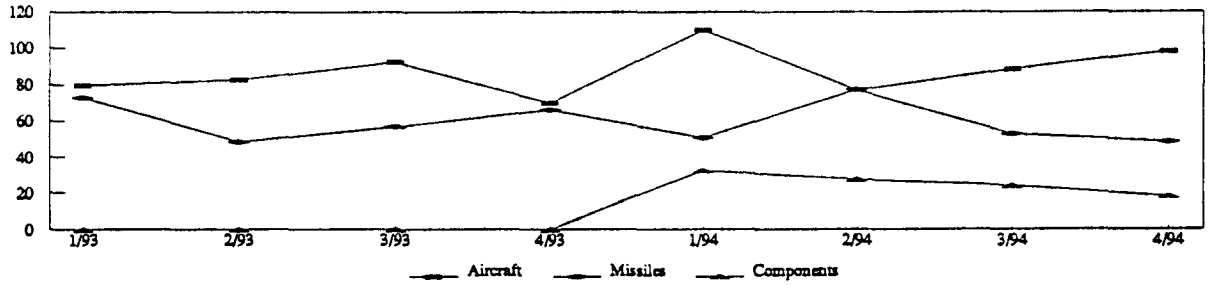
PROCESS DAYS

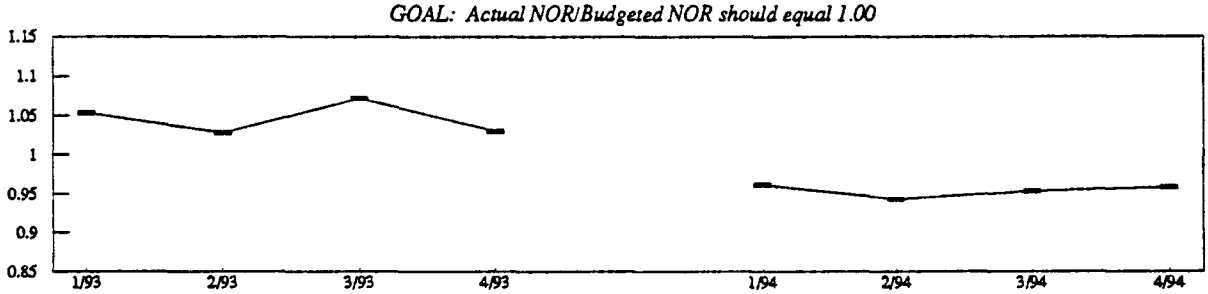
GOAL: Process Days Should show Continual Reduction



The component data represents the average number of process days per item of the 20 unique stock numbered items tracked. Changes to the sample population may be required to make this indicator as meaningful as possible. The increasing trend in aircraft flowdays during 2nd Qtr through 4th Qtr FY94 is due to an increase of modification work packages, contract workload, and parts/material problems associated with the F/A-18 aircraft.

NET OPERATING RESULTS

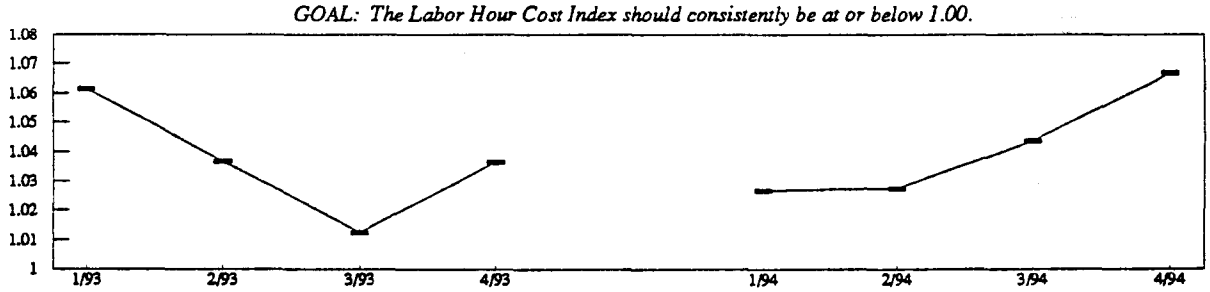
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The downward movement in NOR from 1st Qtr FY93 to 2nd Qtr FY94 was due to workload not materializing at the expected level. In 4th Qtr FY94 a loss occured in aircraft due to overhead and G&A costs being spread across a smaller workload base. Production hours in aircraft were 12% below target. Additional losses occurred in depreciation, RSD material and labor.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



LHC continues to be above 1.0 for several reasons. Large credits in RSD material were recognized in FY93, but the offsetting debits were recorded in FY94. There was little history when the RSD targets were being developed which hindered our budgeting accuracy. Other reasons for the trend in FY94 were: operational TDY continued to be higher than targeted due to unplanned FMS TDY, increased missile transportation by truck rather than by aircraft, a change in missile storage sites, and excess manpower.

OGDEN AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	94,469,584	118,478,007	173,399,132	102,308,869	89,526,439	89,689,031	102,929,530	102,154,277
Total Cost ($)	84,290,145	105,944,813	148,133,848	111,076,294	93,560,121	103,617,908	109,317,971	111,097,879
→ Direct Materials ($)	5,727,736	27,109,843	13,187,951	13,866,514	20,410,394	17,953,619	19,757,987	21,798,124
Throughput ($)	88,741,848	91,368,164	160,211,181	88,442,355	69,116,045	71,735,412	83,171,543	80,356,153
Operating Expense ($)	78,562,409	78,834,970	134,945,897	97,209,780	73,149,727	85,664,289	89,559,984	89,299,755

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	88,741,848	91,368,164	160,211,181	88,442,355	69,116,045	71,735,412	83,171,543	80,356,153
Longterm Inventory ($)	96,481,634	82,873,535	82,067,497	103,667,859	124,885,068	127,771,046	119,710,432	160,112,844
INDEX	0.92	1.10	1.95	0.85	0.55	0.56	0.69	0.50

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	86	84	74	66	55	65	78	74
Aircraft Completed	86	84	74	66	54	65	74	62
INDEX	1.00	1.00	1.00	1.00	0.98	1.00	0.95	0.84
Components Scheduled	20,845	20,650	19,967	23,524	22,432	19,902	18,678	17,177
Components Completed	18,153	19,523	18,293	19,292	17,873	17,855	18,243	15,665
INDEX	0.87	0.95	0.92	0.82	0.80	0.90	0.98	0.91
Missiles Scheduled	70	36	41	39	54	39	52	43
Missiles Completed	36	36	41	39	54	39	52	43
INDEX	0.51	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	6,837	6,955	6,823	4,620	6,050	5,018	6,897	6,286
Number of Items	86	84	74	66	55	65	78	64
AVG PROCESS DAYS	79.50	82.80	92.20	70.00	110.00	77.20	88.42	98.22
Missiles Process Days	2,621	1,746	2,324	2,582	2,737	3,019	2,742	2,087
Number of Items	36	36	41	39	54	39	52	43
AVG PROCESS DAYS	72.81	48.50	56.68	66.21	50.69	77.41	52.73	48.53
Components Process Days					3,658	1,882	481	503
Number of Items					112	68	20	28
AVG PROCESS DAYS					32.66	27.68	24.05	17.96

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	94,469,000	228,316,000	336,991,000	450,223,000	80,270,000	189,780,000	294,902,000	407,240,000
Cum Budg Cost ($)	88,785,000	209,724,000	316,290,000	426,665,000	80,662,000	196,913,000	305,419,000	424,153,000
Budgeted NOR INDEX	1.06	1.09	1.07	1.06	1.00	0.96	0.97	0.96
Cum Actual Revenue ($)	94,469,584	212,947,591	386,346,723	488,655,592	89,526,439	179,215,470	282,145,000	384,299,000
Cum Actual Cost ($)	84,290,145	190,234,958	338,368,806	449,445,100	93,560,121	197,178,029	306,496,000	417,594,000
Actual NOR INDEX	1.12	1.12	1.14	1.09	0.96	0.91	0.92	0.92
NOR INDEX	1.05	1.03	1.07	1.03	0.96	0.94	0.95	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	90175215	203138000	311596000	420453000	101466000	206047000	312865000	417116000
Budgeted Total DLH	1703164	3354717	5032074	6735238	1393723	2824704	4326000	5786350
Bud Labor Hour Cost	$52.95	$60.55	$61.92	$62.43	$72.80	$72.94	$72.32	$72.09
Cum → Total Actual Cost ($)	90175218	202190348	298836564	407467689	104447446	212470714	314991000	422144000
Cum → Actual Total DLH	1604374	3220679	4765986	6296586	1397284	2834744	4174000	5491000
Actual Labor Hour Cost	$56.21	$62.78	$62.70	$64.71	$74.75	$74.95	$75.47	$76.88
Labor Hour Cost INDEX	1.06	1.04	1.01	1.04	1.03	1.03	1.04	1.07

20,410,394
17,953,619
19,757,987
21,798,124
79,920,124

422,144,000
79,920,124
342,223,876 ÷
$62.32 5,491,000

OKLAHOMA CITY AIR LOGISTICS CENTER
TINKER AFB, OK

MAJOR WORKLOAD ACCOMPLISHED:

Bombers (B-52 and B-1), tankers (KC-135), and other special purpose aircraft, (C/EC-135, E-3, and E-6), missile and aircraft engines, aircraft, engine, and exchangeable components (aircraft structural components, engine accessories, pneudraulics/hydraulics/pneumatics, oxygen/gas generating equipment, engine and flight instruments, unique avionics and software).

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6174
Military:	62

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$926,007,000

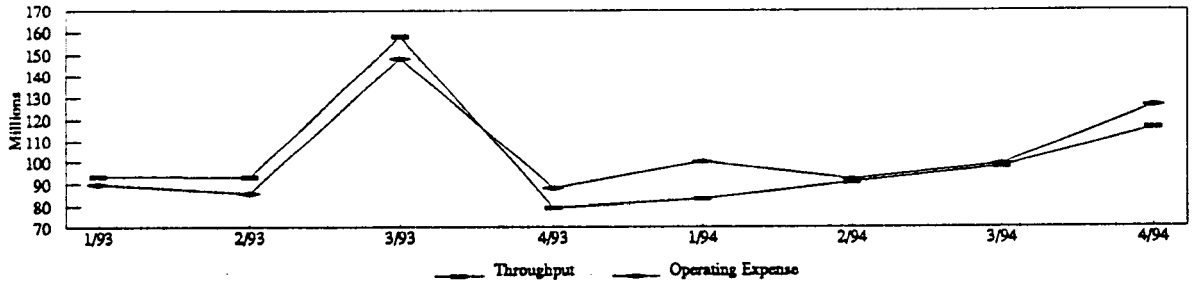
Oklahoma City ALC has successfully delivered ahead of schedule or on-time all aircraft, engines, and exchangeables for third and fourth quarter of FY94. Throughput has increased $36.6M during FY94. The Capital Investment Index continued to improve in FY94 for a total increase of 65% with a reduction in inventory value of $40.5M. The overall trend in Process Days continues in a positive direction with a total decrease of 58 days for aircraft, engines, and exchangeables in the fourth quarter of FY94. Actual Labor Hour Cost has continued to be lower than Budgeted Labor Hour Cost for the past eight quarters by an average of $12.00.

Innovations to improve C/KC-135 inspection processes, aggressive parts procurement, and establishment of C/KC-135 work center structural repair team had a positive effect on Throughput, Scheduling, and Process Days indicators. The work center team,comprised of highly trained structural repair mechanics; has expedited aircraft structural repair processes. The team is activated when the aircraft has completed the normal repair process and is then moved to the task team area to accomplish identified repairs. Their goal is to meet customer schedules, reduce cost, and improve production flow.

OKLAHOMA CITY AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

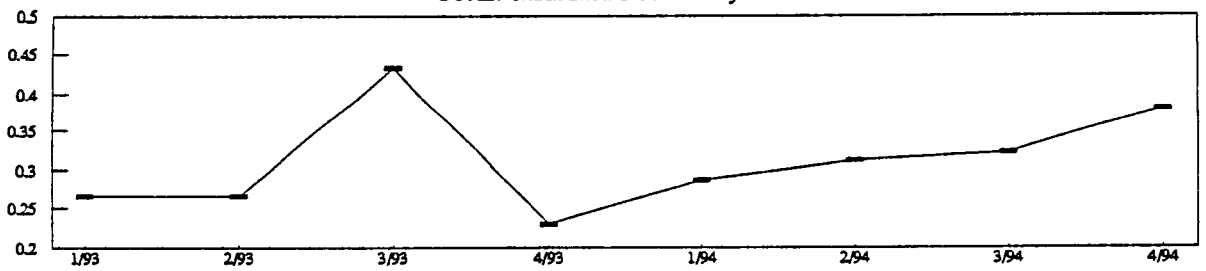
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



FY94 Operating Expense exceeds Throughput due to Program Budget Decisions (PBDs) which included the return of FY92 profits. Increased training to develop a multi-skilled work force has resulted in an Operating Expense increase of only 1.2% and will result in cost avoidance for the future.

CAPITAL INVESTMENT EFFECTIVENESS

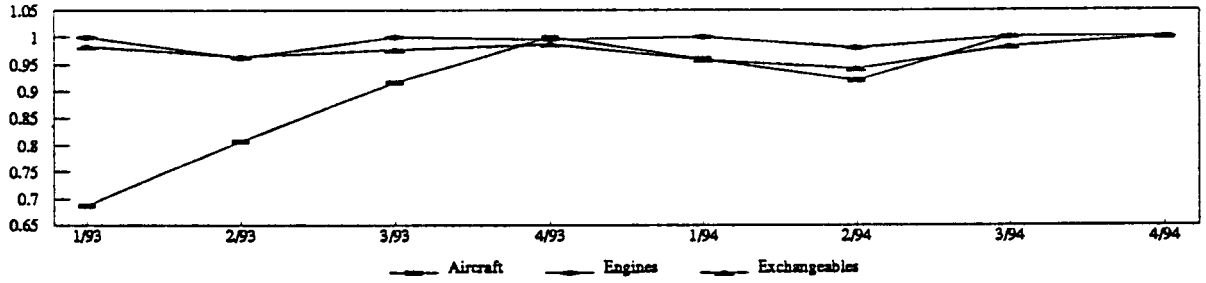
GOAL: Index Should Continually Increase



The index continues to improve in FY94 for a total increase of 65% from FY93. Long Term Inventory shows a positive trend with a decrease of $40.5M from FY93 to FY94.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

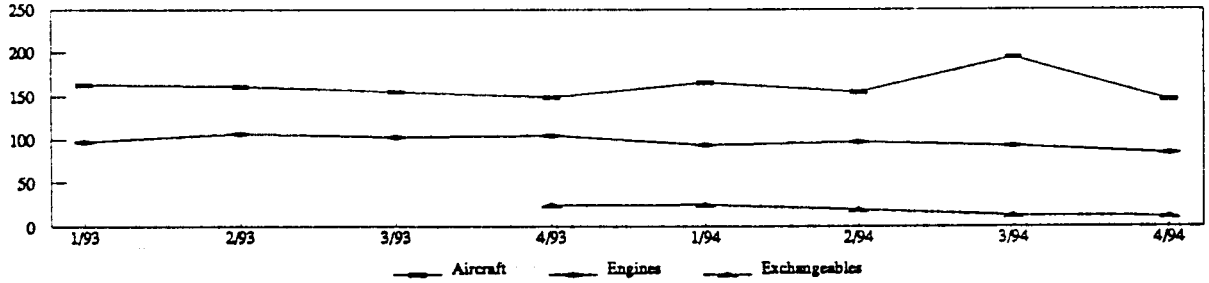


Acft: New inspection processes, specialty repair teams, and improved parts availability are showing positive results for all aircraft. Eng: Increased emphasis on "just in time" scheduling of manpower, equipment, and facilities has improved scheduling function. Exch: Production percentage increase can be attributed to a team effort identifying manpower, capacity, parts, and dollars, earlier in the repair process.

OKLAHOMA CITY AIR LOGISTICS CENTER

PROCESS DAYS

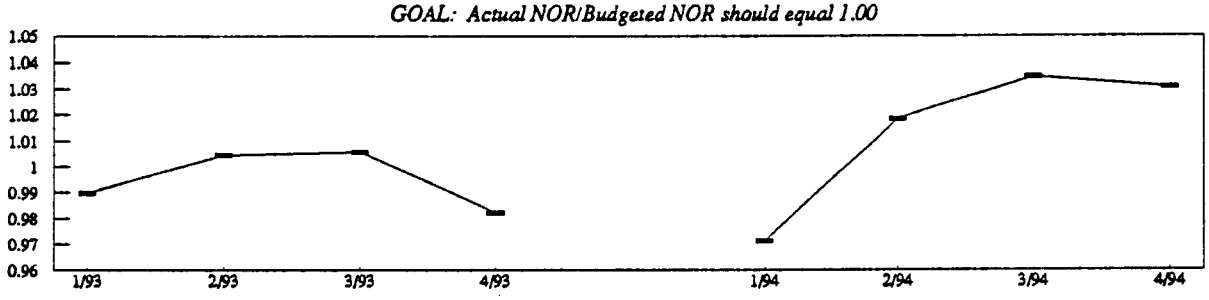
GOAL: Process Days Should show Continual Reduction



Acft: The positive trend during FY93 and FY94 is driven by improved inspection and repair processes. The perturbation in FY94 is resultant of E-3 and C-135 corrosion control and structural repair process changes. Eng: Improved training, management emphasis, and process improvement have resulted in decreased flow days on all engines. Exch: The decrease can be attributed to a process improvement which allows for a "just in time" induction of assets to the overhaul shop.

NET OPERATING RESULTS

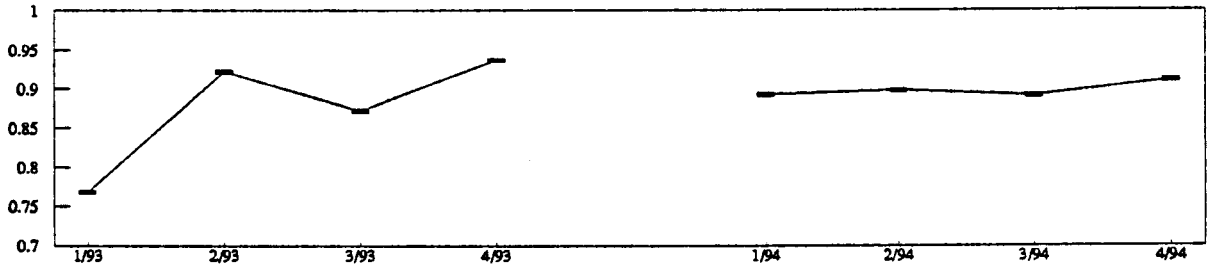
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Budgeted Operating results for FY94 reflect a $60.9M loss driven by Program Budget Decisions (PBDs) which directed the return of profits for FY92. Actual loss was reduced to $29.5M by cost reduction initiatives. The cost reduction initiatives resulted in the actual NOR Index exceeding the budgeted NOR Index by 1.5%.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



During the past eight quarters actual labor hour cost averaged $12.00 less than the budgeted labor hour cost. The total labor hour cost for 4/93 and 4/94 is $91.99 and $106.20, respectively. This includes material, which is much higher at an engine repair center. Without material, the labor hour cost for 4/94 is $59.44.

OKLAHOMA CITY AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	117,502,000	138,627,163	233,208,862	153,290,905	147,566,860	176,519,491	189,718,187	196,948,197
Total Cost ($)	113,852,000	131,353,149	223,252,393	162,147,819	164,401,016	177,851,233	191,028,734	206,942,939
Direct Materials ($)	23,895,981	45,511,616	75,000,527	73,942,834	64,263,796	85,740,413	92,004,387	80,929,679
Throughput ($)	93,606,019	93,115,547	158,208,335	79,348,071	83,303,064	90,779,078	97,713,800	116,018,518
Operating Expense ($)	89,956,019	85,841,533	148,251,866	88,204,985	100,137,220	92,110,820	99,024,347	126,013,260

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	93,606,019	93,115,547	158,208,335	79,348,071	83,303,064	90,779,078	97,713,800	116,018,518
Longterm Inventory ($)	351,988,721	350,285,649	365,792,000	345,470,647	290,375,902	291,461,574	304,710,727	304,935,946
INDEX	0.27	0.27	0.43	0.23	0.29	0.31	0.32	0.38

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	16	26	24	23	25	25	19	23
Aircraft Completed	11	21	22	23	24	23	19	23
INDEX	0.69	0.81	0.92	1.00	0.96	0.92	1.00	1.00
Engines Scheduled	240	240	205	201	184	198	179	169
Engines Completed	240	231	205	200	184	194	179	169
INDEX	1.00	0.96	1.00	1.00	1.00	0.98	1.00	1.00
Exchangeables Scheduled	26,859	28,365	21,800	22,241	22,048	23,620	22,129	22,795
Exchangeables Completed	26,393	27,363	21,300	21,936	21,133	22,254	21,729	22,795
INDEX	0.98	0.96	0.98	0.99	0.96	0.94	0.98	1.00

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	2,617	4,198	3,731	3,432	4,312	3,720	3,689	3,356
Number of Items	16	26	24	23	26	24	19	23
AVG PROCESS DAYS	163.56	161.46	155.46	149.22	165.85	155.00	194.16	145.91
Engines Process Days	5,062	4,250	3,074	3,125	2,622	5,046	3,792	3,702
Number of Items	52	40	30	30	28	52	41	44
AVG PROCESS DAYS	97.35	106.25	102.47	104.17	93.64	97.04	92.49	84.14
Exchangeables Process Days				248	249	193	128	117.9
Number of Items				10	10	10	10	10
AVG PROCESS DAYS				24.80	24.90	19.30	12.80	11.79

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	148,801,000	335,215,000	516,948,000	715,069,000	175,038,000	386,774,000	606,292,000	828,635,000
Cum Budg Cost ($)	142,705,000	322,365,000	497,760,000	689,315,000	189,402,000	415,968,000	651,124,000	889,566,000
Budgeted NOR INDEX	1.04	1.04	1.04	1.04	0.92	0.93	0.93	0.93
Cum Actual Revenue ($)	117,502,000	256,129,163	489,338,025	642,628,930	147,566,860	324,086,351	513,804,538	710,752,735
Cum Actual Cost ($)	113,852,000	245,205,149	468,457,542	630,605,361	164,401,016	342,252,250	533,280,985	740,223,924
Actual NOR INDEX	1.03	1.04	1.04	1.02	0.90	0.95	0.96	0.96
NOR INDEX	0.99	1.00	1.01	0.98	0.97	1.02	1.03	1.03

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	171443000	340932000	519857000	699902000	198873000	415781000	638238000	859844000
Budgeted Total DLH	1814193	3508224	5293716	7131928	1732095	3567953	5455344	7375334
Bud Labor Hour Cost	$94.50	$97.18	$98.20	$98.14	$114.82	$116.53	$116.99	$116.58
Total Actual Cost ($)	112839126	287826316	416035753	599381670	167559503	354234453	534060387	733053440
Actual Total DLH	1554166	3212236	4855629	6515892	1634596	3384351	5120934	6902256
Actual Labor Hour Cost	$72.60	$89.60	$85.68	$91.99	$102.51	$104.67	$104.29	$106.20
Labor Hour Cost INDEX	0.77	0.92	0.87	0.94	0.89	0.90	0.89	0.91

SACRAMENTO AIR LOGISTICS CENTER
McCLELLAN AFB, CA

MAJOR WORKLOAD ACCOMPLISHED:

F-111, F-15, A-10, KC-135, Communications-Electronics, Space Systems, Ground Power Generators

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	5386
Military:	213

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

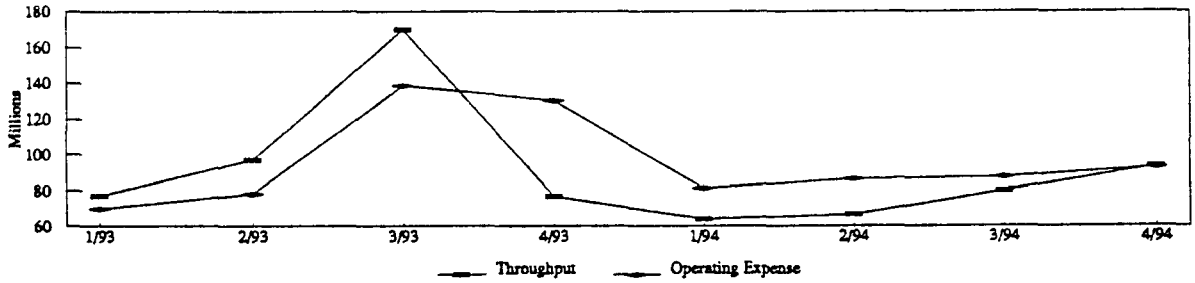
$509,000,000

External factors, of which we have limited control, affecting all centers, influenced Throughput and increased Operating Expense. To compensate for these and other drivers, all Directorates met in March 94 to identify ideas and areas that could reduce targeted losses. Through the targeted $20M to reduce loss was not met, varied efforts resulted in a $5M loss savings. Labor Hour Costs were negatively affected due to workloads not generating. The steady trend of increase in Capital Investment Effectiveness was a result of the turn in of excess and outdated industrial plant equipment. Total inventory was reduced by $30M since October 1993. This trend is expected to continue. The negative trend in Net Operating Results is due to KC-135 structural problems and learning curves associated with KC-135 PDM. Process Days Indicator reduction was due to unplanned repair work on the KC-135s during the quarters that these aircraft were originally scheduled to produce (3rd Qtr FY93 to 3rd Qtr FY94), and an increase for the quarters that they are adjusted to (4th Qtr FY94). The A-10s, F-15s, and F-111s were on or ahead of schedule. The Schedule Indicator downward direction was due to manpower shortages, facility constraints, and outgoing fuel leaks.

SACRAMENTO AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

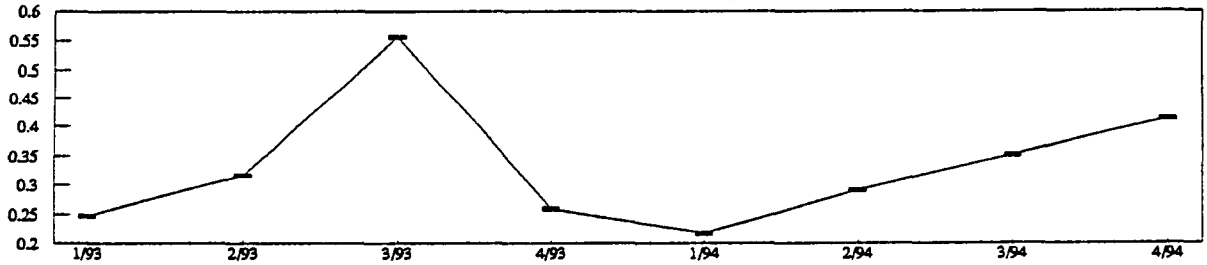
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Though final operating expenses were greatly reduced through cost cutting initiatives, Throughput was still exceeded. This was due to reduced revenue rates which were established to return past year profitable operating results.

CAPITAL INVESTMENT EFFECTIVENESS

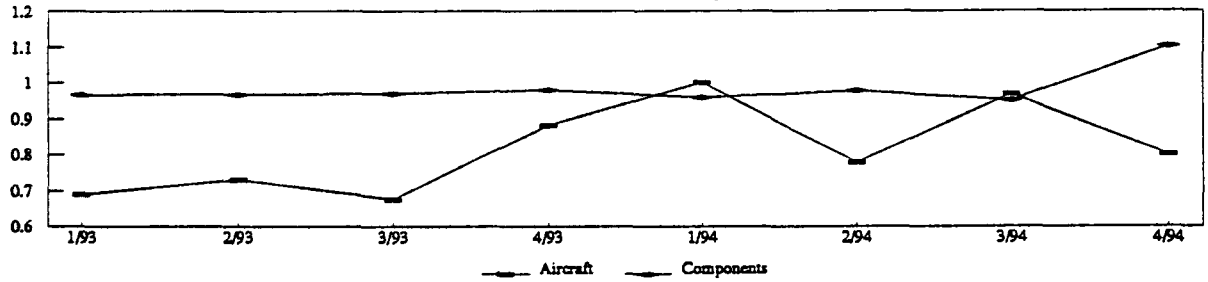
GOAL: Index Should Continually Increase



The capital equipment inventory has decreased by 110 line items since 1 Oct 93. This was driven by efforts to turn in excess and out-dated industrial plant equipment. The total inventory value was reduced by $30M since 1 Oct 93. Additionally, the Capital Purchases Program allocation has been reduced in FY95, significantly affecting the acquisition of additional capital equipment items.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

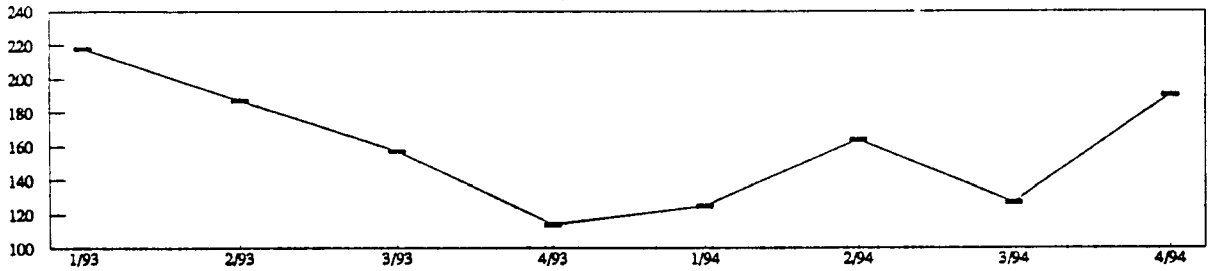


Five KC-135s and one A-10 missed their Aircraft and Missile Maintenance, Production Compression Report (AMREP) dates. Manpower shortages, facility constraints and outgoing fuel leaks were primary causes of the downward direction of the indicator in 4th Qtr FY94. Implementation of Programmed Depot Maintenance Standard System (PDMSS), modification of facilities, and fuel process review are being accomplished to reduce these problems.

SACRAMENTO AIR LOGISTICS CENTER

PROCESS DAYS

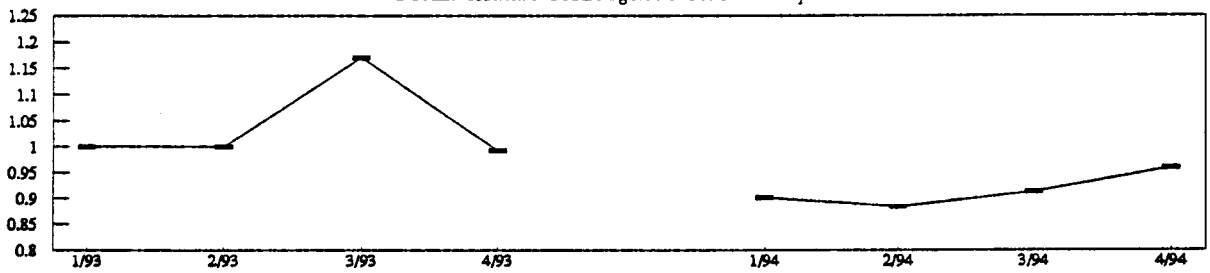
GOAL: Process Days Should show Continual Reduction



Average process days increased in 4th Qtr FY94 due to production of 10 long flow aircraft. 8 F-111s exceeded 260 flow days & two KC-135s exceeded 250 flow days. Major unplanned repair work on KC-135s (wing attach fitting replacement) caused reduction of Process Days indicator during the Qtrs that these aircraft were first scheduled to produce (3/93 to 3/94), an increase for the Qtrs that they are adjusted to (4/94). The KC-135 increases were approved by the SPD.

NET OPERATING RESULTS

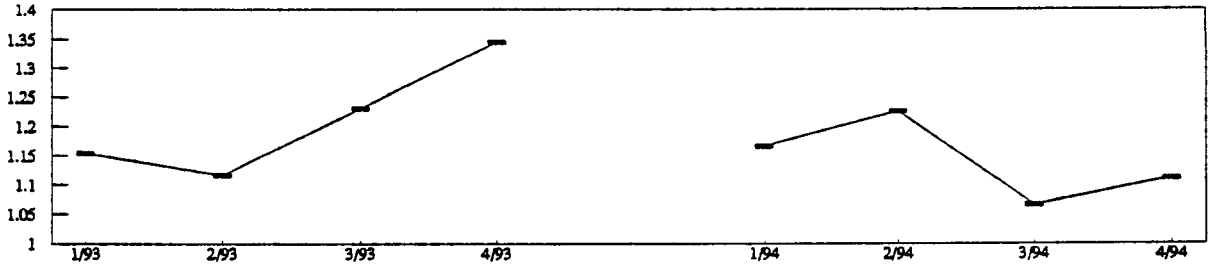
GOAL: Actual NOR/Budgeted NOR should equal 1.00



There we continued inefficiencies as a result of higher than budgeted indirect costs and lower than projected yields. Higher than the Budgeted Repairable Support Division (RSD) material costs associated with PDM of F-15s and F-111s were contributors. KC-135 structural problems and the learning curve associated with KC-135 PDM were major influences in the loss position.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The actual labor cost index exceeds the 1% criteria due strictly to budgeted versus actual total DLH. Total actual DLH was 716K below budget. The 716K variance in DLH directly caused the actual labor hour cost rate to be substantially higher than originally projected. Projected total DLH was not met due to workloads not generating, inefficiency, and overly ambitious projection. Total actual versus projected cost variance was only $4.3M or 0.8% below budget.

SACRAMENTO AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	77,812,754	109,303,513	202,402,302	115,396,797	97,751,519	114,967,486	117,521,936	117,037,805
Total Cost ($)	70,670,158	90,604,249	170,958,547	168,706,901	114,925,022	134,649,095	125,043,649	116,426,076
Direct Materials ($)	671,414	12,363,222	32,592,933	38,531,454	33,664,149	48,410,631	37,732,565	23,874,837
Throughput ($)	77,141,340	96,940,291	169,809,369	76,865,343	64,087,370	66,556,855	79,789,371	93,162,968
Operating Expense ($)	69,998,744	78,241,027	138,365,614	130,175,447	81,260,873	86,238,464	87,311,084	92,551,239

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	77,141,340	96,940,291	169,809,369	76,865,343	64,087,370	66,556,855	79,789,371	93,162,968
Longterm Inventory ($)	311,521,589	306,441,546	304,879,562	297,006,083	294,640,723	229,188,312	226,867,766	225,770,092
INDEX	0.25	0.32	0.56	0.26	0.22	0.29	0.35	0.41

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	42	52	34	34	27	27	31	30
Aircraft Completed	29	38	23	30	27	21	30	24
INDEX	0.69	0.73	0.68	0.88	1.00	0.78	0.97	0.80
Components Scheduled	26,148	24,706	24,344	25,290	24,541	23,889	24,684	21,263
Components Completed	25,266	23,889	23,598	24,756	23,514	23,334	23,446	23,420
INDEX	0.97	0.97	0.97	0.98	0.96	0.98	0.95	1.10

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days					3,375	3,931	4,055	5,330
Number of Items					27	24	32	28
AVG PROCESS DAYS	218.00	187.00	157.00	114.00	125.00	163.79	126.72	190.36

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	77,812,754	187,116,267	296,792,267	412,040,267	103,616,338	219,975,338	346,740,338	470,503,338
Cum Budg Cost ($)	70,670,157	161,274,406	296,280,406	405,847,406	109,832,179	228,018,179	358,887,179	495,397,179
Budgeted NOR INDEX	1.10	1.16	1.00	1.02	0.94	0.96	0.97	0.95
Cum Actual Revenue ($)	77,812,754	187,116,267	389,518,569	504,915,366	97,751,519	212,719,005	330,240,941	447,278,746
Cum Actual Cost ($)	70,670,158	161,274,407	332,232,954	500,939,855	114,925,052	249,574,147	374,617,796	491,043,872
Actual NOR INDEX	1.10	1.16	1.17	1.01	0.85	0.85	0.88	0.91
NOR INDEX	1.00	1.00	1.17	0.99	0.90	0.88	0.91	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	70670157	161274406	296280406	405847406	109832179	228018179	358887179	495397179
Budgeted Total DLH	1694134	3415386	5044557	6659180	1579848	3281620	4947550	6589975
Bud Labor Hour Cost	$41.71	$47.22	$58.73	$60.95	$69.52	$69.48	$72.54	$75.17
Total Actual Cost ($)	70670158	161274407	332232954	500939855	114925052	249574147	374617796	491043872
Actual Total DLH	1467067	3057101	4592907	6106839	1415762	2927025	4844446	5873794
Actual Labor Hour Cost	$48.17	$52.75	$72.34	$82.03	$81.18	$85.27	$77.33	$83.60
Labor Hour Cost INDEX	1.15	1.12	1.23	1.35	1.17	1.23	1.07	1.11

SAN ANTONIO AIR LOGISTICS CENTER
KELLY AFB, TX

MAJOR WORKLOAD ACCOMPLISHED:

C-5 Cargo Aircraft, TF39 Engine (C-5 Aircraft), F100 Engine (F-15 & F-16 Aircraft), T56 Engine (C-130 Aircraft) and related exchangeables. Gas turbine engines, secondary power systems, auxiliary power units, starters and related exchangeables. Manual and automatic test equipment exchangeables, fuel accessories and nuclear components.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6041
Military:	69

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$759,700,000

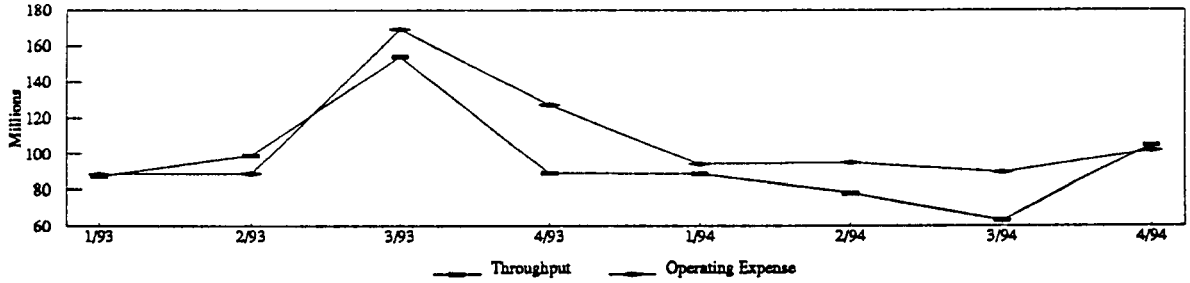
Both the depot maintenance personnel level and current year industrial fund budget numbers above have increased since the last submission of this report. Both increases are the result of increased workload at this center. SA-ALC has been instrumental in attaining local manufacturing workload from the Navy depot at Pensacola as well as T56 engine workload from Alameda. SA-ALC also acquired T-38 and F-5 gearbox workload from the Navy. All of these efforts are the result of base closures and pursuit of consolidations of like workloads to achieve both economies of scale in production as well as to preclude the cost of establishing another organic repair source.

In addition to the above, SA-ALC was instrumental in the early completion of a modification to the large aircraft paint hanger. This early completion allowed SA-ALC to terminate a contract to paint C-5 aircraft at a contractor's facility. This resulted in both dollar and flow day savings to the customer.

SAN ANTONIO AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

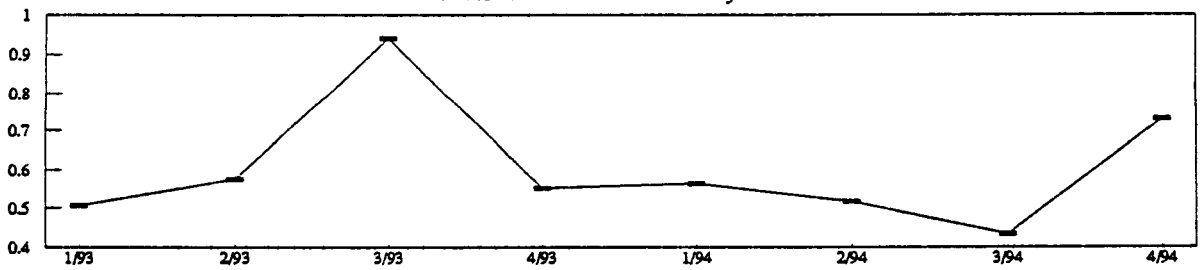
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



A 3rd Qtr FY94 reversal of credit returns accumulated over a period of time and resulted in a higher than normal direct material expense. This caused an inflated reduction to Throughput for that time period.

CAPITAL INVESTMENT EFFECTIVENESS

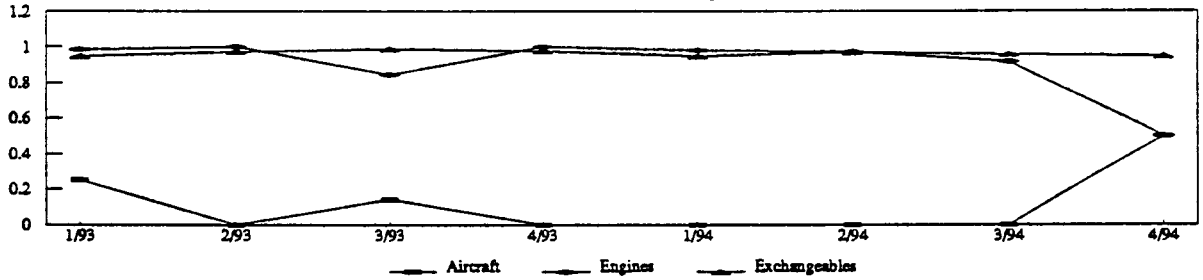
GOAL: Index Should Continually Increase



The fluctuation in the 3rd and 4th Qtr FY94 time period is due to a 3rd Qtr FY94 recapture of improper credit returns coupled with historically higher revenue in the 4th Qtr.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

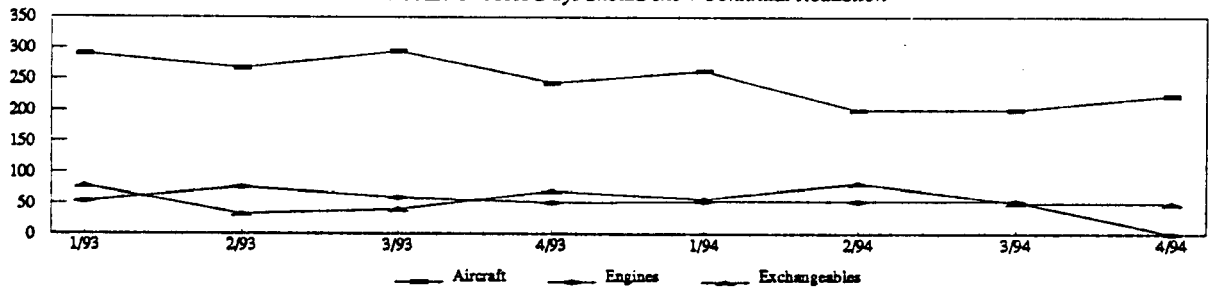


The reduction to Schedule Conformance for engines is caused by the early completion of five F100 engines. The engines were produced in 3rd Qtr FY93, but the close-out project directive verifying a schedule change is not available.

SAN ANTONIO AIR LOGISTICS CENTER

PROCESS DAYS

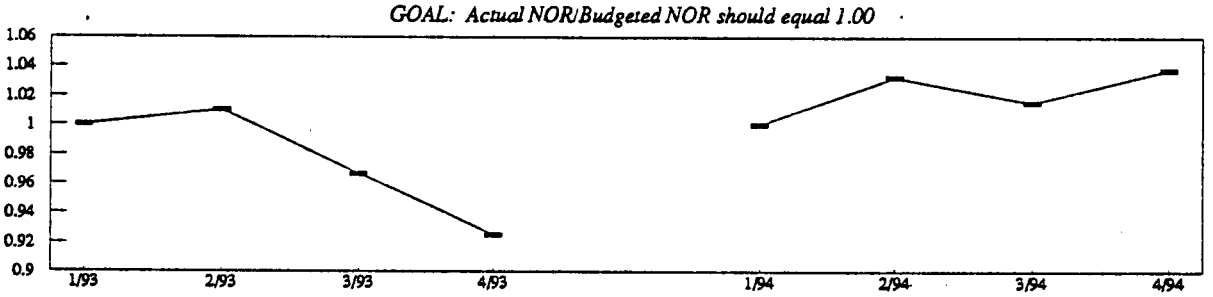
GOAL: Process Days Should show Continual Reduction



The engine reported for this measure has changed. SA-ALC previously reported on the TF39 engine. This engine is no longer produced as a "whole up" engine, but is totally under the two levels of maintenance concept. We have revised the input to reflect F100-PW-220E overhaul.

NET OPERATING RESULTS

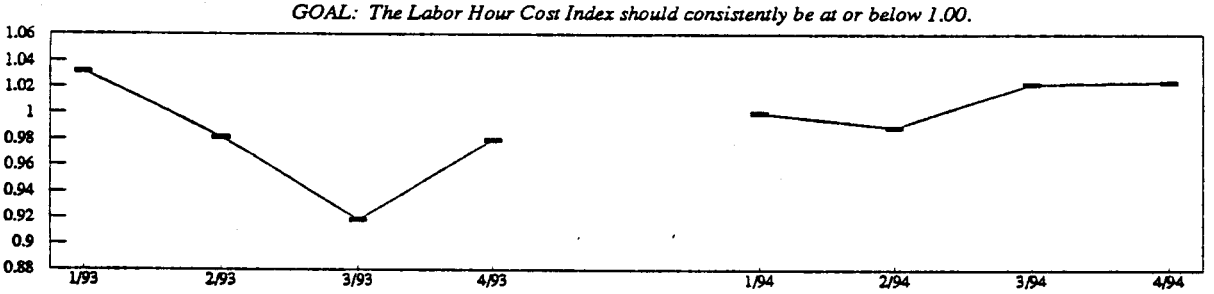
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The relative stability of this indicator is the result of increased management emphasis on maintaining cost to budget tolerances.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Increased emphasis on forecasting costs has contributed to the low relative variance in this indicator.

SAN ANTONIO AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	114,906,000	143,451,000	204,073,000	155,321,000	144,866,000	144,650,000	179,375,000	198,236,000
Total Cost ($)	116,225,000	132,863,000	219,247,000	193,463,000	150,582,000	161,380,000	205,497,000	195,184,000
Direct Materials ($)	27,907,000	44,251,000	50,121,000	66,367,000	56,483,000	66,550,000	116,148,000	93,355,000
Throughput ($)	86,999,000	99,200,000	153,952,000	88,954,000	88,383,000	78,100,000	63,227,000	104,881,000
Operating Expense ($)	88,318,000	88,612,000	169,126,000	127,096,000	94,099,000	94,830,000	89,349,000	101,829,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	86,999,000	99,200,000	153,952,000	88,954,000	88,383,000	78,100,000	63,227,000	104,881,000
Longterm Inventory ($)	171,710,000	172,233,000	163,443,000	161,160,000	156,722,000	151,086,000	145,897,000	143,670,000
INDEX	0.51	0.58	0.94	0.55	0.56	0.52	0.43	0.73

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	8	9	7	2	5	6	5	4
Aircraft Completed	2	0	1	0	0	0	0	2
INDEX	0.25	0.00	0.14	0.00	0.00	0.00	0.00	0.50
Engines Scheduled	62	69	59	46	51	37	25	22
Engines Completed	61	69	50	46	50	36	23	11
INDEX	0.98	1.00	0.85	1.00	0.98	0.97	0.92	0.50
Exchangeables Scheduled	28,179	32,303	28,211	25,581	20,179	20,162	22,513	19,435
Exchangeables Completed	26,713	31,394	27,883	24,969	19,146	19,562	21,557	18,421
INDEX	0.95	0.97	0.99	0.98	0.95	0.97	0.96	0.95

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	1,452	1,604	2,354	1,220	1,311	1,003	1,005	1,119
Number of Items	5	6	8	5	5	5	5	5
AVG PROCESS DAYS	290.40	267.33	294.25	244.00	262.20	200.60	201.00	223.80
Engines Process Days	1,537	1,824	1,475	1,479	1,007	371	265	0
Number of Items	29	24	25	29	19	7	5	0
AVG PROCESS DAYS	53.00	76.00	59.00	51.00	53.00	53.00	53.00	
Exchangeables Process Day	2,345	1,461	4,793	23,070	9,909	15,482	12,288	11,446
Number of Items	30	45	119	330	174	187	243	229
AVG PROCESS DAYS	78.17	32.47	40.28	69.91	56.95	82.79	50.57	49.98

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	114,906,000	296,249,000	470,991,000	647,599,000	144,886,000	322,708,000	537,410,000	722,299,999
Cum Budg Cost ($)	116,225,000	288,525,000	461,219,000	642,011,000	150,582,000	359,152,000	602,207,000	800,879,000
Budgeted NOR INDEX	0.99	1.03	1.02	1.01	0.96	0.90	0.89	0.90
Cum Actual Revenue ($)	114,906,000	258,357,000	462,430,000	617,751,000	144,886,000	289,536,000	468,911,000	667,147,000
Cum Actual Cost ($)	116,225,000	249,088,000	468,335,000	661,798,000	150,582,000	311,962,000	517,458,000	712,642,000
Actual NOR INDEX	0.99	1.04	0.99	0.93	0.96	0.93	0.91	0.94
NOR INDEX	1.00	1.01	0.97	0.93	1.00	1.03	1.02	1.04

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	98280000	309663000	490755000	664822000	158308000	391014000	610342000	802803000
Budgeted Total DLH	1862000	3849000	5842000	7857000	1580000	3356000	5227000	6838000
Bud Labor Hour Cost	$52.78	$80.45	$84.00	$84.62	$100.19	$116.51	$116.77	$117.40
Total Actual Cost ($)	98280000	291955000	428855000	616493000	158308000	363025000	544104000	735401000
Actual Total DLH	1804000	3696000	5560000	7437000	1580000	3149000	4557000	6116000
Actual Labor Hour Cost	$54.48	$78.99	$77.13	$82.90	$100.19	$115.28	$119.40	$120.24
Labor Hour Cost INDEX	1.03	0.98	0.92	0.98	1.00	0.99	1.02	1.02

WARNER ROBINS AIR LOGISTICS CENTER
ROBINS AFB, GA

MAJOR WORKLOAD ACCOMPLISHED:

F-15, C-130 & C-141, various missiles, Electronic Warfare Systems and Avionics Systems, Vehicles & Special Operations Forces (SOF) aircraft.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6142
Military:	80

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

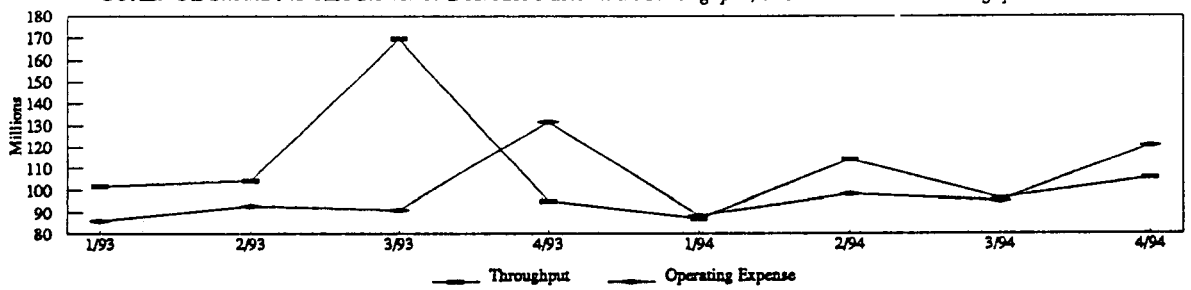
$605,265,000

In adition to the major workload previously described, the WR-ALC Team manages approximately 190,000 items that range from gunnery equipment to aerospace comm/nav equipment, including Global Positioning Systems. WR-ALC is the only organic source for the F-15 Multi-Stage Improvement Program modification which averages approximately 64 process days over and above the typical PDM aircraft. The F-15 production effort here continues to show a reduction in process days. Aircraft process days in the C-141 area showed an increase in 4th Qtr FY94 due to a parts supportability problem for the lower wing panel replacement on one particular aircraft. This as well as inside facility constraints caused delays in the PDM area as well. Decreasing unprogrammed C-141 aircraft inputs will also help to concentrate resources in critical areas. Additional work package requirements added by our customers caused the C-130 production area to increase its process days. There are improvement initiatives in C-130 production, like the purchase of a wiring analyzer to check flowdays. The devastating flood which occurred at the beginning of the 4th Qtr provided an opportunity of service to surrounding communities; however, it had an adverse impact on operations. This can be seen in the area of Operating Expense which exceeded Throughput. Wr-ALC would have experienced a higher Throughput for 4th Qtr if not for the flood which brought about a $6.3M loss of revenue. Even so, Throughput has managed to increase slightly for 3rd to 4th Qtr. This resulted in a positive effect on Capital Investment Effectiveness. NOR remains above the index because of end-of-year adjustments to labor material. Despite all turmoil of the flood and the challenge of downsizing, Team Robins is continuing to strive for continuous improvement.

WARNER ROBINS AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

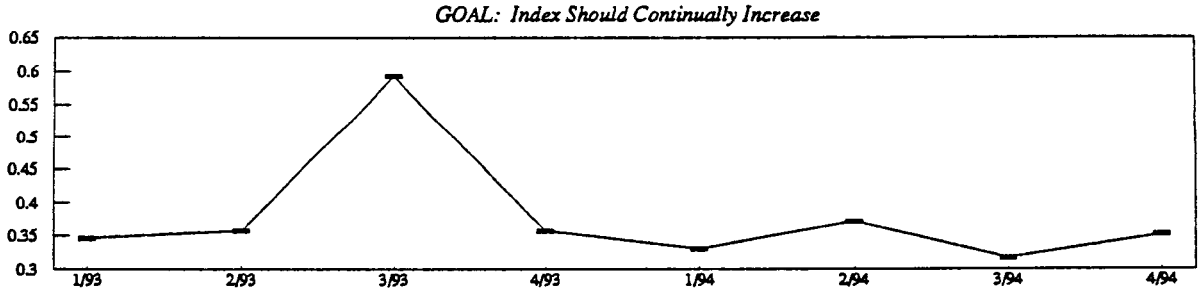
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



$13M in unallocated direct material expenses were captured as production overhead in 4th Qtr FY94. This overstated both Throughput and Operating Expenses by this amount. Additionally, $12M in expenses were captured in the last quarter (versus throughout the first 3 quarters), further overstating 4th Qtr FY94 Operating Expenses. Major drivers were labor acceleration factor ($8M), hazardous waste disposal ($1.3M), equipment/maintenance ($.6M), HQ & DFAS costs ($2.2M), and backorder cancellation ($.3M).

CAPITAL INVESTMENT EFFECTIVENESS

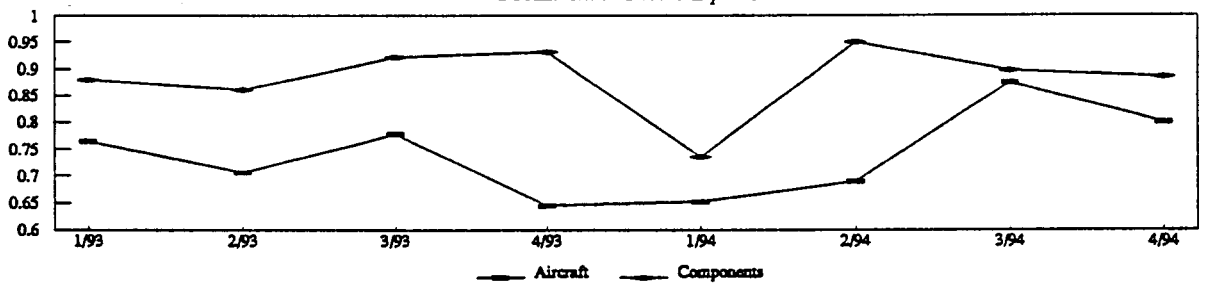
GOAL: Index Should Continually Increase



Long term inventory continues a steady decline due to increased focus on capacity utilization. Throughput has increased over 3rd Qtr FY93 because of accelerated end-of-year sales.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

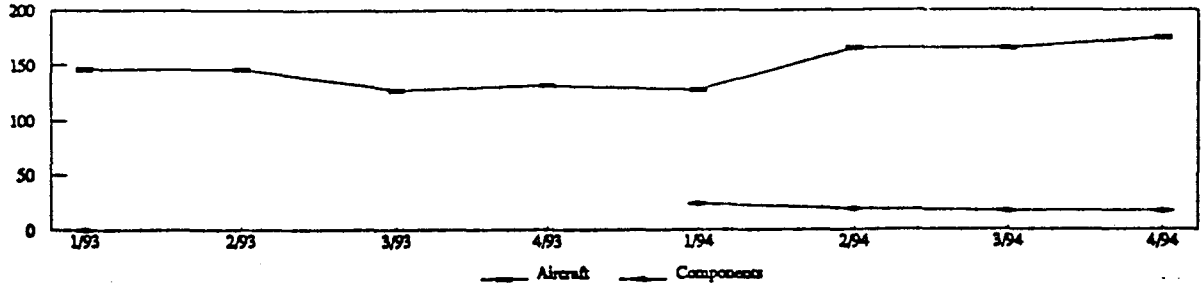


As with process days, parts supportability problems with the C-141 wing panel replacement have resulted in aircraft not making their scheduled completion dates. Facility constraints are also a major factor particularly when panel replacements are unscheduled. C-130 had one late aircraft in 3rd Qtr FY94. This aircraft was the first to receive a PDM in conjunction with the Special Operations Forces Improvement and Night Vision Imaging System. F-15s were at 93% for 3rd Qtr FY94 and 100% for the 4th Qtr.

WARNER ROBINS AIR LOGISTICS CENTER

PROCESS DAYS

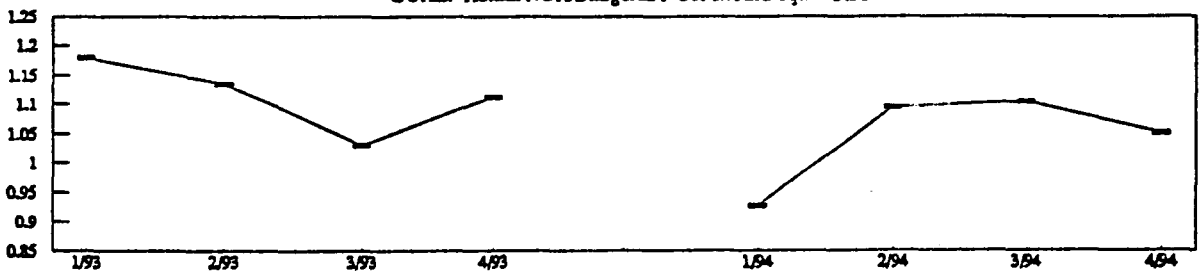
GOAL: Process Days Should show Continual Reduction



C-130 flow days increased due to additional work requirements added to the aircraft by the customer after the aircraft was put in work. C-141 flow days increased in 4th Qtr FY94 due to one aircraft which spent 183 days in storage awaiting parts for lower wing panel replacement. C-141 flow days would be 18 less, excluding this aircraft. F-15 flow days (PDM, PDM/MSIP, ACI) remained constant throughout the year.

NET OPERATING RESULTS

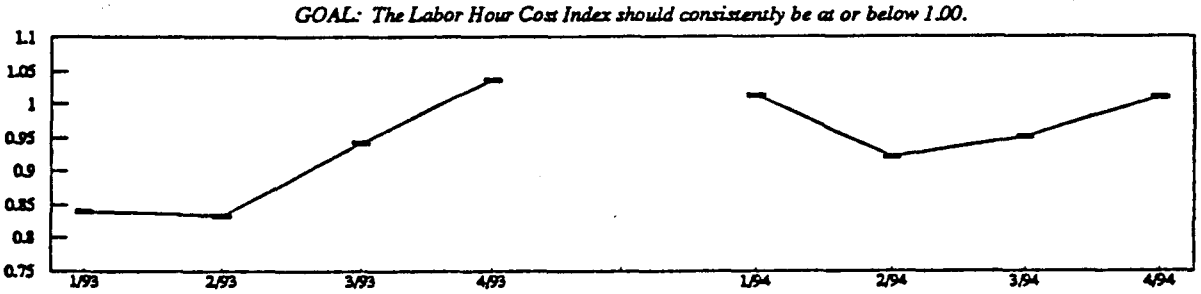
GOAL: Actual NOR/Budgeted NOR should equal 1.00



NOR is above the 1.0 goal due to efforts to reduce overhead costs which were $11.5M less than planned for 4th Qtr FY94. This is the result of lowered expenses in utilities ($1.1M), depreciation ($4.4M), and JLSC ($6.0M).

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Normal trend is for end-of-year cost to be higher due to end-of-year accounting adjustments in labor and material. Adjustments typically include posting actual expenses versus estimated expenses and capturing any unallocated expenses before the end of the year.

WARNER ROBINS AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	120,016,000	118,443,000	224,659,000	132,683,000	127,708,000	163,946,000	140,619,000	151,838,000
Total Cost ($)	104,296,000	107,109,000	146,352,000	168,816,000	129,196,000	148,223,000	139,506,000	166,818,000
Direct Materials ($)	18,127,000	13,982,000	55,132,000	37,302,000	40,509,000	49,793,000	44,125,000	46,108,000
Throughput ($)	101,889,000	104,461,000	169,527,000	95,381,000	87,199,000	114,153,000	96,494,000	105,730,000
Operating Expense ($)	86,169,000	93,127,000	91,220,000	131,514,000	88,687,000	98,430,000	95,381,000	120,710,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	101,889,000	104,461,000	169,527,000	95,381,000	87,199,000	114,153,000	96,494,000	105,730,000
Longterm Inventory ($)	294,130,000	292,109,000	286,146,000	267,119,000	263,830,000	307,216,000	304,157,000	300,929,000
INDEX	0.35	0.36	0.59	0.36	0.33	0.37	0.32	0.35

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	34	34	36	31	23	29	24	35
Aircraft Completed	26	24	28	20	15	20	21	28
INDEX	0.76	0.71	0.78	0.65	0.65	0.69	0.88	0.80
Components Scheduled	27,116	26,126	26,650	25,846	30,220	31,389	26,031	22,747
Components Completed	23,856	22,498	24,564	24,076	22,225	29,814	23,363	20,148
INDEX	0.88	0.86	0.92	0.93	0.74	0.95	0.90	0.89

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days								
Number of Items								
AVG PROCESS DAYS	146.00	146.00	127.00	131.00	127.00	166.00	166.00	175.00
Components Process Days								
Number of Items								
AVG PROCESS DAYS					24.00	19.00	17.00	17.00

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	115,562,000	244,490,000	378,739,000	510,124,000	127,702,000	289,398,000	433,209,000	575,642,000
Cum Budg Cost ($)	118,477,000	246,185,000	378,052,000	501,699,000	119,964,000	301,309,000	452,038,000	605,673,000
Budgeted NOR INDEX	0.98	0.99	1.00	1.02	1.06	0.96	0.96	0.95
Cum Actual Revenue ($)	120,015,000	238,459,000	369,707,000	595,800,000	127,708,000	291,653,000	432,471,000	582,910,000
Cum Actual Cost ($)	104,296,000	211,405,000	357,757,000	526,573,000	129,196,000	277,418,000	408,458,000	583,362,000
Actual NOR INDEX	1.15	1.13	1.03	1.13	0.99	1.05	1.06	1.00
NOR INDEX	1.18	1.14	1.03	1.11	0.93	1.09	1.10	1.05

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	120386000	245015000	369707000	494646000	129186000	300894000	451623000	605258000
Budgeted Total DLH	1776000	3610000	5510000	7402000	1867000	3853000	5887000	7888000
Bud Labor Hour Cost	$67.78	$67.87	$67.10	$66.83	$69.19	$78.09	$76.72	$76.73
Total Actual Cost ($)	104296000	211405000	357757000	526573000	129196000	277418000	416926000	583743000
Actual Total DLH	1832000	3737000	5655000	7595000	1844000	3854000	5713000	7533000
Actual Labor Hour Cost	$56.93	$56.57	$63.26	$69.33	$70.06	$71.98	$72.98	$77.49
Labor Hour Cost INDEX	0.84	0.83	0.94	1.04	1.01	0.92	0.95	1.01

MARINE CORPS
DEPOT MAINTENANCE ACTIVITIES

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA
ALBANY, GA

MAJOR WORKLOAD ACCOMPLISHED:

Communications and electronics equipment, combat vehicles, ordnance and weapons, automotive equipment, amphibious vehicles and equipment, construction equipment, general purpose equipment, automatic test support equipment and calibration support.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1081
Military:	9

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

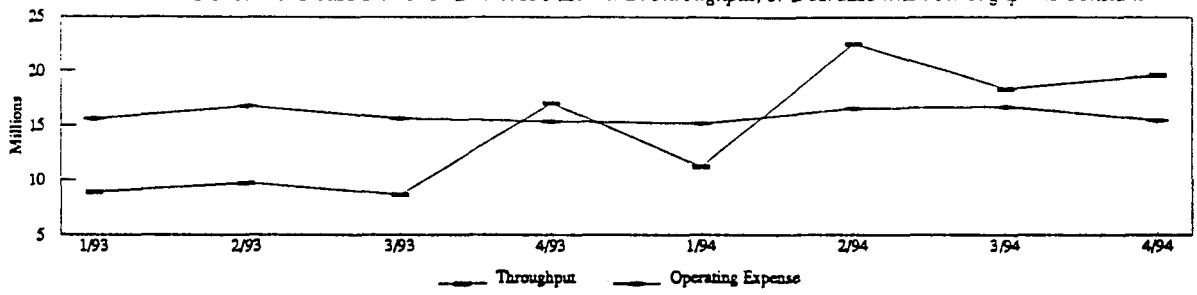
$78,572,000

In FY93, there was a planned loss of accumulated operating results (AOR) directed by the Defense Business Operating Fund (DBOF). This loss was achieved through a negative surcharge applied against our total stable labor rate therefore reducing our revenue. In addition, workload increased significantly to meet priority maritime prepositioned ships (MPS) requirements and Southwest Asia rollback requirements. During this period, additional temporary employees were hired to meet workload requirements which increased costs significantly. In FY94, there was a planned gain of AOR; therefore, Throughput exceeded operating expenses. In addition, total cost was lower than anticipated due to a decrease in direct material purchases which resulted in a lower Labor Hour Cost Index than planned. For these reasons, the indicators as identified in this report may vary from the goal as explained and justified in the narrative for each indicator.

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA

THROUGHPUT & OPERATING EXPENSE

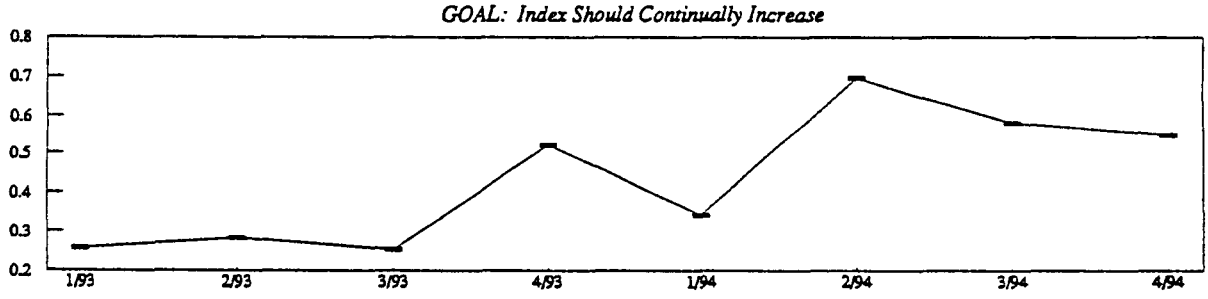
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



There was a planned revenue loss of $16M in FY93, causing Throughput (T) to be lower than Operating Expense (OE) except 4th Qtr when revenue increased due to increase in production to bring carryover down. A positive surcharge was applied to the stable labor rate in FY94, causing T to exceed OE except for 1st Qtr. 1st Qtr FY94 DLH were much lower than planned, causing T to be lower than OE. 2nd Qtr FY94 revenue increased substantially as a result of an increase in DLHs that were not produced in 1st Qtr.

CAPITAL INVESTMENT EFFECTIVENESS

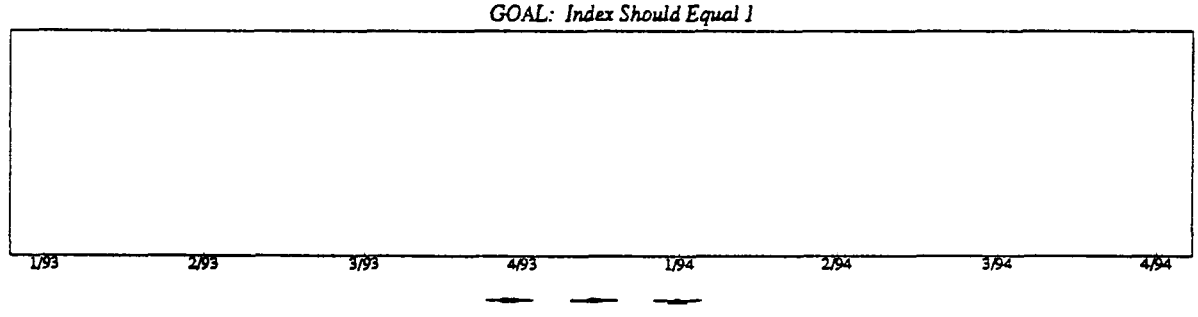
GOAL: Index Should Continually Increase



Due to planned loss of Revenue in FY93, Throughput decreased significantly, therefore decreasing investment ratio. In FY94, 2nd Qtr effectiveness increased significantly due to increase in production to overcome shortfall in 1st Qtr. In 4th Qtr FY94, long term inventory increased over $4M as a result of a new MILCON project being added to our inventory, thereby decreasing investment ratio.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

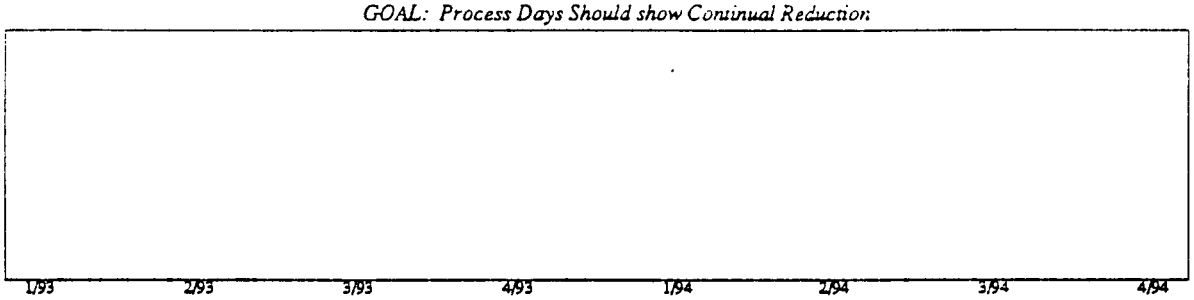


The Marine Corps is not required to submit Schedule Indicator Data.

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA

PROCESS DAYS

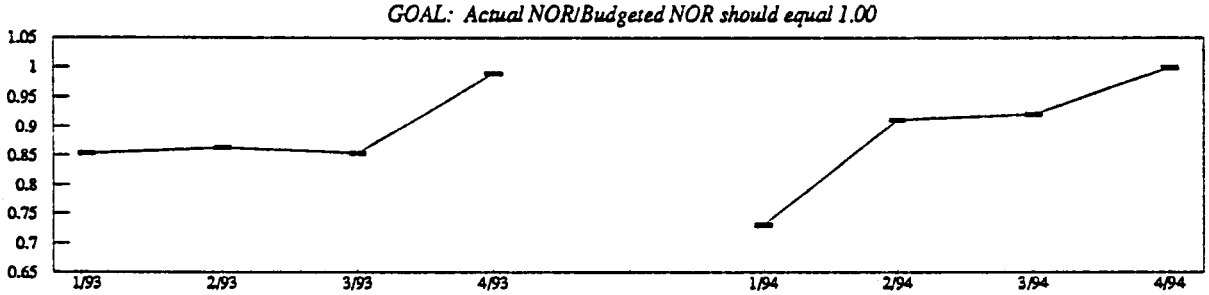
GOAL: Process Days Should show Continual Reduction



At this time, sufficient data is not available in the current system to compute actual process days as calculated in the Depot Maintenance Operations Indicators Handbook. The Maintenance Center is currently implementing a business plan along with a system that will track process days for every item inducted into the depot.

NET OPERATING RESULTS

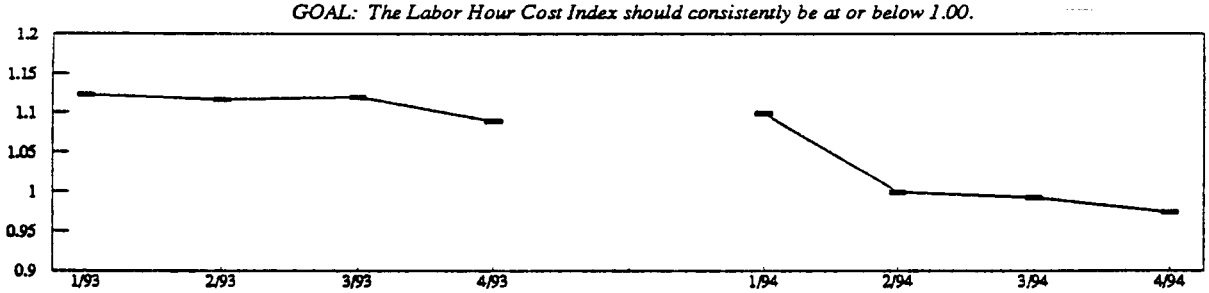
GOAL: Actual NOR/Budgeted NOR should equal 1.00



In both FY93 and FY94, the desired NOR index of 1.0 was acheived by the end of each FY. In each year, NOR increases as the year progresses. This is due to more revenue being earned later in the year as a result of increased production throughout the year and fixed price gains being realized in the 4th Qtr.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



In FY93, cost exceeded budget due to an increase in temporary employees and an increase in overtime, both required to meet workload requirements. In FY94, actual unit cost was lower than planned due to a decrease in direct material purchases.

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	14,188,692	15,760,664	15,170,737	22,596,734	17,583,173	29,106,009	24,210,739	24,878,067
Total Cost ($)	20,949,214	22,843,917	22,218,733	20,889,077	21,528,218	23,194,356	22,587,993	20,736,785
Direct Materials ($)	5,331,948	6,043,467	6,573,224	5,530,171	6,358,817	6,590,103	5,854,344	5,243,397
Throughput ($)	8,856,744	9,717,197	8,597,513	17,066,563	11,224,356	22,515,906	18,356,395	19,634,670
Operating Expense ($)	15,617,266	16,800,450	15,645,509	15,358,906	15,169,401	16,604,253	16,733,649	15,493,388

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	8,856,744	9,717,197	8,597,513	17,066,563	11,224,356	22,515,906	18,356,395	19,634,670
Longterm Inventory ($)	34,428,132	34,332,652	33,895,261	32,795,977	32,782,334	32,330,581	31,568,679	35,882,048
INDEX	0.26	0.28	0.25	0.52	0.34	0.70	0.58	0.55

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	14,193,000	28,726,000	43,925,000	59,453,000	23,956,000	47,238,000	72,864,000	100,202,000
Cum Budg Cost ($)	17,961,000	36,384,000	55,712,000	75,494,000	21,422,000	41,262,000	63,739,000	92,024,000
Budgeted NOR INDEX	0.79	0.79	0.79	0.79	1.12	1.14	1.14	1.09
Cum Actual Revenue ($)	14,188,692	29,949,356	45,120,093	67,716,827	17,583,173	46,689,182	70,899,921	95,777,988
Cum Actual Cost ($)	21,039,948	43,947,530	67,013,462	86,900,941	21,528,218	44,722,574	67,310,567	88,047,352
Actual NOR INDEX	0.67	0.68	0.67	0.78	0.82	1.04	1.05	1.09
NOR INDEX	0.85	0.86	0.85	0.99	0.73	0.91	0.92	1.00

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	17,961,000	36,384,000	55,712,000	75,494,000	21,422,000	41,262,000	63,739,000	92,025,000
Budgeted Total DLH	353,086	715,236	1,095,199	1,484,220	370,357	728,768	1,146,913	1,599,085
Bud Labor Hour Cost	$50.87	$50.87	$50.87	$50.86	$57.84	$56.62	$55.57	$57.55
Total Actual Cost ($)	21,039,948	43,947,530	67,013,462	86,900,941	21,528,218	44,722,574	67,310,567	88,047,352
Actual Total DLH	368,456	773,889	1,176,617	1,568,741	338,584	789,986	1,219,811	1,570,447
Actual Labor Hour Cost	$57.10	$56.79	$56.95	$55.40	$63.58	$56.61	$55.18	$56.07
Labor Hour Cost INDEX	1.12	1.12	1.12	1.09	1.10	1.00	0.99	0.97

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA
BARSTOW, CA

MAJOR WORKLOAD ACCOMPLISHED:

Missiles, communications and electronics equipment, combat vehicles, ordnance and weapons, automotive equipment, amphibious vehicles and equipment, construction equipment, and general purpose equipment

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1060
Military:	8

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

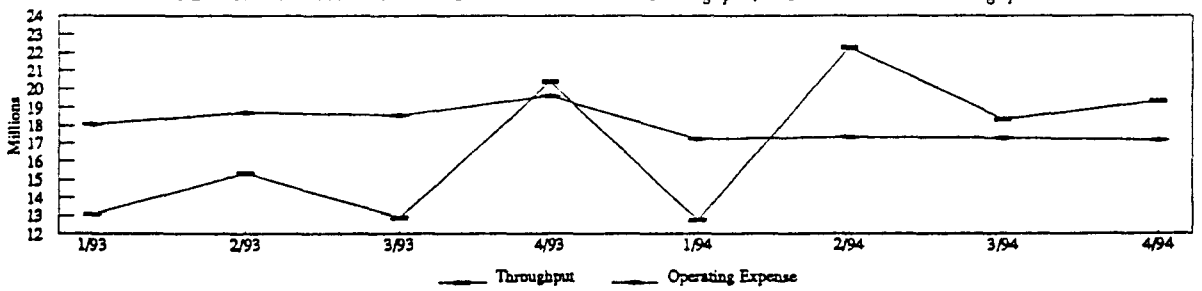
$93,014,698

During the two year period shown, revenue and operating results were negatively affected by planned losses to compensate for previous years surplus. Increases in interservice workload as well as Marine Coprs non-Master Work Schedule programs were able to offset the decrease in Master Work Schedule funding, thus facilitating revenue generation. Finally, the impact of the Federal Employees Compensation Act on operating expenses and labor costs has been absorbed as previously predicted, and costs are again under control.

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA

THROUGHPUT & OPERATING EXPENSE

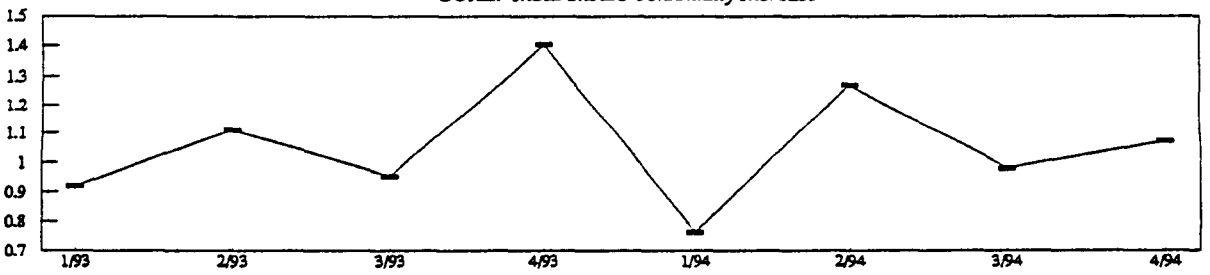
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



There has been an overall trend towards improvement as indicated by the upward shift of the entire Throughput curve for FY93 to FY94, as well as continual decline of the Operating Expense curve. The 2nd Qtr FY94 spike in Throughput was due to full receipt of Master Work Schedule funding and high point of the year in number of direct labor hour employees. In terms of goal, the trend has been positively reversed.

CAPITAL INVESTMENT EFFECTIVENESS

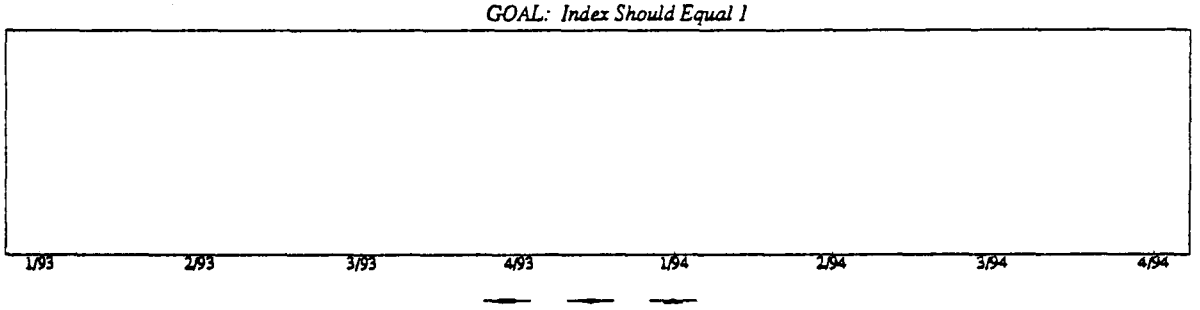
GOAL: Index Should Continually Increase



This measure closely parallels the previous graph of Throughput. This is because as Throughput has increased, it has done so at a faster rate than that of long term inventory's slow rise.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

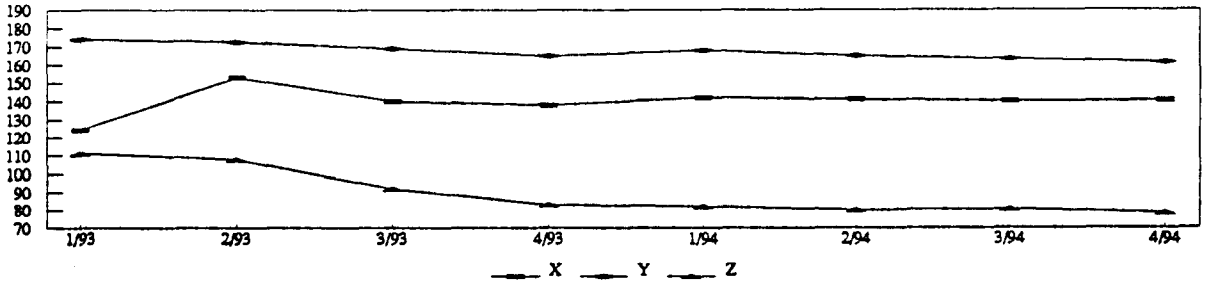


Marine Corps is not required to furnish Schedule Indicator data.

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA

PROCESS DAYS

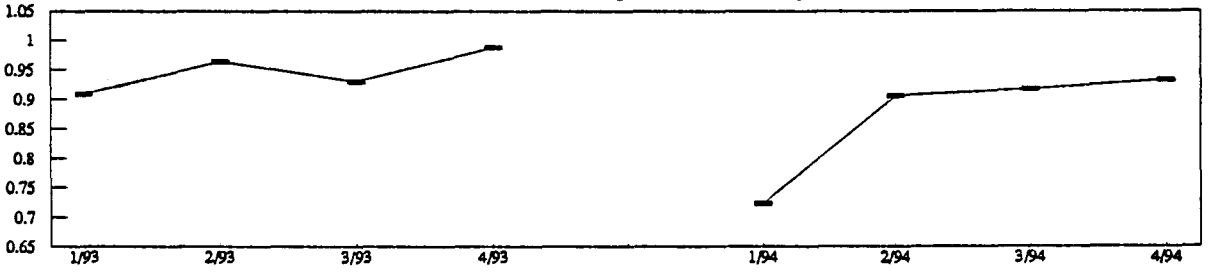
GOAL: Process Days Should show Continual Reduction



Even with a decrease in the number of items being worked and the associated increase in set up costs, we have been able to show a continual downward trend in average process days. It should again be noted that the Y process time includes a 30-45 day time frame for staging queue.

NET OPERATING RESULTS

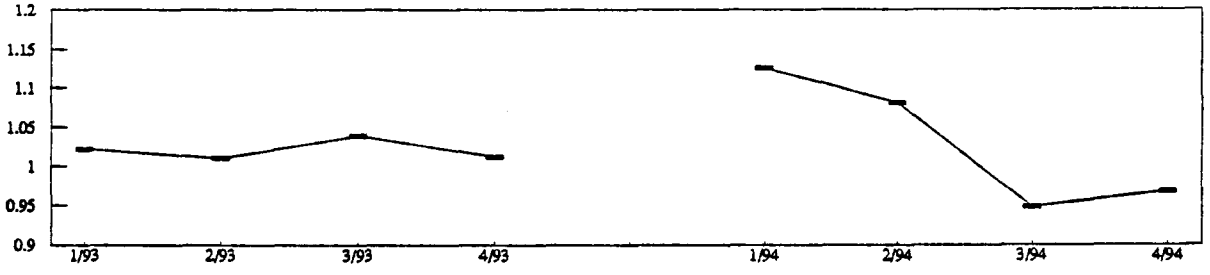
GOAL: Actual NOR/Budgeted NOR should equal 1.00



FY94 reflects a consistent trend towards the goal of the 1.00 index.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



There has been a marked improvement from FY93, despite increased labor costs due to higher wage rates. The overall goal of being below 1.00 was met for the entire year, as shown by the .97 cumulative index for the 4th Qtr of FY94.

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	19,037,000	22,705,000	20,163,000	27,827,000	19,090,000	29,002,000	23,700,000	24,828,000
Total Cost ($)	24,035,000	26,065,000	25,844,000	27,048,000	23,570,000	24,071,000	22,659,000	22,715,000
Direct Materials ($)	5,952,000	7,336,000	7,277,000	7,444,000	6,333,000	6,716,000	5,355,000	5,529,000
Throughput ($)	13,085,000	15,369,000	12,886,000	20,383,000	12,757,000	22,286,000	18,345,000	19,299,000
Operating Expense ($)	18,083,000	18,729,000	18,567,000	19,604,000	17,237,000	17,355,000	17,304,000	17,186,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	13,085,000	15,369,000	12,886,000	20,383,000	12,757,000	22,286,000	18,345,000	19,299,000
Longterm Inventory ($)	14,212,000	13,851,000	13,506,000	14,515,000	16,729,000	17,541,000	18,734,000	18,007,000
INDEX	0.92	1.11	0.95	1.40	0.76	1.27	0.98	1.07

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

X Process Days	4,102	6,108	5,740	2,898	1,136	1,974	2,242	1,122
Number of Items	33	40	41	21	8	14	16	8
AVG PROCESS DAYS	124.30	152.70	140.00	138.00	142.00	141.00	140.13	140.25
Y Process Days	7,138	8,803	7,436	4,455	5,040	5,445	4,078	4,996
Number of Items	41	51	44	27	30	33	25	31
AVG PROCESS DAYS	174.10	172.61	169.00	165.00	168.00	165.00	163.12	161.16
Z Process Days	3,336	5,924	4,232	4,067	2,460	2,080	322	392
Number of Items	30	55	46	49	30	26	4	5
AVG PROCESS DAYS	111.20	107.71	92.00	83.00	82.00	80.00	80.50	78.40

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	22,403,000	44,445,000	67,571,000	90,696,000	25,245,000	50,904,000	76,977,000	103,464,000
Cum Budg Cost ($)	25,702,000	51,404,000	77,106,000	102,807,000	22,663,000	45,656,000	69,105,000	92,888,000
Budgeted NOR INDEX	0.87	0.86	0.88	0.88	1.11	1.11	1.11	1.11
Cum Actual Revenue ($)	19,037,000	41,742,000	61,905,000	89,732,000	19,090,000	48,093,000	71,793,000	96,621,000
Cum Actual Cost ($)	24,035,000	50,100,000	75,944,000	102,992,000	23,670,000	47,641,000	70,300,000	93,015,000
Actual NOR INDEX	0.79	0.83	0.82	0.87	0.81	1.01	1.02	1.04
NOR INDEX	0.91	0.96	0.93	0.99	0.72	0.91	0.92	0.93

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	25,702,000	51,404,000	77,106,000	102,807,000	22,663,000	45,698,000	69,105,000	92,883,000
Budgeted Total DLH	387,000	767,000	1,167,000	1,566,000	341,000	687,000	1,039,000	1,397,000
Bud Labor Hour Cost	$66.41	$67.02	$66.07	$65.65	$66.46	$66.52	$66.51	$66.49
Total Actual Cost ($)	24,035,000	50,100,000	75,944,000	102,992,000	23,570,000	47,641,000	62,729,000	93,015,000
Actual Total DLH	354,000	740,000	1,106,000	1,550,000	315,000	662,000	995,000	1,445,000
Actual Labor Hour Cost	$67.90	$67.70	$68.67	$66.45	$74.83	$71.97	$63.04	$64.37
Labor Hour Cost INDEX	1.02	1.01	1.04	1.01	1.13	1.08	0.95	0.97

DEFENSE LOGISTICS AGENCY DEPOTS

DIRECTORATE OF IPE OPS, MECHANICSBURG PA
MECHANICSBURG, PA

MAJOR WORKLOAD ACCOMPLISHED:

Manage the DoD level maintenance program for Industrial Plant Equipment (IPE), including operations of all major DoD IPE repair, rebuild, retro-fit and remanufacturing facilities and provide on-site customer support world-wide.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	128
Military:	0

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$11,000,000

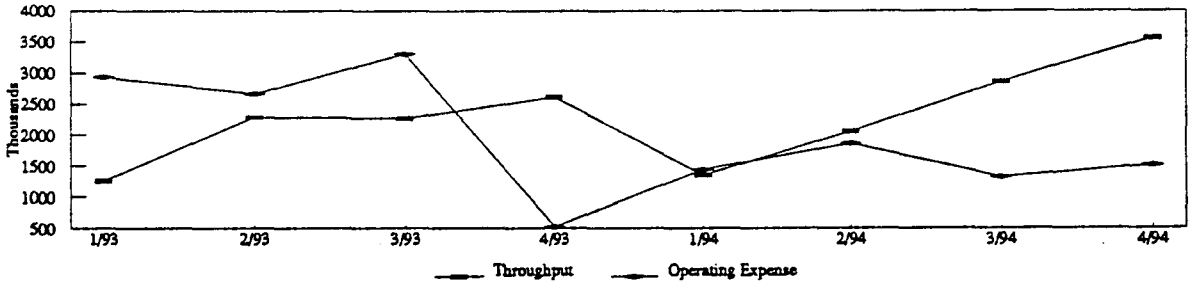
The Industrial Plant equipment Repair Facility provides repair and rebuild service of industrial machinery and supplies the needs of the Armed Forces in tme of national emergency. Field services are provided by the maintenance personnel and the Richmond service support personnel. Field services available include assessments, repairs, inpsections, and installations of machinery and accessories, plant design and layout, relocation and safety guarding.

Based on estimated workload from the Services, an average billable hourly rate was established to cover the cost of operations. This rate also recovers the HQ and G&A costs associated with the mission. Workload is projected based on the number of direct workers and available productive hours. During FY94, workload increased greatly during 3rd and 4th Qtrs, resulting in a positive NOR for the FY.

DIRECTORATE OF IPE OPS, MECHANICSBURG PA

THROUGHPUT & OPERATING EXPENSE

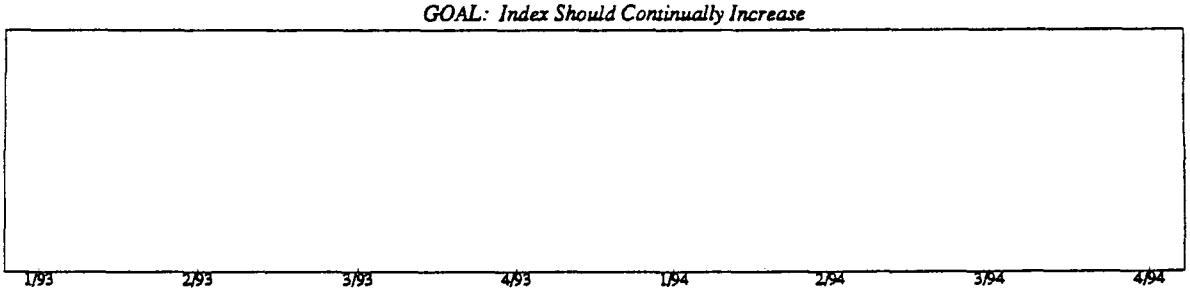
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



The increase in Throughput is a result of the increased workload generating revenue.

CAPITAL INVESTMENT EFFECTIVENESS

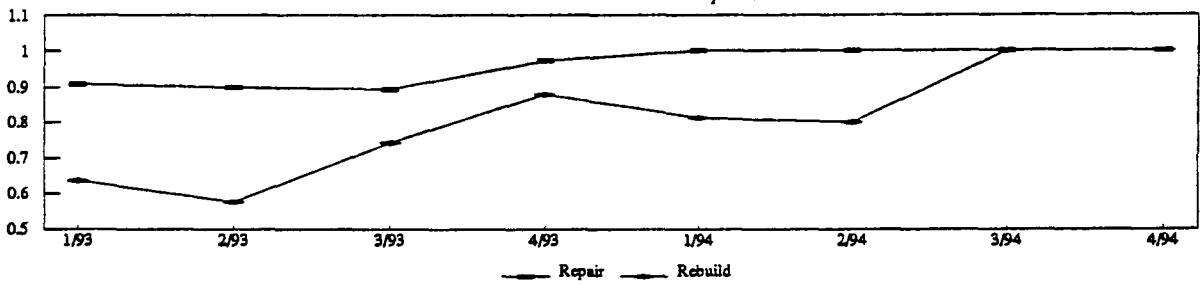
GOAL: Index Should Continually Increase



DGSC-M is in the process of determining the value of our in-use equipment.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

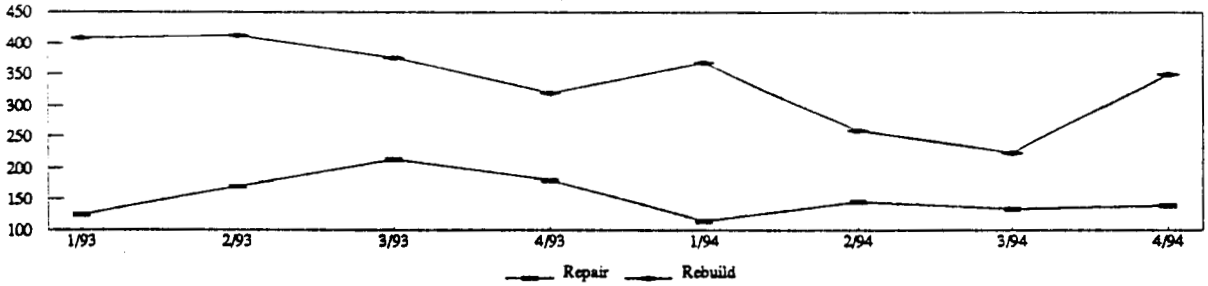


DGSC-M had 28 items scheduled for repair and 28 items completed for the 3rd Qtr FY94, 25 items scheduled for repair and 25 items completed repair for 4th Qtr FY94. There were 20 items scheduled for rebuild and 20 items completed for the 3rd Qtr FY94, 13 items scheduled and 13 items completed rebuild for the 4th Qtr FY94.

DIRECTORATE OF IPE OPS, MECHANICSBURG PA

PROCESS DAYS

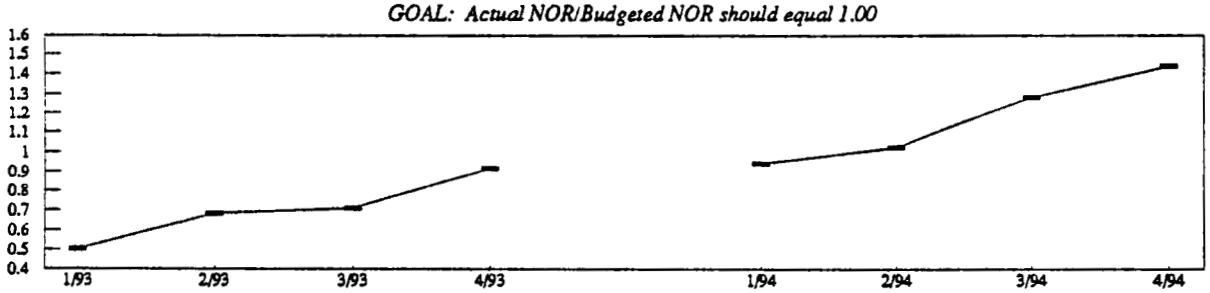
GOAL: Process Days Should show Continual Reduction



Processing time for DGSC-M repair averaged 133 days. Total processing days were 3,729 for 28 items in the 3rd Qtr FY94 and 3,465 total days for 25 items in the 4th Qtr FY94. Rebuild total process days for the 3rd Qtr FY94 were 4,483 for 20 items and 4,541 days for 13 items in the 4th Qtr FY94.

NET OPERATING RESULTS

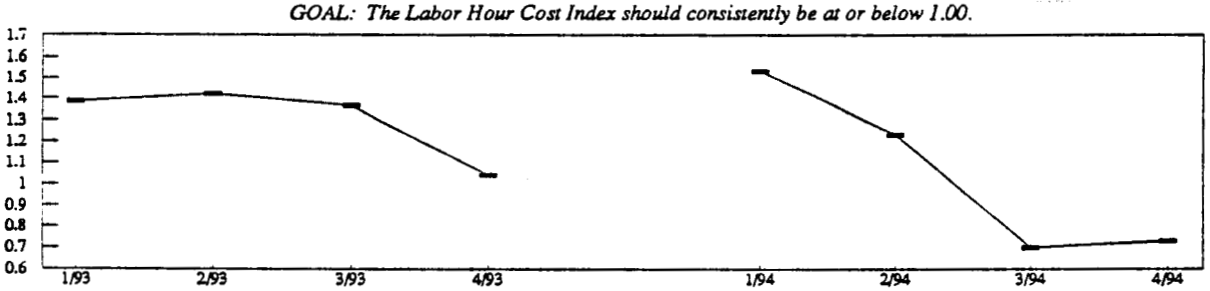
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The goal for revenue is to exceed cost and result in a positive NOR. The billable hourly rate is established to recover the cost of operating the maintenance facility as well as HQ indirect and G&A costs. FY94 showed an upward trend of improvement, finishing the year above our NOR goal.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The budgeted labor hour cost is computed on the total recoverable budget cost and projected billable hours. This does not include material costs, for purposes of the data conforming to the Annual Operating Budget. As workload increased during the year, the labor hour costs decreased.

DIRECTORATE OF IPE OPS, MECHANICSBURG PA

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	1,716,000	2,790,000	3,108,000	3,568,000	1,535,346	2,269,358	3,600,210	4,601,171
Total Cost ($)	3,401,000	3,173,000	4,151,000	1,477,000	1,628,488	2,078,796	2,061,073	2,552,560
Direct Materials ($)	460,000	508,000	843,000	950,000	184,518	216,623	741,230	1,040,749
Throughput ($)	1,256,000	2,282,000	2,265,000	2,618,000	1,350,828	2,052,735	2,858,980	3,560,422
Operating Expense ($)	2,941,000	2,665,000	3,308,000	527,000	1,443,970	1,862,173	1,319,843	1,511,811

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	1,256,000	2,282,000	2,265,000	2,618,000	1,350,828	2,052,735	2,858,980	3,560,422
Longterm Inventory ($)	0	0	0	0	0	0	0	0
INDEX								

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Repair Scheduled	33	20	19	36	11	21	28	25
Repair Completed	30	18	17	35	11	21	28	25
INDEX	0.91	0.90	0.89	0.97	1.00	1.00	1.00	1.00
Rebuild Scheduled	22	33	35	25	16	10	20	13
Rebuild Completed	14	19	26	22	13	8	20	13
INDEX	0.64	0.58	0.74	0.88	0.81	0.80	1.00	1.00

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Repair Process Days	2,845	1,365	2,143	2,345	1,253	3,043	3,729	3,465
Number of Items	23	8	10	13	11	21	28	25
AVG PROCESS DAYS	123.70	170.63	214.30	180.38	113.91	144.90	133.18	138.60
Rebuild Process Days	13486	12395	11636	5446	5879	2586	4483	4541
Number of Items	33	30	31	17	16	10	20	13
AVG PROCESS DAYS	408.67	413.17	375.35	320.35	367.44	258.60	224.15	349.31

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	3,578,000	7,156,000	10,735,133	14,707,385	2,466,506	4,218,218	5,686,528	7,998,727
Cum Budg Cost ($)	3,578,000	7,156,000	10,735,133	14,707,385	2,466,506	4,218,218	5,686,528	7,998,727
Budgeted NOR INDEX	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cum Actual Revenue ($)	1,715,000	4,505,000	7,611,000	11,179,000	1,535,346	3,804,704	7,404,915	12,006,089
Cum Actual Cost ($)	3,401,000	6,574,000	10,725,000	12,202,000	1,628,488	3,707,284	5,768,358	8,320,920
Actual NOR INDEX	0.50	0.69	0.71	0.92	0.94	1.03	1.28	1.44
NOR INDEX	0.50	0.69	0.71	0.92	0.94	1.03	1.28	1.44

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	3,109,000	6,218,000	9,327,000	12,638,000	2,701,740	5,360,016	4,912,354	6,803,233
Budgeted Total DLH	41,000	82,000	123,000	167,000	31,640	62,771	57,528	79,672
Bud Labor Hour Cost	$75.83	$75.83	$75.83	$75.68	$85.39	$85.39	$85.39	$85.39
Total Actual Cost ($)	2,941,000	5,606,000	8,914,000	9,441,000	1,443,970	3,306,143	4,331,274	7,280,171
Actual Total DLH	28,000	52,000	86,000	120,000	11,034	31,388	72,500	116,800
Actual Labor Hour Cost	$105.04	$107.81	$103.65	$78.68	$130.87	$105.33	$59.74	$62.33
Labor Hour Cost INDEX	1.39	1.42	1.37	1.04	1.53	1.23	0.70	0.73

APPENDIX A

DMOIS REPORTING SERVICE DEPOT MAINTENANCE ACTIVITIES

ARMY

Anniston Army Depot
Corpus Christi Army Depot
Letterkenny Army Depot
Red River Army Depot
Tobyhanna Army Depot

NAVAIR

Naval Aviation Depot Cherry Point
Naval Aviation Depot Jacksonville
Naval Aviation Depot North Island

NAVSEA

Long Beach Naval Shipyard
Norfolk Naval Shipyard
Pearl Harbor Naval Shipyard
Portsmouth Naval Shipyard
Puget Sound Naval Shipyard

AIR FORCE

Aerospace Guidance and Metrology Center
Aerospace Maintenance and Regeneration Center
Ogden Air Logistics Center
Oklahoma City Air Logistics Center
Sacramento Air Logistics Center
San Antonio Air Logistics Center
Warner Robins Air Logistics Center

MARINE CORPS

Marine Corps Logistics Base Albany
Marine Corps Logistics Base Barstow

APPENDIX A (Cont.)

DMOIS REPORTING SERVICE DEPOT MAINTENANCE ACTIVITIES

DEFENSE LOGISTICS AGENCY

Directorate of Industrial Plant Equipment Operations Mechanicsburg

APPENDIX B

SERVICE/DLA POINTS OF CONTACT FOR DEPOT MAINTENANCE OPERATIONS INDICATOR REPORT DATA

ARMY

Mr Carl Chirico

Address: Commander
US Army Depot System Command
Attn: AMSDS-RM-A (Mr Carl Chirico)
Chambersburg, PA 17201-4170

Phone: DSN 570-9034 Commercial (717) 267-9034

NAVAIR

Ms Carol Gaines

Address: Commanding Officer
Naval Aviation Depot North Island
Attn: Code 521 (Ms Carol Gaines)
P.O. Box 357058
San Diego, CA 92135-7058

Phone: DSN 735-3027 Commercial (619) 545-3027

NAVSEA

Mr Jim Jeter

Address: Commander
Naval Sea Systems Command
Attn: SEA-07221 (Mr Jim Jeter)
2531 Jefferson David Highway
Arlington, VA 22242-5160

Phone: DSN 332-3859 Commercial (703) 602-3859

AIR FORCE

Mr Charles Cooke

Address: Headquarters
Air Force Materiel Command
Attn: LGPP (Mr Charles Cooke)
4375 Chidlaw Road Suite 6
Wright-Patterson AFB, OH 45433-5001

Phone: DSN 787-4307 Commercial (513) 257 -4307

APPENDIX B (Cont.)

SERVICE/DLA POINTS OF CONTACT FOR DEPOT MAINTENANCE PERFORMANCE MEASUREMENT SYSTEM DATA

MARINE CORPS

Mr Harold Eidson

Address: Commander Marine Corps Logistics Bases
Code 88-2 (Mr Harold Eidson)
814 Radford Blvd
Albany, GA 31704-5000

Phone: DSN 567-6803 Commercial (912) 439-6803

DEFENSE LOGISTICS AGENCY

Ms Mary Kay Cyrus

Address: Commander
Defense General Supply Center
Office of Planning and Resource Management
DGSC-RR (Ms Mary Kay Cyrus)
Richmond, VA 23297-5226

Phone: DSN 695-4522 Commercial (804) 279-4841

APPENDIX C

GLOSSARY

A1	Overhaul
A2	Crash Damage
A/C	Aircraft
ACM	Advanced Cruise Missile
ADINTS	Automatice Depot Intertial Navigation Test Stations
AFMC	Air Force Materiel Command
AGM	Air to Ground Missile
AGMC	Aerospace Guidance and Metrology Center
ALC	Air Logistics Center
AMARC	Aerospace Maintenance and Regeneration Center
AMC	Army Materiel Command
AMC	Air Mobility Command
AMREP	Aircraft and Missile Maintenance, Production Compression Report
ANAD	Anniston Army Depot
AOR	Accumulated Operating Results
ATCOM	Aviation & Troop Support Command
AVLB	Armored Vehicle Launched Bridge
BO	Progressive Maintenance
BRAC	Base Closure and Realignment Commission
CCAD	Corpus Christi Army Depot
CECOM	US Army Communications Electronics Command
CHYPT	Naval Aviation Depot Cherry Point
DBOF	Defense Business Operating Fund
DDMC	Defense Depot Maintenance Council
DESCOM	US Army Depot Systems Command
DFAS	Defense Finance & Accounting Service
DLA	Defense Logistics Agency
DLH	Direct Labor Hours
DMBA	Depot Maintenance Business Area
DMP	Depot Maintenance Period
DMPMS	Depot Maintenance Performance Measurement System
DOD	Department of Defense
DPAH	Direct Product Actual Hour
EPA	Environmental Protection Agency
FAASV	Field Artillery Ammunition Supply Vehicle

APPENDIX C (Cont.)

GLOSSARY

HARM	High Speed Anti-Radiation Missile
HETS	Heavy Equipment Transporter System
IMU	Inertial Measurement Unit
INU	Inertial Navigation Unit
IO	Repair
IPE	Industrial Plant Equipment
IPR	In Process Review
JAX	Naval Aviation Depot Jacksonville
JEDMICS	Joint Engineering Drawing Management Information Control System
JPCG-DM	Joint Policy Coordinating Group on Depot Maintenance
JPMG	Joint Performance Measurement Group
LBNSY	Long Beach Naval Shipyard
LEAD	Letterkenny Army Depot
LGM	Land Based Guided Missile
MBT	Main Battle Tank
MCLBA	Marine Corps Logistics Base Albany
MCLBB	Marine Corps Logistics Base Barstow
MLRS	Multiple Launch Rocket System
MPS	Maritime Prepositioned Ships
NADEP	Naval Aviation Depot
NADOC	Naval Aviation Depot Operations Center
NAVAIR	Naval Air Systems Command
NAVSEA	Naval Sea Systems Command
NNSY	Norfolk Naval Shipyard
NOR	Net Operating Results
NORIS	Naval Aviation Depot North Island
OC-ALC	Oklahoma City Air Logistics Center
OE	Operating Expense
OO-ALC	Ogden Air Logistics Center
OSD	Office of the Secretary of Defense

APPENDIX C (Cont.)

GLOSSARY

PADS	Position Azimuth Determining System
PBD	Program Budget Decision
PCM	Pulse Code Modulation
PDM	Prgrammed Depot Maintenance
PDMSS	Prgrammed Depot Maintenance Standard System
PHNSY	Pearl Harbor Naval Shipyard
PNCLA	Naval Aviation Depot Pensacola
PRON	Procurement Request Order Number
PSNSY	Puget Sound Naval Shipyard
PTNSY	Portsmouth Naval Shipyard
RCIRON	Reliability Centered Inspect and Repair Only as Necessary
RIF	Reduction In Force
RRAD	Red River Army Depot
RSD	Reparable Support Division
RTC-524	Receiver Transmitter
SA-ALC	San Antonio Air Logistics Center
SM-ALC	Sacramento Air Logistics Center
SOF	Special Operations Forces
TEAD	Tooele Army Depot
TOAD	Tobyhanna Army Depot
TQM	Total Quality Management
VRC-12	Vehicle Radio Communication
WIP	Work In Process
WR-ALC	Warner-Robins Air Logistics Center

2 Feb

Jim,

Per your request please find 2 "Depot Maintenance Indicators reports" (an FY 92-93, and an FY 93-94)

A new report will be out this month.

DEPOT MAINTEN OPER/ INDICATORS REPORT

1st Quarter FY93 Through 2th Quarter FY94

FOREWORD

This report presents joint Service and DLA organic maintenance depot performance data reflected in the Depot Maintenance Operational Indicators System (DMOIS). It is the result of an evolutionary process of developing and enhancing depot performance indicator data.

The latest stage in this process began in early 1992, when the Joint Policy Coordinating Group on Depot Maintenance (JPCG-DM) directed the Joint Performance Measurement Group (JPMG) to develop indicators relating to the Theory of Constraints. At that time, there was a view among the Services that the existing Performance Measurement System Report had achieved commonality, but lacked comparability. As a result, the JPCG-DM directed the JPMG to look at other measures. The JPMG reviewed several sources for measurements including Competitive Edges, the Theory of Constraints, and the measures required by the Chief Financial Officers Act. The DMOIS Report is the result of the effort to revise the DMPMS. The JPMG is also developing additional indicators for quality and inventory.

The joint effort to identify and report depot performance data was first begun in response to a 1990 tasking by the Defense Depot Maintenance Council (DDMC). The DDMC commissioned a Performance Measurement Task Force whose report of 26 November 1990 recommended establishment of a Depot Maintenance Performance Measurement System (DMPMS). Subsequently, the JPCG-DM established the Joint Performance Measurement Group (JPMG) to implement and maintain the DMPMS.

The DMOIS reports are published semi-annually. The data presented covers two fiscal years by quarter, current fiscal year and past fiscal year. Since the first submission of the fiscal year is a mid-year submission (1st and 2nd quarters), there are six quarters of data displayed. The last submission for the fiscal year (3rd and 4th quarters) will display eight quarters of data.

The JPMG will continue to review and enhance the DMOIS to ensure that its indicators provide significant management information.

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INTRODUCTION

1.1 Description of the Key Areas and Their Indicators

The Depot Maintenance Operations Indicators System (DMOIS) Report is comprised of three key areas: Theory of Constraints, Timeliness, and Financial. Each key area has one or more indicators that are described below. The formulas employed by each Service and DLA in computing the indicators are documented in the DMOIS Handbook.

1.1.1 Theory of Constraints Indicators

The Theory of Constraints (TOC) represents a philosophy of global system improvement designed to assist organizations in achieving their goals. The TOC indicators are:

a. Throughput. Throughput is defined as the rate at which the system generates money through sales. The formula used to determine Throughput is revenue minus direct material. Revenue is defined as the realized result from the sale of a product or service. Direct material is defined as the material specifically required for the performance of depot maintenance as specified by a work authorization document. Throughput and Operating Expense are displayed on the same chart.

b. Operating Expense. Operating Expense is defined as all the money the system spends in turning inventory into Throughput. The formula used to determine Operating Expense is total actual cost minus direct material. Total actual cost is defined as amounts determined on the basis of costs incurred as distinguished from forecasted costs. Operating Expense and Throughput are displayed on the same chart.

c. Capital Investment Effectiveness. Capital Investment Effectiveness is the ratio of throughput to long term inventory. Long term inventory is defined as the total depreciated value of all capital assets (equipment, buildings, software), excluding land and fixed assets not in use, owned by the depot maintenance activity.

1.1.2 Timeliness

Timeliness Indicators provide information regarding a depot's ability to complete the workload in the agreed upon time. The timeliness indicators are:

a. Schedule Indicator. The Schedule Indicator is a ratio of the units completed on time to the units scheduled. Schedule is defined as the most current schedule for completion of planned or programmed work. Completion is defined as the date when a product is physically completed. On time is defined as completing the workload at the time promised. The Schedule Indicator is reported only by NAVAIR, Air Force and DLA.

b. Process Days. Process Days is calculated as an average for varying commodities. The formula used to calculate Process Days (except by NAVSEA) is the number of days (date completed minus date inducted) divided by the number of items. The formula used by NAVSEA to compute Process Days is scheduled flow days divided by actual flow days.

1.1.3 Financial Indicators

Financial indicators provide information about a depot's ability to manage to its budget. The financial indicators are:

a. Net Operating Results. Net Operating Results are calculated and displayed as two separate indexes, cumulative budgeted and cumulative actual. The cumulative budgeted is a ratio of the cumulative budgeted revenue to the cumulative budgeted cost. The cumulative actual is a ratio of the cumulative actual revenue to the cumulative actual cost.

b. Labor Hour Cost. Labor Hour Cost is a ratio of budgeted labor hour cost to actual labor hour cost. Budgeted labor hour cost is calculated as the total budgeted cost divided by the budgeted total direct labor hours. Actual labor hour cost is calculated as the total actual cost divided by the actual total direct labor hours.

2.1 Structure of the Report

This report portrays data for each Service, or Service Activity Group, and DLA. The depots are presented alphabetically within each Service and DLA grouping. The report presents the Service and DLA data in the following order:

Army
Naval Air Systems Command (NAVAIR)
Naval Sea Systems Command (NAVSEA) Shipyards
Air Force
Marine Corps
Defense Logistics Agency.

The operations indicators for each depot are in the following order for each reporting depot:

Throughput & Operating Expense
Capital Investment Effectiveness
Schedule Indicator
Process Days
Net Operating Results
Labor Hour Cost

2.2 Data Portrayal

For each depot, an introductory page provides supplementary data and an executive summary. The supplementary data includes: depot name, depot location, major workload, personnel levels, and current year budget. The following two pages for each depot reflect a graphic portrayal of all the indicators for that depot with analyses, when appropriate. The fourth page shows the data, the formula for each indicator, and the goal for that indicator.

The data presented covers two fiscal years by quarter, current fiscal year and past fiscal year. Since the first submission of the fiscal year is a mid year submission (1st and 2nd quarters), there are six quarters of data displayed. The last submission for the fiscal year (3rd and 4th quarters) will display eight quarters of data.

3.1 Reporting Activities

The depot maintenance activities that will report to the DMOIS are noted in Appendix A of this report. Depots that the Defense Base Closure and Realignment Commission have voted to close are not required to report.

4.1 Points of Contact

Any inquiries regarding data presented in this report should be referred to the respective Service or DLA representative to the JPMG. These individuals are identified in Appendix B.

5.1 Glossary

A glossary of acronyms used in this report is provided in Appendix C.

ARMY DEPOTS

ANNISTON ARMY DEPOT
ANNISTON, AL

MAJOR WORKLOAD ACCOMPLISHED:

During the reporting period Anniston Army Depot repaired 176 M1 RCIRON vehicles, 33 M551A1s, 32 M88 Recovery Vehicles, 27 M728 Combat Recovery Vehicles, and 13 AVLBs (M60 and M48).

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2,506
Military:	3

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$271,654,000

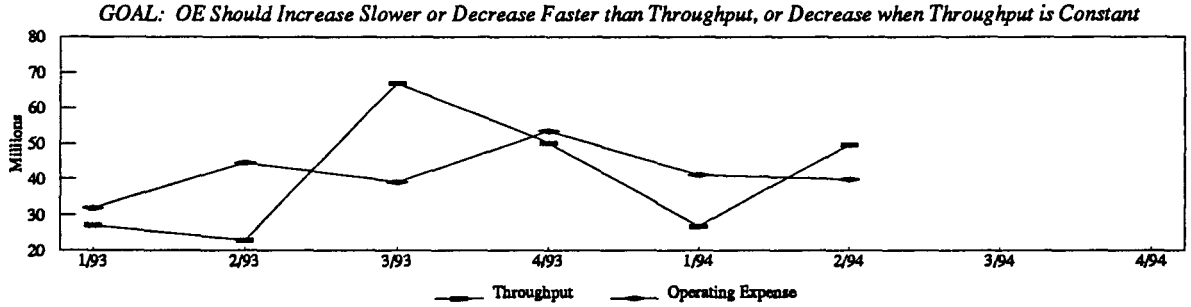
During this period, Anniston Army Depot developed the Improved Armored Vehicle Launch Bridge. Working under the provision of a five-year Cooperative Research and Development Agreement between the U.S. Army Tank Automotive Research, Development & Engineering Center (TARDEC), U.S. Army Tank-Automotive Command (TACOM), Teledyne Continental Motors, Allison Transmission Division of General Motors, General Dynamics Land Systems, NIMDA Industries, Ltd. (a subsidiary of ATD in Israel) and Anniston Army Depot, the prototype AVLB now contains an improved diesel engine, transmission, suspension, and hydraulic systems.

Also, the depot teamed with General Dynamics to develop the M1A2 Abrams Upgrade Tank (AUT). Disassembly, hull refurbishment and overhaul is performed at ANAD then the hull is shipped to General Dynamics where a newly produced turret is married to the reconfigured hull. The vehicle is then tested at Lima Army Tank Plant, Lima, Ohio.

ANNISTON ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

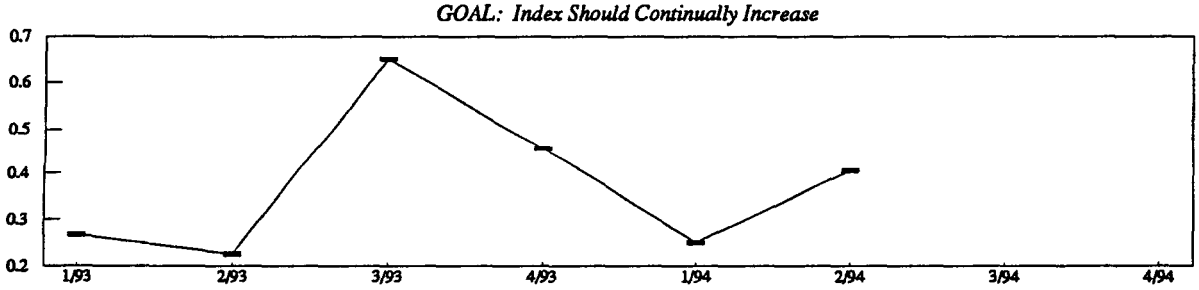
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Throughput generation shows a positive trend for FY93. This is due mainly to inflation, DBOF rate changes, and peak production efforts during FY93 which were designed to reduce the number of older customer orders, thereby decreasing inflationary cost increases. FY94's throughput is lower than planned due to rescheduling of the M88A1 and the M1, slippages of the M1 overhaul, M1A1 RCIRON and M551 OPFOR.

CAPITAL INVESTMENT EFFECTIVENESS

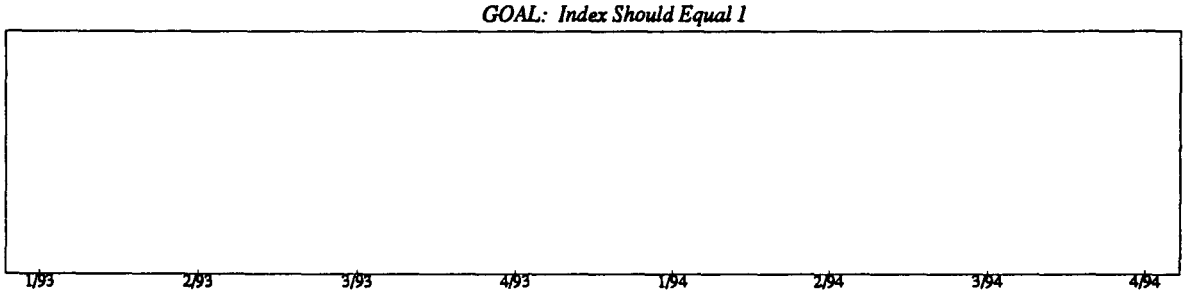
GOAL: Index Should Continually Increase



The major changes in CIE result from the rate of throughput generation. However, our Long Term Inventory increase ($15M) in the second quarter of FY94 was due to an accounting adjustment required to offset errors made when calculating depreciation. These errors and adjustments should be corrected by the third quarter.

SCHEDULE INDICATOR

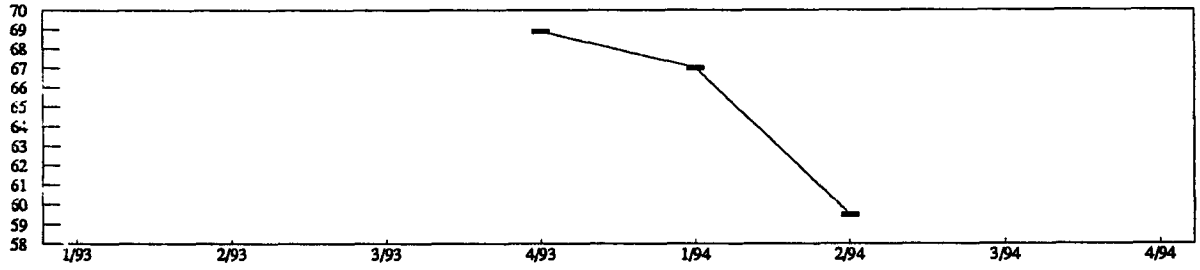
GOAL: Index Should Equal 1



ANNISTON ARMY DEPOT

PROCESS DAYS

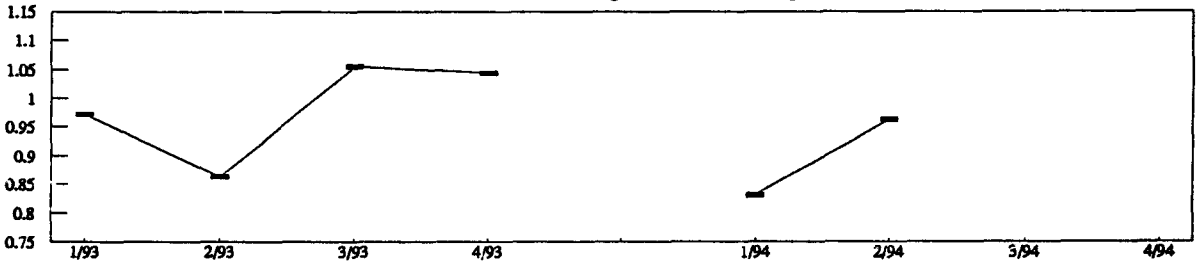
GOAL: Process Days Should show Continual Reduction



Management initiatives such as a reorganization and streamlining work processes have decreased the average process days for the repair of the M1A1 series vehicles.

NET OPERATING RESULTS

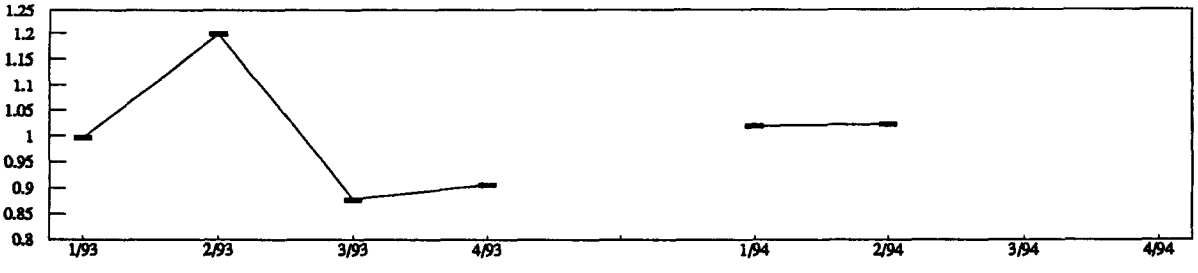
GOAL: Actual NOR/Budgeted NOR should equal 1.00



In FY94, costs are below the plan by nearly $5M. However, schedule changes and production slippages have limited revenue generation by nearly $9M less than planned. We anticipate making up these production slippages the second half of this year and bettering our NOR position.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or above 1.00.



Workload being rescheduled accompanied with higher leave usage caused by severe weather resulted in the direct labor hours falling below planned levels.

ANNISTON ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	62,318,000	75,471,000	52,085,000	68,704,000	52,023,000	71,243,000		
Total Cost ($)	67,023,000	97,140,000	24,169,000	71,972,000	66,325,000	61,516,000		
Direct Materials ($)	35,075,000	52,519,000	(14,935,000)	18,546,000	25,185,000	21,648,000		
Throughput ($)	27,243,000	22,952,000	67,020,000	50,158,000	26,838,000	49,595,000		
Operating Expense ($)	31,948,000	44,621,000	39,104,000	53,426,000	41,140,000	39,868,000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	27,243,000	22,952,000	67,020,000	50,158,000	26,838,000	49,595,000		
Longterm Inventory ($)	101,890,000	102,058,000	102,774,000	109,798,000	107,234,403	122,387,304		
INDEX	0.27	0.22	0.65	0.46	0.25	0.41		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

M1 Tanks Process Days				8,335	6,232	4,641		
Number of Items				121	93	78		
AVG PROCESS DAYS	NA	NA	NA	68.88	67.01	59.50		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	65,775,000	138,872,000	208,678,000	280,517,000	62,540,000	132,211,000	204,268,000	273,208,000
Cum Budg Cost ($)	68,752,000	142,832,000	218,406,000	295,025,000	66,325,000	132,009,000	203,145,000	271,654,000
Budgeted NOR INDEX	0.96	0.97	0.96	0.95	0.94	1.00	1.01	1.01
Cum Actual Revenue ($)	62,318,000	137,789,000	189,874,000	258,578,000	52,023,000	123,266,000		
Cum Actual Cost ($)	67,023,000	164,163,000	188,332,000	260,304,000	66,325,000	127,841,000		
Actual NOR INDEX	0.93	0.84	1.01	0.99	0.78	0.96		
NOR INDEX	0.97	0.86	1.06	1.04	0.83	0.96		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	68,752,000	142,832,000	218,406,000	295,025,000	66,325,000	132,009,000	203,145,000	271,654,000
Budgeted Total DLH	753,655	1,598,363	2,409,186	3,246,752	744,884	1,565,590	2,391,944	3,178,543
Bud Labor Hour Cost	91.22	89.36	90.66	90.87	89.04	84.32	84.93	85.46
Total Actual Cost ($)	67,023,000	164,163,000	188,332,000	260,304,000	66,325,000	127,841,000		
Actual Total DLH	737,432	1,532,232	2,367,749	3,161,415	730,900	1,482,197		
Actual Labor Hour Cost	90.89	107.14	79.54	82.34	90.74	86.25		
Labor Hour Cost INDEX	1.00	1.20	0.88	0.91	1.02	1.02		

CORPUS CHRISTI ARMY DEPOT
CORPUS CHRISTI, TX

MAJOR WORKLOAD ACCOMPLISHED:

The depot repairs, overhauls and maintains Army helicopters, including the UH-1 Huey, the AH-1S Cobra, the UH-60 Black Hawk and the CH-47 Chinook. In addition, Corpus Christi is DESCOM's Center of Technical Excellence for the AH-64 Apache attack helicopter, the UH-60 Black Hawk and the new Light Helicopter (LHX) Program (engine and airframe).

DEPOT MAINTENANCE PERSONNEL LEVEL:

2,744
7

CURENT YEAR INDUSTRIAL FUND BUDGET ($):

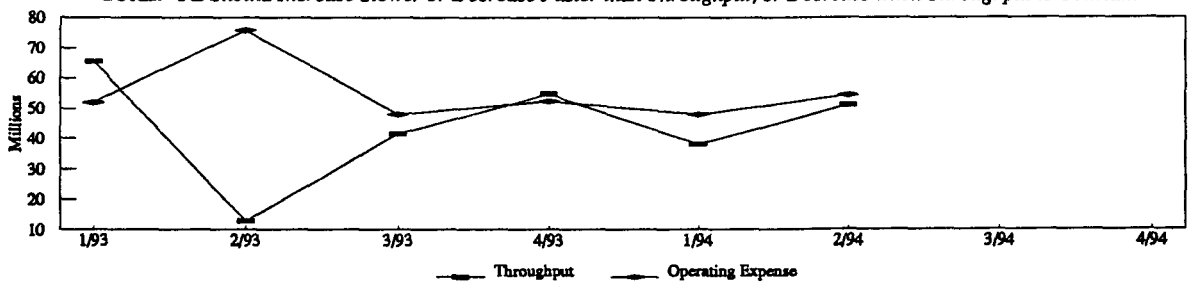
$325,582,000

Revenue generation and expense reduction continues to be the major focus for the business of the depot. Scheduling work based upon executability and capacity is positively influencing the schedule indicator. Continuing emphasis on process improvements is expected to continue to improve the process days indicator. It is relevant to recognize that process days for the Blackhawk encompasses four types of programs, A1, A2, IO, and BO; and while some predictability of cycle time is appropriate, the condition of the aircraft upon arrival determines the scope of work (time to perform).

CORPUS CHRISTI ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

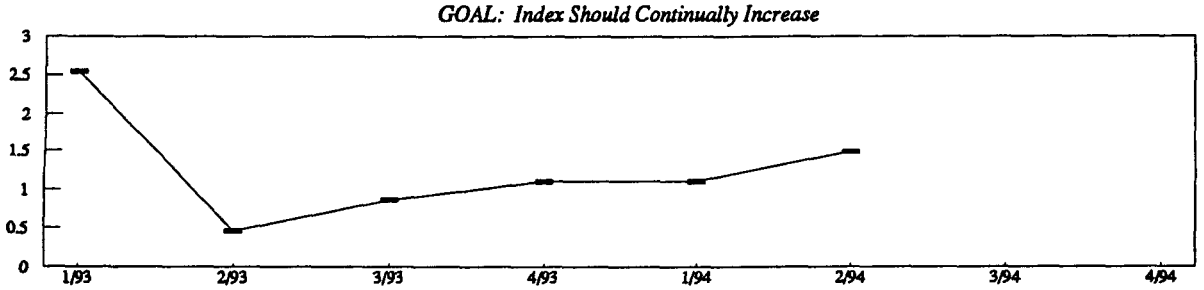
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



1st Quarter: Revenue decreased faster than expenses decreased. Production was under and inductions were up due to depleting the pipeline in the Sept EOY production push.
2nd Quarter: Revenue increased faster than expenses. Revenue finally began to catch up after the pipeline depletion in Sept and heavy inductions in the first quarter.

CAPITAL INVESTMENT EFFECTIVENESS

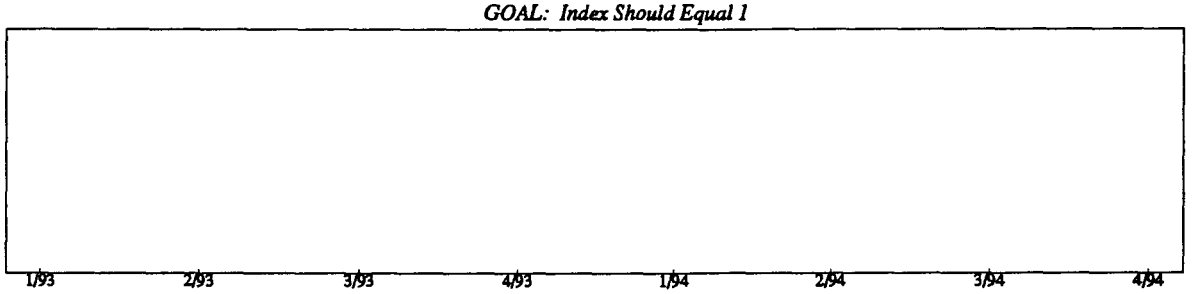
GOAL: Index Should Continually Increase



1st Quarter: Low revenue due to refilling the depleted pipeline the first quarter impacted the capital investment effectiveness.
2nd Quarter: The increasing revenue caused the capital investment effectiveness to rise.

SCHEDULE INDICATOR

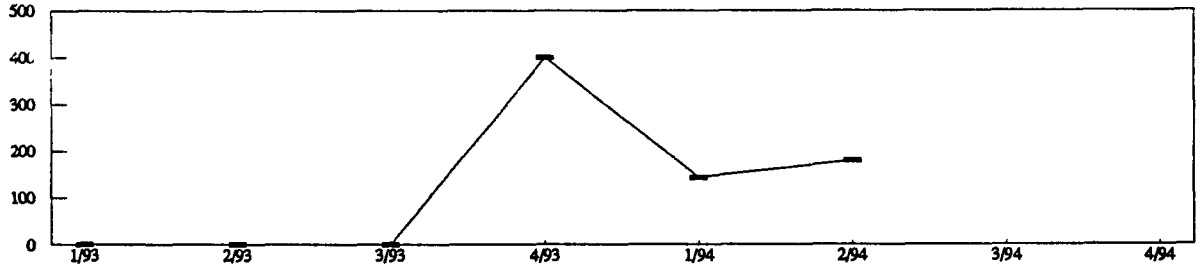
GOAL: Index Should Equal 1



CORPUS CHRISTI ARMY DEPOT

PROCESS DAYS

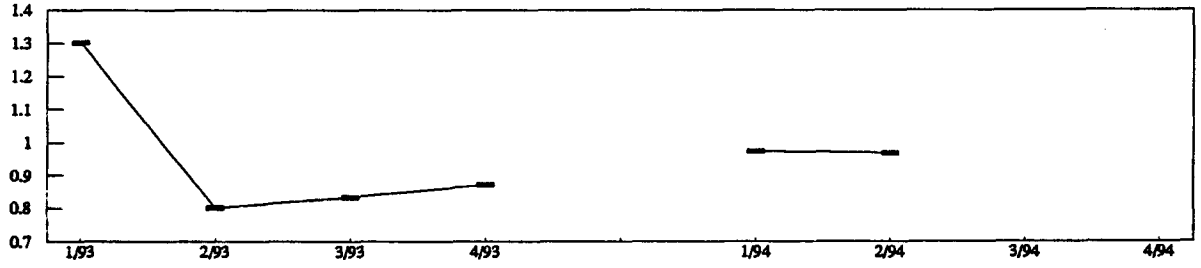
GOAL: Process Days Should show Continual Reduction



Process Days decreased dramatically from 4th Qtr FY93 due to the absence of fourth quarter unusual factors. In the 4th Qtr, The A1 completed was the first Blackhawk completed by CCAD: there were four A2s (crash damaged); the one IO had come from Desert Storm and had been stripped for parts before arriving here. 1st Qtr FY94 had 4 IOs and 2 BOs. 2nd Qtr FY94 had 10 IOs, 5 A2s, and 1 BO.

NET OPERATING RESULTS

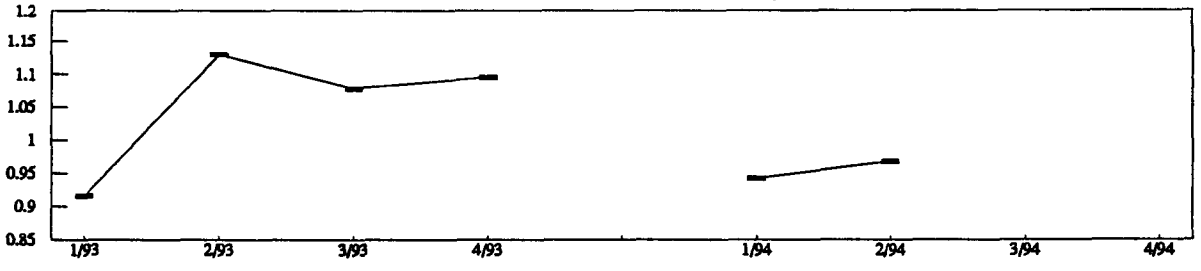
GOAL: Actual NOR/Budgeted NOR should equal 1.00



1st Quarter: The shortfall in revenue along with an offset by an increase in WIP resulted in NOR being just under the plan. 2nd Quarter: In two out of three months the revenue exceeded the plan, both improving cumulative revenue position and decreasing WIP.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or above 1.00.



1st Quarter: P7M Strength in direct was under the planned strength about 28; leave, paid and unpaid, was higher than planned; and direct/indirect rate was 56% instead of planned 60% due to more direct vacancies than indirect vacancies.

2nd Quarter: P7M Strength is still below the plan, but overtime is being used to make production.

CORPUS CHRISTI ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	89,816,000	63,020,000	77,884,000	98,809,000	63,042,000	84,258,000		
Total Cost ($)	76,318,000	126,148,000	84,495,000	96,492,000	73,167,000	87,406,000		
Direct Materials ($)	24,261,000	50,224,000	36,384,000	43,998,000	25,051,000	32,990,000		
Throughput ($)	65,555,000	12,796,000	41,500,000	54,811,000	37,991,000	51,268,000		
Operating Expense ($)	52,057,000	75,924,000	48,111,000	52,494,000	48,116,000	54,416,000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	65,555,000	12,796,000	41,500,000	54,811,000	37,991,000	51,268,000		
Longterm Inventory ($)	25,719,000	27,831,000	47,970,000	49,954,000	34,685,914	34,532,339		
INDEX	2.55	0.46	0.87	1.10	1.10	1.48		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Blackhawk Process Days				4,397	861	2,859		
Number of Items				11	6	16		
AVG PROCESS DAYS				399.73	143.50	178.69		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	83,909,000	179,404,000	283,913,000	387,186,000	66,879,000	150,078,000	245,550,000	325,582,000
Cum Budg Cost ($)	92,818,000	190,357,000	293,964,000	392,724,000	75,672,000	158,561,000	243,099,000	325,582,000
Budgeted NOR INDEX	0.90	0.94	0.97	0.99	0.88	0.95	1.01	1.00
Cum Actual Revenue ($)	89,816,000	152,836,000	230,720,000	329,529,000	63,042,000	147,300,000		
Cum Actual Cost ($)	76,318,000	202,466,000	286,961,000	383,453,000	73,167,000	160,573,000		
Actual NOR INDEX	1.18	0.75	0.80	0.86	0.86	0.92		
NOR INDEX	1.30	0.80	0.83	0.87	0.97	0.97		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	92,818,000	190,357,000	293,964,000	392,724,000	75,672,000	158,561,000	243,099,000	325,582,000
Budgeted Total DLH	783,811	1,645,249	2,565,501	3,477,742	643,994	1,358,587	2,084,450	2,802,485
Bud Labor Hour Cost	118.42	115.70	114.58	112.92	117.50	116.71	116.63	116.18
Total Actual Cost ($)	76,318,000	202,466,000	286,961,000	383,453,000	73,167,000	160,573,000		
Actual Total DLH	704,089	1,550,142	2,323,254	3,098,817	661,055	1,422,510		
Actual Labor Hour Cost	108.39	130.61	123.52	123.74	110.68	112.88		
Labor Hour Cost INDEX	0.92	1.13	1.08	1.10	0.94	0.97		

LETTERKENNY ARMY DEPOT
CHAMBERSBURG, PA

MAJOR WORKLOAD ACCOMPLISHED:

Workload revisions and AMC decrements have reduced new customer workload by 20%. Funding authorization has occurred at a slower pace than in the past. Personnel were assigned to other mission areas, self help projects or Tactical Missile Consolidation support activities. Major items completed were: 53 M109 howitzers, 10 light recovery vehicles, 8 towed howitzers, 9 Patriot launchers, 4 HAWK systems, 8 HAWK shops, 4,500 secondary items.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1,367
Military:	10

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

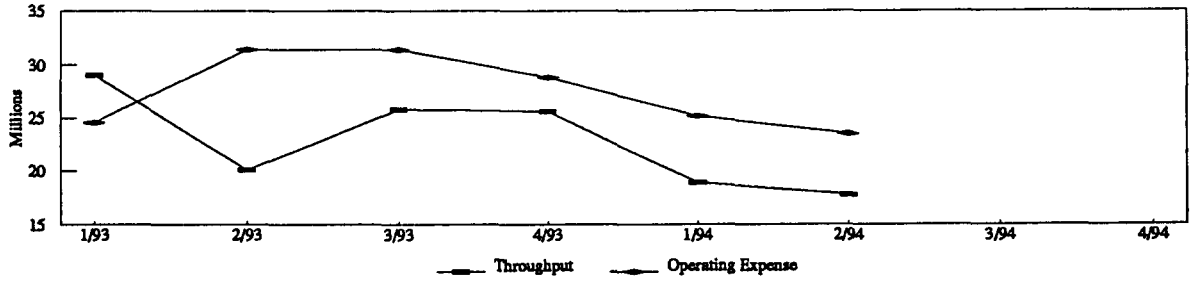
$136,433,000

LEAD is moving forward with transition planning in support of the Tactical Missile Consolidation. AVENGER/ATAS transition from ANAD to LEAD is complete. LEAD has fielded the first thirty AVENGERs to Europe. Customer satisfaction is high. The transition of ATACMS, DRAGON, HARM, HELLFIRE, MLRS, PHOENIX, SPARROW and TOW BRADLEY equipment to LEAD is in progress. LEAD is in a joint venture with a private company, United Defense, Limited Partnership to produce the newest version of the Army's M109 Self-Propelled Howitzer. This partnership is unique within DOD. It is the Paladin enterprise. A depot, a Program Manager, and a private company work as a team for the benefit of the government and the soldier. This enterprise is in full scale production. This project began in February 1994 when the first self-propelled howitzer was inducted into the depot's Maintenance shops.

LETTERKENNY ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

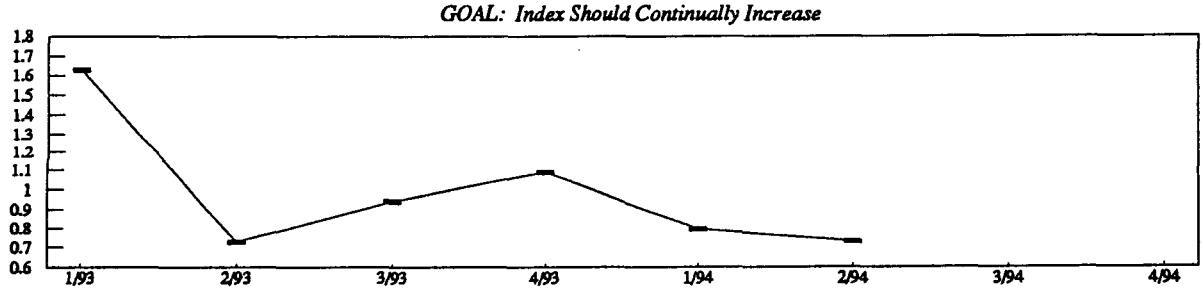
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Letterkenny Army Depot is transitioning into the DOD Tactical Missile Center. This has disrupted the normal work. In addition, this year's severe winter disrupted transportation and utilities. Leave was increased by impassable roads.

CAPITAL INVESTMENT EFFECTIVENESS

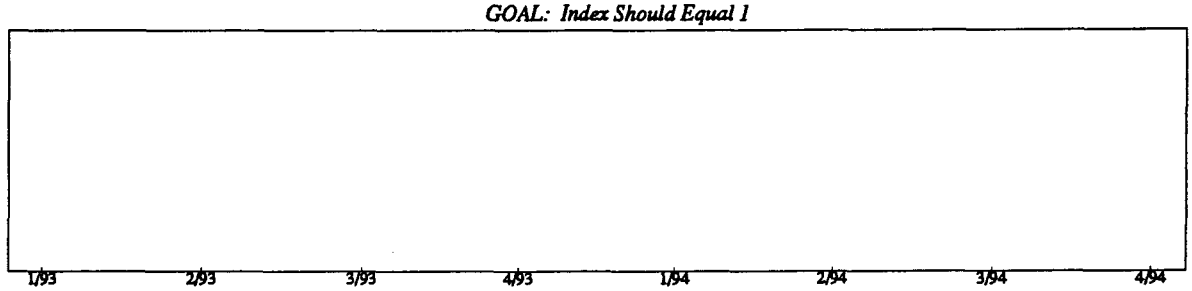
GOAL: Index Should Continually Increase



Due to the transition to missiles and an unusually severe winter, the depot's revenue producing work was low.

SCHEDULE INDICATOR

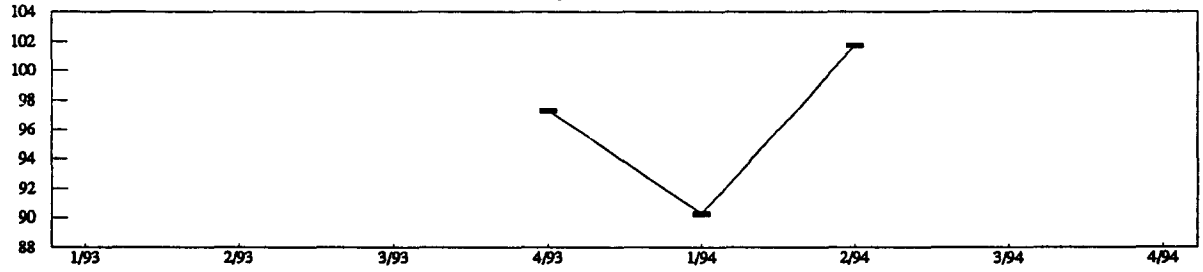
GOAL: Index Should Equal 1



LETTERKENNY ARMY DEPOT

PROCESS DAYS

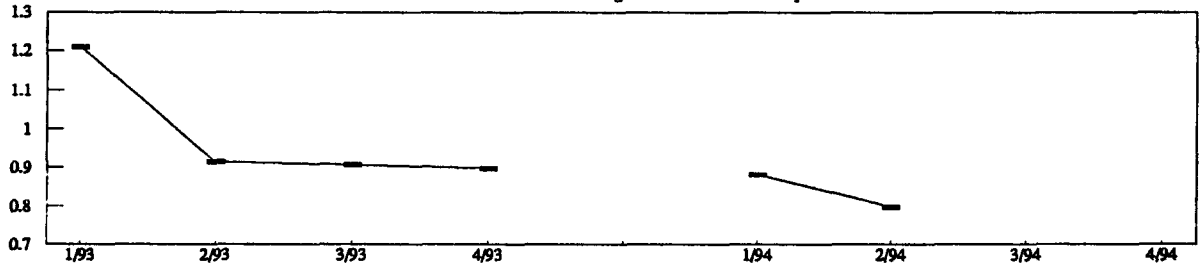
GOAL: Process Days Should show Continual Reduction



The severe winter was responsible for most of this increase. The weather caused an increase in leave usage and utility cutbacks. Local roads were often impassable because of snow and ice. A milling machine was out of service for 2 weeks.

NET OPERATING RESULTS

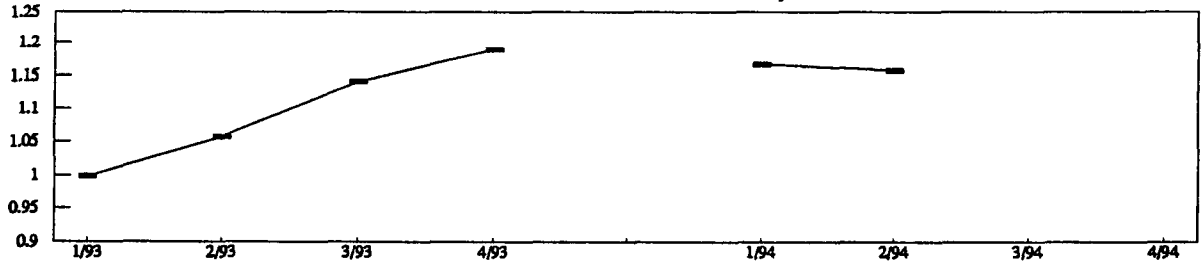
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Due to an unusually severe winter and the depot's transition to missile maintenance, the depot's revenue producing workload was low.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or above 1.00.



Revenue producing workload was low due to the transition of tactical missile maintenance mission from organic and contract sources of repair to LEAD. As workload increases, this index will better itself.

LETTERKENNY ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	38,114,000	24,371,000	31,790,000	28,215,000	23,849,000	20,903,000		
Total Cost ($)	33,608,000	35,683,000	37,451,000	31,438,000	30,098,000	26,629,000		
Direct Materials ($)	9,046,000	4,261,000	6,035,000	2,633,000	4,953,000	3,133,000		
Throughput ($)	29,068,000	20,110,000	25,755,000	25,582,000	18,896,000	17,770,000		
Operating Expense ($)	24,562,000	31,422,000	31,416,000	28,805,000	25,145,000	23,496,000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	29,068,000	20,110,000	25,755,000	25,582,000	18,896,000	17,770,000		
Longterm Inventory ($)	17,845,000	27,586,000	27,362,000	23,503,000	23,664,320	24,289,834		
INDEX	1.63	0.73	0.94	1.09	0.80	0.73		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Paladin Process Days				1,460	1,083	1,424		
Number of Items				15	12	14		
AVG PROCESS DAYS	NA	NA	NA	97.33	90.25	101.71		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	37,393,000	79,842,000	121,256,000	161,744,000	32,097,000	67,090,000	103,197,000	138,500,000
Cum Budg Cost ($)	39,901,000	81,034,000	124,518,000	163,710,000	35,697,000	67,949,000	103,918,000	136,433,000
Budgeted NOR INDEX	0.94	0.99	0.97	0.99	0.90	0.99	0.99	1.02
Cum Actual Revenue ($)	38,114,000	62,485,000	94,275,000	122,490,000	23,849,000	44,752,000		
Cum Actual Cost ($)	33,608,000	69,291,000	106,742,000	138,180,000	30,098,000	56,727,000		
Actual NOR INDEX	1.13	0.90	0.88	0.89	0.79	0.79		
NOR INDEX	1.21	0.92	0.91	0.90	0.88	0.80		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	39,901,000	81,034,000	124,518,000	163,710,000	35,697,000	67,949,000	103,918,000	136,433,000
Budgeted Total DLH	458,460	974,499	1,472,858	1,960,062	379,403	788,926	1,218,971	1,648,915
Bud Labor Hour Cost	87.03	83.15	84.54	83.52	94.09	86.13	85.25	82.74
Total Actual Cost ($)	33,608,000	69,291,000	106,742,000	138,180,000	30,098,000	56,727,000		
Actual Total DLH	386,817	788,250	1,106,478	1,390,986	274,159	568,792		
Actual Labor Hour Cost	86.88	87.90	96.47	99.34	109.78	99.73		
Labor Hour Cost INDEX	1.00	1.06	1.14	1.19	1.17	1.16		

RED RIVER ARMY DEPOT
TEXARKANA, TX

MAJOR WORKLOAD ACCOMPLISHED:

RRAD is the primary depot for overhaul and conversion of the M113 Armored Personnel Carrier family of vehicles. In the trend to shift to more advanced weapons systems, RRAD has become the designated maintenance point for overhaul and conversion of the Bradley Fighting Vehicle and Multiple Launch Rocket System.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1,783
Military:	5

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

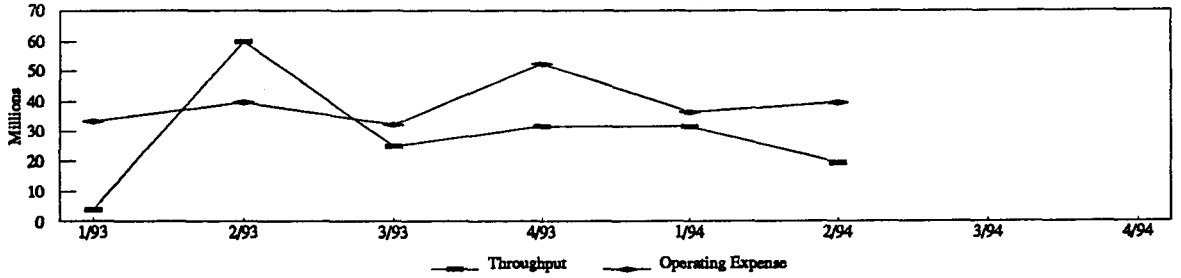
$218,773,000

Overall impact of the reorganization during the first part of the FY created more turbulence than anticipated. The reorganization resulted in the loss of experienced personnel and required the retraining of reassigned personnel in the necessary skills, creating significant learning curves, internal production bottlenecks and shortfalls. Computerized Numerically Controlled (CNC) equipment downtime created further production and revenue shortfalls. Although we have encountered numerous production problems during this fiscal year, we expect to see significant increases in revenue. Several improvement initiatives are in place or being implemented to assist in product/process improvement.

RED RIVER ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

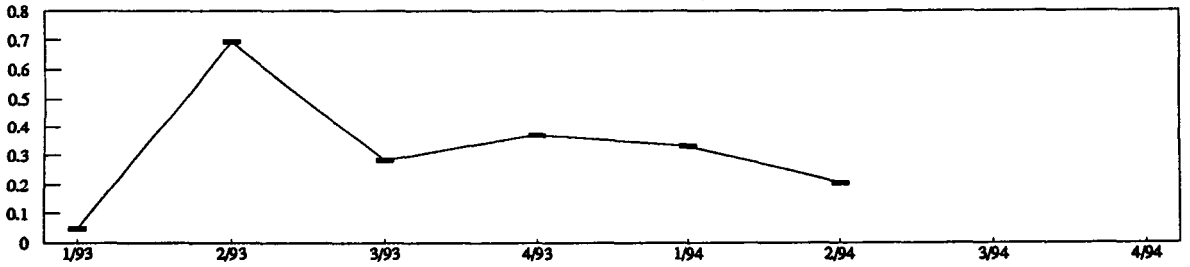
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



The Second Quarter decrease in Throughput is due to Computerized Numerically Controlled (CNC) equipment downtime and the turbulent impact of the reorganization that created production/revenue shortfalls.

CAPITAL INVESTMENT EFFECTIVENESS

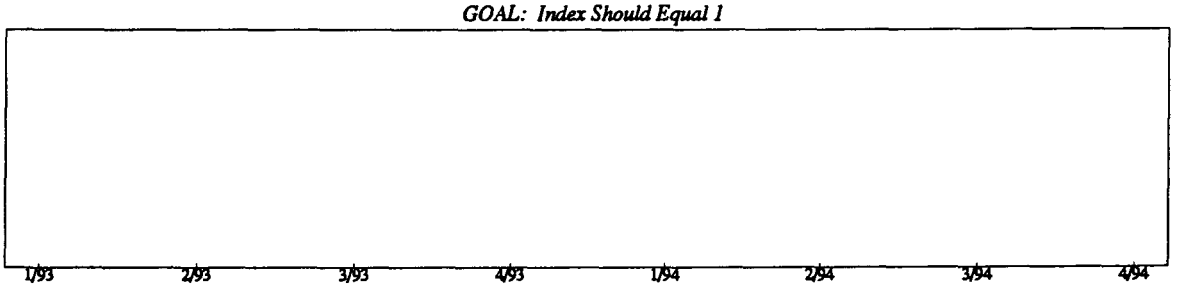
GOAL: Index Should Continually Increase



The Second Quarter decrease is due to Computerized Numerically Controlled (CNC) equipment downtime and the turbulent impact of the reorganization that generated production/revenue shortfalls.

SCHEDULE INDICATOR

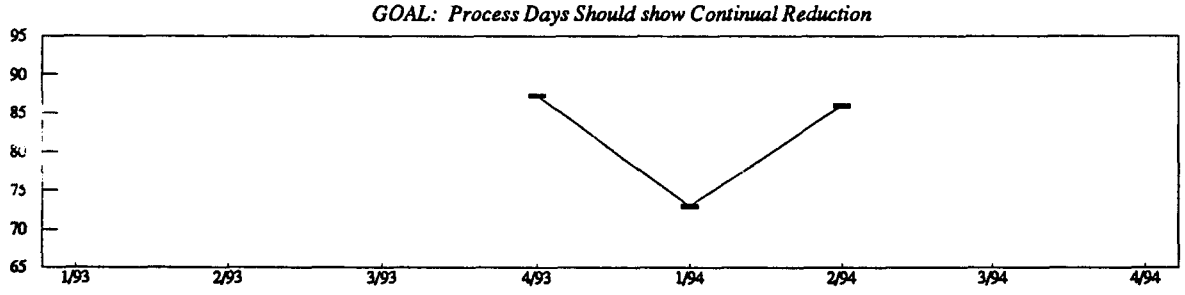
GOAL: Index Should Equal 1



RED RIVER ARMY DEPOT

PROCESS DAYS

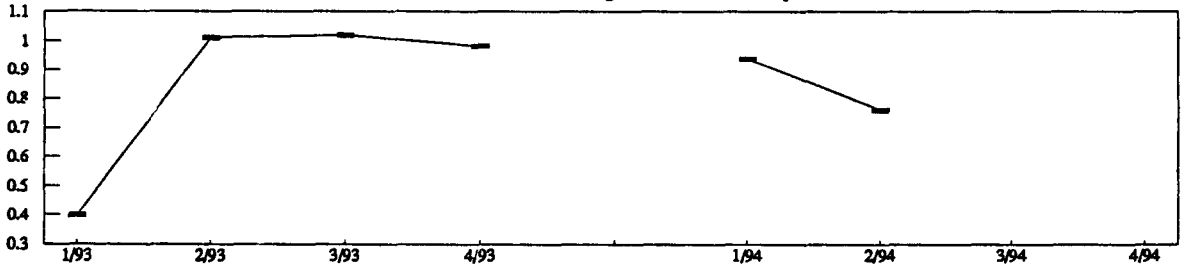
GOAL: Process Days Should show Continual Reduction



Increase in process days due to CNC equipment downtime that increased the vehicle cycle time. Equipment is now in operation, however, previous downtime will continue to impact process days through the beginning of Third Quarter.

NET OPERATING RESULTS

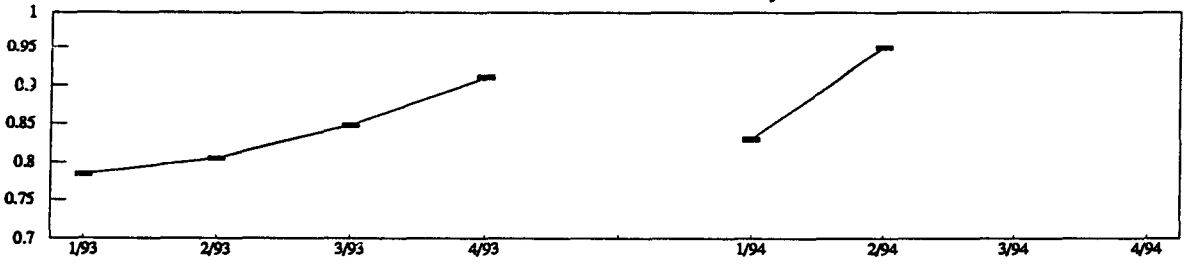
GOAL: Actual NOR/Budgeted NOR should equal 1.00



A decrease in the Second Quarter NOR index is due to unanticipated production/revenue shortfalls derived from CNC equipment downtime and reorganization turbulence.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or above 1.00.



Labor Hour Cost Index continues above 1.00 despite production and revenue shortfalls.

RED RIVER ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	15,975,000	72,660,000	53,261,000	52,637,000	33,867,000	32,192,000		
Total Cost ($)	45,407,000	52,366,000	60,584,000	73,347,000	38,732,000	52,420,000		
Direct Materials ($)	11,953,000	12,735,000	28,412,000	21,000,000	2,350,000	12,990,000		
Throughput ($)	4,022,000	59,925,000	24,849,000	31,637,000	31,517,000	19,202,000		
Operating Expense ($)	33,454,000	39,631,000	32,172,000	52,347,000	36,382,000	39,430,000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	4,022,000	59,925,000	24,849,000	31,637,000	31,517,000	19,202,000		
Longterm Inventory ($)	83,668,000	86,415,000	87,954,000	85,014,000	95,409,007	92,857,704		
INDEX	0.05	0.69	0.28	0.37	0.33	0.21		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Bradleys Process Days				3,841	2,920	4,386		
Number of Items				44	40	51		
AVG PROCESS DAYS	NA	NA	NA	87.30	73.00	86.00		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	55,874,000	118,085,000	179,805,000	241,450,000	43,224,000	93,751,000	147,136,000	203,220,000
Cum Budg Cost ($)	63,375,000	131,874,000	204,900,000	282,542,000	46,277,000	98,599,000	161,000,000	218,773,000
Budgeted NOR INDEX	0.88	0.90	0.88	0.85	0.93	0.95	0.91	0.93
Cum Actual Revenue ($)	15,975,000	88,635,000	141,896,000	194,533,000	33,867,000	66,059,000		
Cum Actual Cost ($)	45,407,000	97,773,000	158,357,000	231,704,000	38,732,000	91,152,000		
Actual NOR INDEX	0.35	0.91	0.90	0.84	0.87	0.72		
NOR INDEX	0.40	1.01	1.02	0.98	0.94	0.76		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	63,375,000	131,874,000	204,900,000	282,542,000	46,277,000	98,599,000	161,000,000	218,773,000
Budgeted Total DLH	642,239	1,370,316	2,107,969	2,853,688	519,729	1,102,412	1,682,745	2,252,511
Bud Labor Hour Cost	98.68	96.24	97.20	99.01	89.04	89.44	95.68	97.12
Total Actual Cost ($)	45,407,000	97,773,000	158,357,000	231,704,000	38,732,000	91,152,000		
Actual Total DLH	586,337	1,261,408	1,922,682	2,570,353	524,672	1,073,522		
Actual Labor Hour Cost	77.44	77.51	82.36	90.14	73.82	84.91		
Labor Hour Cost INDEX	0.78	0.81	0.85	0.91	0.83	0.95		

TOBYHANNA ARMY DEPOT
TOBYHANNA, PA

MAJOR WORKLOAD ACCOMPLISHED:

Tobyhanna's major mission responsibilites include the repair, overhaul, modification, conversion, test and new system maintenance planning of both strategic and tactical communications and electronic equipment.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2,458
Military:	18

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

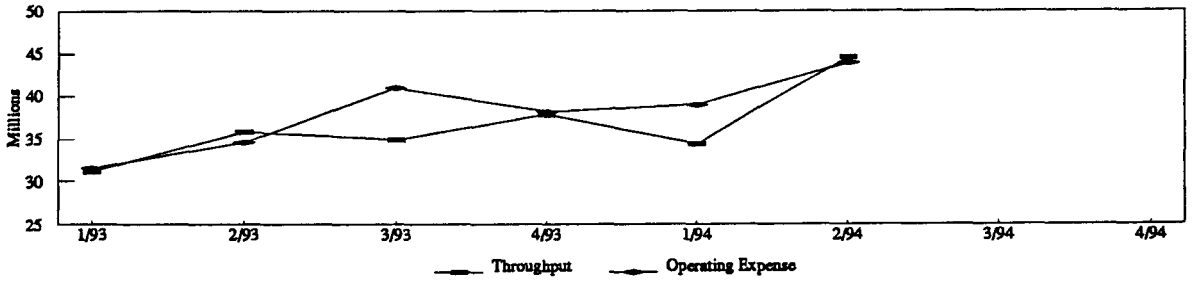
$207,537,000

These operating indicators depict a positive, continuously growing throughput. A shortfall in customer workload, in comparison to the plan, reduced revenue. However, reductions in associated costs resulted in an increased Net Operating Results Index and a slight reduction in actual cost per direct labor hour. Operating Expenses have increased from the previous quarter, partially as the result of incentives paid for Voluntary Early Retirement and Separations.

TOBYHANNA ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

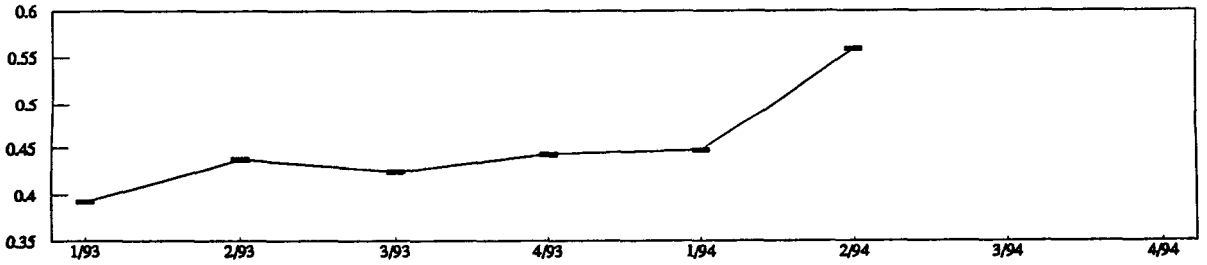
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Throughput increase this quarter over last due to an increase in customer workload. Operating Expense increased partially as a result of the Voluntary Early Retirements and Separations incentive payments, accruals of support from DLA and a BRAC related transfer from Blue Grass Army Depot.

CAPITAL INVESTMENT EFFECTIVENESS

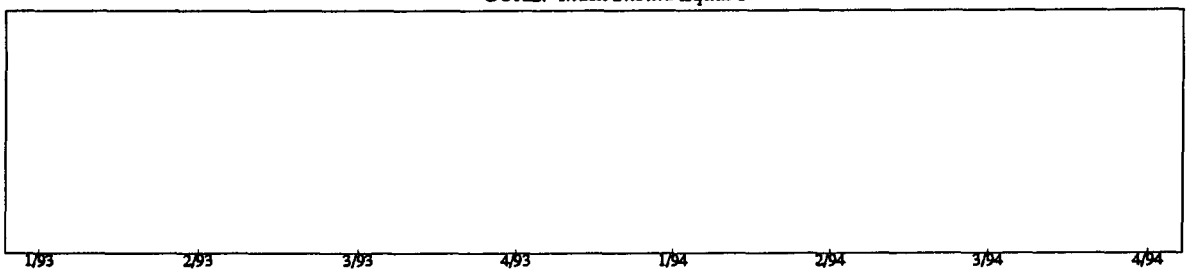
GOAL: Index Should Continually Increase



Capital Investment Effectiveness increased 2nd Qtr FY94 due to an increase in customer workload.

SCHEDULE INDICATOR

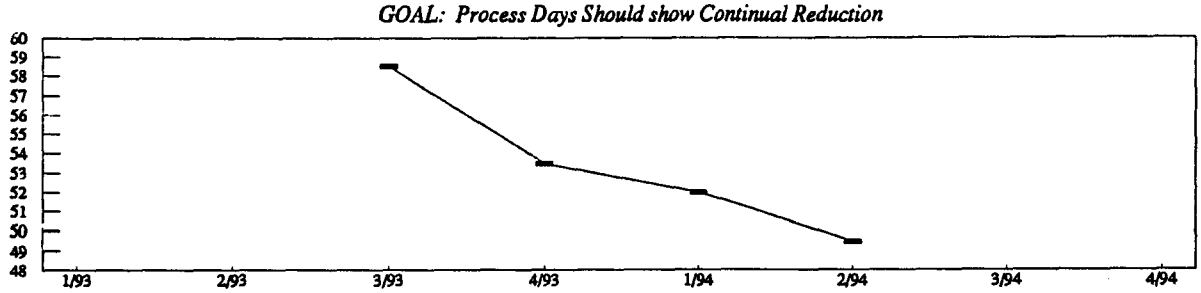
GOAL: Index Should Equal 1



TOBYHANNA ARMY DEPOT

PROCESS DAYS

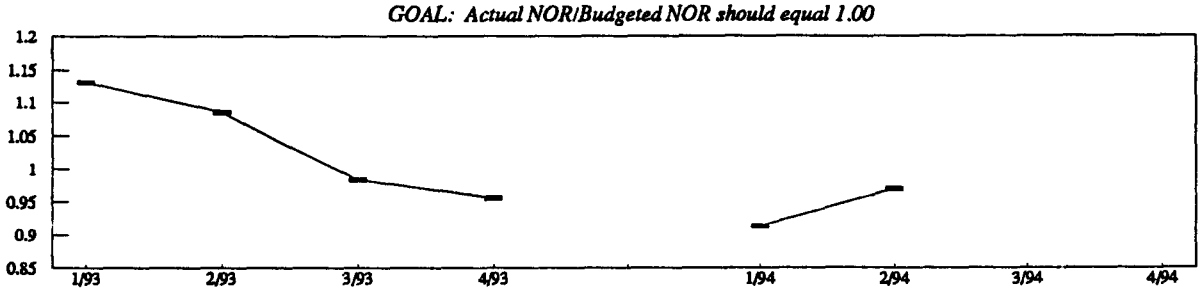
GOAL: Process Days Should show Continual Reduction



TOAD's commitment to excellence in electronics carrys over into all aspects of customer service as, once again, we continue to decrease the average process days for the PCM Tele Terminal.

NET OPERATING RESULTS

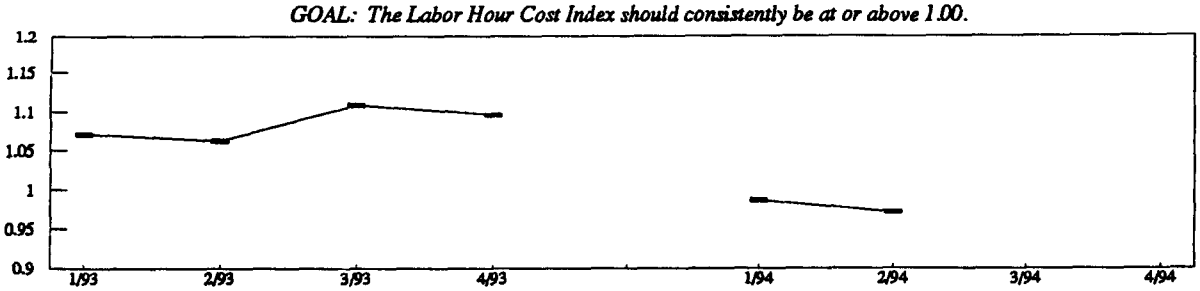
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Revenue was lost due to a shortfall in customer workload in comparison to the plan. VERA/VSIP payments and yet to be reimbursed BRAC requirements have contributed to larger costs being incurred.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or above 1.00.



Decrease is attributable to an under achievement of direct labor hours due to workload shortfalls in overhaul areas, a snow emergency day, and the non-receipt of funding for numerous programs such as the RTC-524, VRC-12, voice multiplexer avionics, and surveillance radar programs. The direct labor hour shortfall has contributed to the cost decrease because of the slow receipt of workable authorizations.

TOBYHANNA ARMY DEPOT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	39,960,000	46,747,000	45,084,000	45,035,000	41,151,000	51,885,000		
Total Cost ($)	40,348,000	45,526,000	51,092,000	45,310,000	45,686,000	51,233,000		
Direct Materials ($)	8,849,000	10,946,000	10,188,000	7,243,000	6,814,000	7,360,000		
Throughput ($)	31,111,000	35,801,000	34,896,000	37,792,000	34,337,000	44,525,000		
Operating Expense ($)	31,499,000	34,580,000	40,904,000	38,067,000	38,872,000	43,873,000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	31,111,000	35,801,000	34,896,000	37,792,000	34,337,000	44,525,000		
Longterm Inventory ($)	79,285,000	81,650,000	81,994,000	85,214,000	76,764,000	79,562,000		
INDEX	0.39	0.44	0.43	0.44	0.45	0.56		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

PCM Tele Terminal Process Days			117	107	104	99		
Number of Items			2	2	2	2		
AVG PROCESS DAYS	NA	NA	58.50	53.50	52.00	49.50		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	35,084,000	76,902,000	122,433,000	170,438,000	49,814,000	104,698,000	157,114,000	207,537,000
Cum Budg Cost ($)	40,086,000	82,660,000	125,128,000	168,006,000	50,492,000	105,800,000	156,921,000	207,537,000
Budgeted NOR INDEX	0.88	0.93	0.98	1.01	0.99	0.99	1.00	1.00
Cum Actual Revenue ($)	39,960,000	86,707,000	131,791,000	176,826,000	41,151,000	93,036,000		
Cum Actual Cost ($)	40,348,000	85,874,000	136,966,000	182,276,000	45,686,000	96,919,000		
Actual NOR INDEX	0.99	1.01	0.96	0.97	0.90	0.96		
NOR INDEX	1.13	1.09	0.98	0.96	0.91	0.97		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	40,086,000	82,660,000	125,128,000	168,006,000	50,492,000	105,800,000	156,921,000	207,537,000
Budgeted Total DLH	759,000	1,524,000	2,322,000	3,105,000	767,932	1,587,306	2,406,861	3,211,357
Bud Labor Hour Cost	52.81	54.24	53.89	54.11	65.75	66.65	65.20	64.63
Total Actual Cost ($)	40,348,000	85,874,000	136,966,000	182,276,000	45,686,000	96,919,000		
Actual Total DLH	713,000	1,490,000	2,291,000	3,072,000	704,089	1,496,517		
Actual Labor Hour Cost	56.59	57.63	59.78	59.33	64.89	64.76		
Labor Hour Cost INDEX	1.07	1.06	1.11	1.10	0.99	0.97		

NAVAL AVIATION DEPOTS

NADEP ALAMEDA
ALAMEDA, CA

MAJOR WORKLOAD ACCOMPLISHED:

A-6 (A6E, A6B and EA6B), P-3 (P3B, P3C, and EP3C (ARIES)), S-3 (S3A and S3B), A/C In-Service Repair and Field Teams, A/C Propellers, Engines, (TF-34, TF-34-400, T-56 and 501-K17), Components, Manufacturing, Calibration, Voyage Repair Teams, Missiles (Phoenix, Sparrow and Shrike) and Customer Service.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2227
Military:	31

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$254,353,000

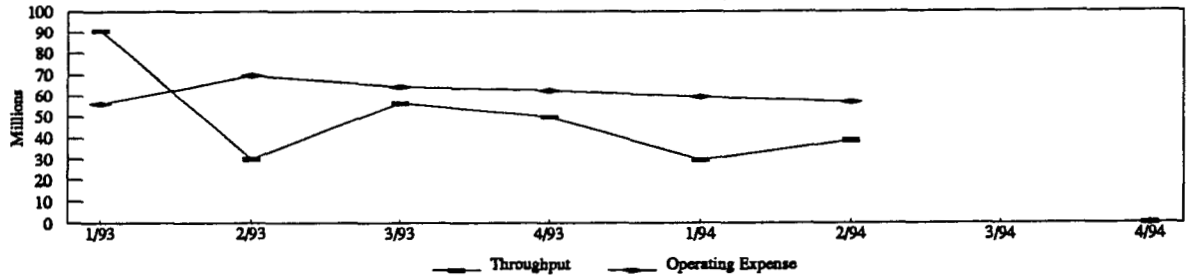
Naval Aviation Depot, Alameda begins the closure process as a fully functional and highly capable industrial facility providing quality logistic and engineering support to the operating forces. The men and women of NADEP Alameda currently offer their customers a wide range of industrial products and services. The workload they execute is in direct response to requirements identified and funded by fleet commanders and approved by NAVAIR. But in an era of decreased international tension, reduction of Department of Defense infrastructure was required.

With the advent of (and even prior to) base closure, workload has dropped out at an accelerating rate; much faster than we are able to reduce our direct and indirect labor. Additionally, the second-order affects ("bump" and "retreat") of our ongoing large FIR/SIP/VERA work force reductions create a significant skills mismatch causing further inefficiencies. Negative billing and overhead application variances continue to increase. This is further exacerbated by the negative impact of fulfilling BRAC functional requirements and the associated additional application losses. Even when BRAC work is funded, it it is not burdened (at all) and does not pay its full share of actual costs. We are projecting a negative operating result for FY94 in excess of $80M. We are currently being budgeted up to "operational" in September 1996, we cease to be a DBOF activity, and will be entirely dependent on the BRAC accounts to fund operations until final shut-down (April 1997).

NADEP ALAMEDA

THROUGHPUT & OPERATING EXPENSE

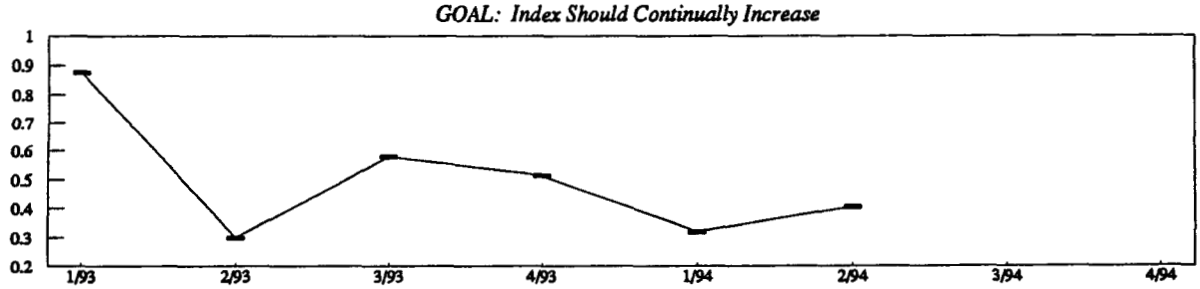
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



1st Qtr FY93 Throughput figures reflect variations due to the Defense Business Operating Fund (DBOF) accounting changes. 2nd Qtr FY93 variance is due to the unbillable Work-in-Process; however, this has been resolved. In 1st Qtr FY94, revenue was reduced by $18M due to lower rates for components and other support.

CAPITAL INVESTMENT EFFECTIVENESS

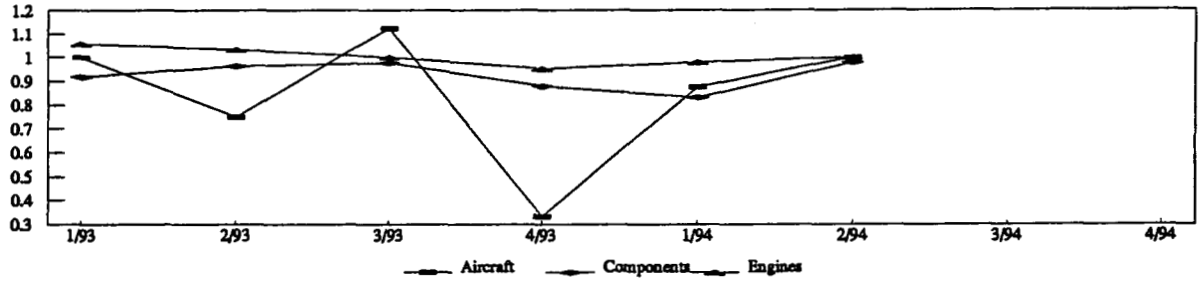
GOAL: Index Should Continually Increase



1st Qtr FY93 reflect Throughput variance due to a DBOF accounting change in policy. CIE decreased in FY93 as a result of the base closure announcement and revised capital expenditures guidelines and strategies instituted by the Naval Avaiation Depot Corporation in March of 1993.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

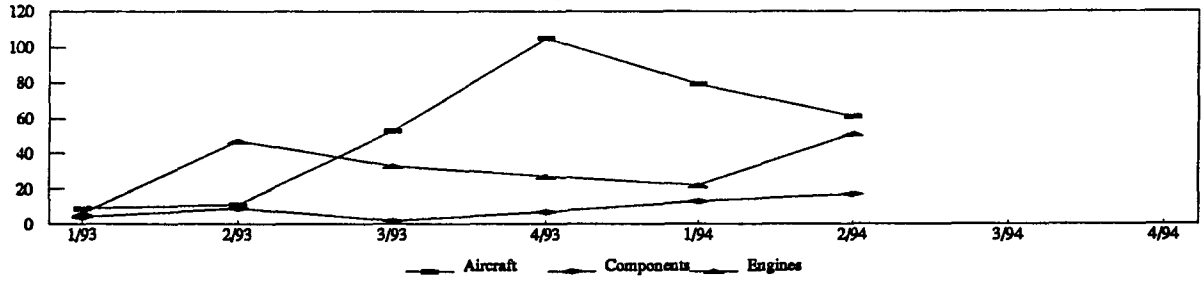


A decrease in the Schedule Indicator for 4th Qtr FY93 was due to material shortages, fixture restraints and changes in aircraft priorities (three aircraft completed versus nine aircraft scheduled). Improvements in 1st, 2nd, and 3rd Qtrs are remarkable in view of base closure and increasing skill imbalances.

NADEP ALAMEDA

PROCESS DAYS

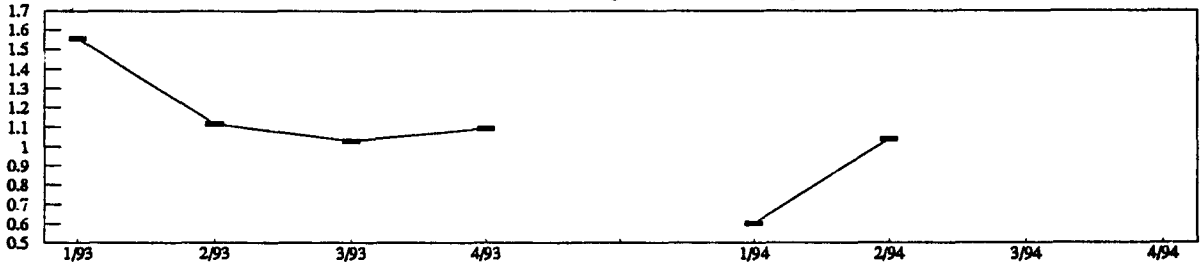
GOAL: Process Days Should show Continual Reduction



On the Aircraft Program the increasing Process Days variance is due to changes of priorities, material shortages, BRAC, RIF, and the Separation Incentive Program. In the 2nd Qtr FY93 and FY94, the increase in engine process days was due to sweep-up money; forcing several inductions in the last few days of the previous FY.

NET OPERATING RESULTS

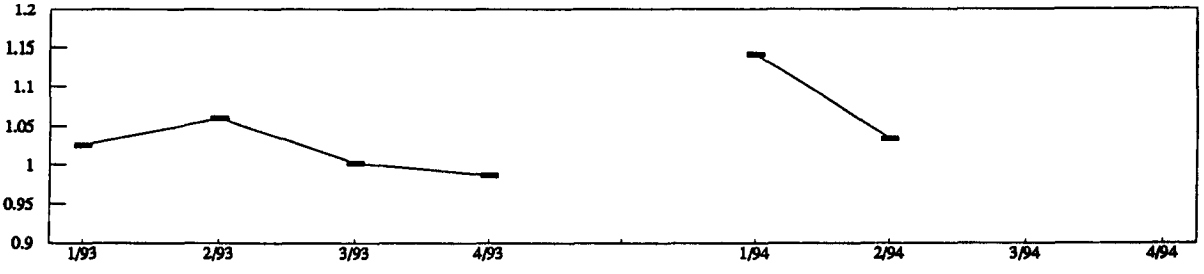
GOAL: Actual NOR/Budgeted NOR should equal 1.00



In 1st Qtr FY93, the NOR Indicator was affected by a new DBOF accounting policy recognizing Work-in-Process as revenue. 1st Qtr FY94 NOR variance was impacted by the reduction of $18M in revenue for Compoents and Other Support programs due to lower rates. The minimal variance for 2nd Qtr is more a result of the skill of the budget analyst in projecting losses and budgeting for them than any management improvement.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



In 2nd Qtr FY93, the increase is due to the pay raise and health benefit premium. In FY94, direct workload decreased faster thna projected due to funding decreasing, BRAC conversion, streamlining between NADEPS, RIF and separation incentive.

NADEP ALAMEDA

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	120574772	64055440	84913680	76876044	56183914	67420812		
Total Cost ($)	85866386	103536571	92814873	89795849	86087299	85930203		
Direct Materials ($)	29873105	33936226	28560435	27177046	26498326	28753947		
Throughput ($)	90701667	30119214	56353245	49698998	29685588	38666865		
Operating Expense ($)	55993281	69600345	64254438	62618803	59588973	57176256		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	90701667	30119214	56353245	49698998	29685588	38666865		
Longterm Inventory ($)	103454442	100525268	97543865	96907705	93042167	95417950		
INDEX	0.88	0.30	0.58	0.51	0.32	0.41		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	9	8	8	9	8	5		
Aircraft Completed	9	6	9	3	7	5		
INDEX	1.00	0.75	1.13	0.33	0.88	1.00		
Components Scheduled	5610	4860	6510	7237	6720	5424		
Components Completed	5151	4681	6352	6361	5585	5302		
INDEX	0.92	0.96	0.98	0.88	0.83	0.98		
Engines Scheduled	69	62	49	41	46	42		
Engines Completed	73	64	49	39	45	42		
INDEX	1.06	1.03	1.00	0.95	0.98	1.00		

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	337	353	319	305	396	390		
Aircraft Actual	346	364	372	410	475	451		
VARIANCE	9	11	53	105	79	61		
Components Planned	35	34	35	35	35	35		
Components Actual	39	43	37	42	48	52		
VARIANCE	4	9	2	7	13	17		
Engines Planned	53	50	52	50	52	58		
Engines Actual	59	97	85	77	74	109		
VARIANCE	6	47	33	27	22	51		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	80080000	160000000	263847000	330508000	89199000	117795000		
Cum Budg Cost ($)	88756000	183169000	284740000	388668000	82419000	171646000		
Budgeted NOR INDEX	0.90	0.87	0.93	0.85	1.08	0.69		
Cum Actual Revenue ($)	120574772	184630212	269543892	346419936	56183914	123604726		
Cum Actual Cost ($)	85866386	189402958	282217831	372013679	86087299	173017502		
Actual NOR INDEX	1.40	0.97	0.96	0.93	0.65	0.71		
NOR INDEX	1.56	1.12	1.03	1.10	0.60	1.04		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	88756000	183169000	284740000	388668000	82419000	171646000		
Budgeted Total DLH	794000	1573000	2283000	3032000	572000	1138000		
Bud Labor Hour Cost	111.78	116.45	124.72	128.19	144.09	150.83		
Total Actual Cost ($)	85866386	189402958	282217831	372013679	86087299	173017502		
Actual Total DLH	749162	1533666	2258855	2940457	522901	1109668		
Actual Labor Hour Cost	114.62	123.50	124.94	126.52	164.63	155.92		
Labor Hour Cost INDEX	1.03	1.06	1.00	0.99	1.14	1.03		

NADEP CHERRY POINT
CHERRY POINT, NC

MAJOR WORKLOAD ACCOMPLISHED:

AIRCRAFT: AV-8B Harrier II, A-4 Skyhawk, C-130 Hercules, F-4 Phantom II (Drone Conversion and Air Force Wild Weasel), H-46 Sea Knight and CH-53 Sea Stallion

ENGINES: F402, J79, T400, T58, T64 and T76

COMPONENTS

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2994
Military:	71

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

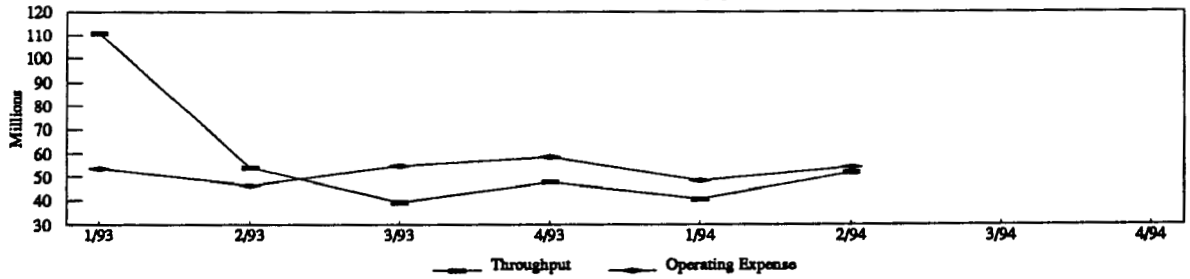
$169,701,396

All indices remained basically consistent through 1st and 2nd Qtr FY94. The slight rise in Capital Investment Effectiveness is reflective of the increase in Throughput and the transfer of assets to Sponsor Furnished Accounts and to the Not-In-Use Account.

NADEP CHERRY POINT

THROUGHPUT & OPERATING EXPENSE

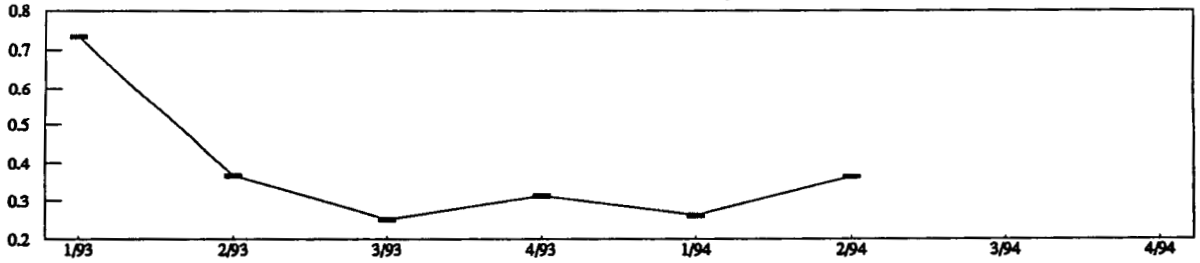
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



An OSD policy change required month-end Work-In-Process to be zero. This caused the FY92 WIP balance of $57,347,205 to be recognized as additional revenue in 1st Qtr FY93. Operating expenses for 4th Qtr FY93 increased due to processing of $5,607,905 in SIP. Also, increased depreciation expenses of approximately $533,000 due to several ACP projects completed in 4th Qtr FY93.

CAPITAL INVESTMENT EFFECTIVENESS

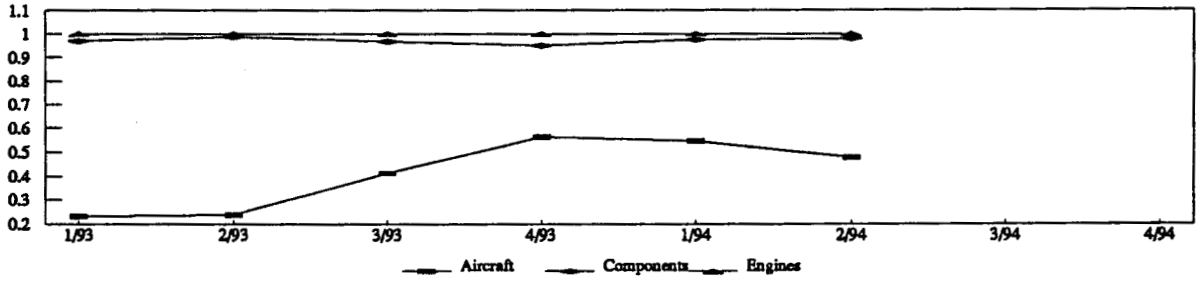
GOAL: Index Should Continually Increase



The 1st Qtr FY93 increase in CIE is reflective of the increase in Throughput described above.

SCHEDULE INDICATOR

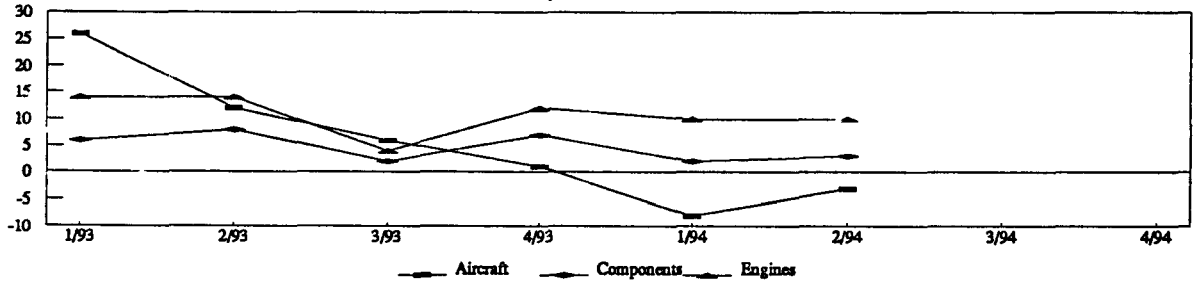
GOAL: Index Should Equal 1



NADEP CHERRY POINT

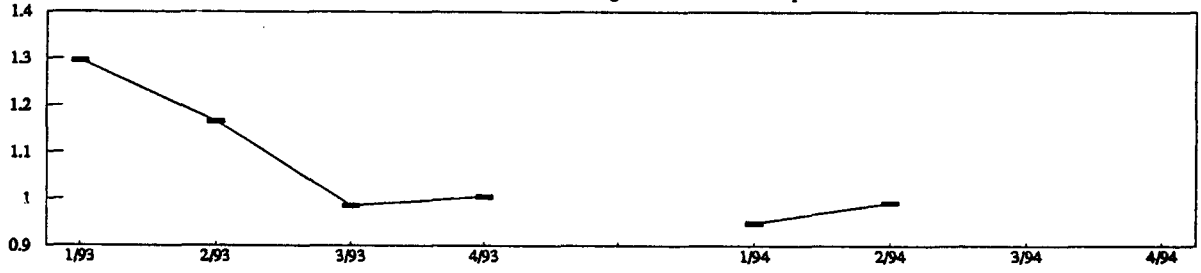
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



NET OPERATING RESULTS

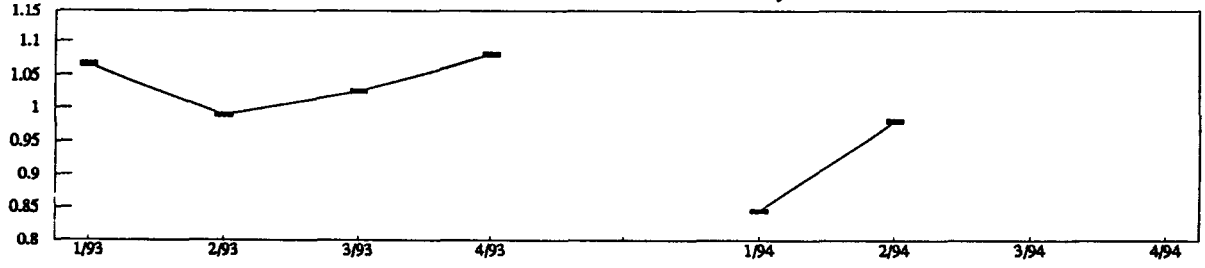
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Net Operating Results were also out of line due to changes in revenue recognition for 1st Qtr FY93. NOR declined throughout FY93 primarily due to the NAVCOMPT cut in material rates, causing approximately $13,500,000 in losses. In addition approximately $3,500,000 paid out in SIP was neither funded by NAVAIR, nor included in billing rates. Approximately $4M in Productivity Gain Sharing awards were not included in billing rates.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



NOR declined throughout FY93 as discussed above. In addition the increases in 3rd and 4th Qtr FY93 are due to costs associated with approximately $3,500,000 paid out in SIP. Also, less direct hours were expended due to decreased workload and loss of production workers due to SIP.

NADEP CHERRY POINT

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue	148,621,214	82,727,888	72,614,456	80,742,869	68,316,637	85,517,345		
Total Cost	91,592,780	74,957,009	88,561,174	91,779,039	76,428,055	87,827,174		
Direct Materials	37,975,147	28,567,052	33,582,562	32,961,667	27,825,216	33,289,236		
Throughput	110,646,067	54,160,836	39,031,894	47,781,202	40,491,421	52,228,109		
Operating Expense	53,617,633	46,389,957	54,978,612	58,817,372	48,602,839	54,537,938		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput	110,646,067	54,160,836	39,031,894	47,781,202	40,491,421	52,228,109		
Longterm Inventory	150,663,991	147,362,957	154,971,548	152,405,903	154,080,793	143,292,994		
INDEX	0.73	0.37	0.25	0.31	0.26	0.36		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	26	21	29	16	11	23		
Aircraft Completed	6	5	12	9	6	11		
INDEX	0.23	0.24	0.41	0.56	0.55	0.48		
Components Scheduled	2,835	2,521	3,987	4,445	3,999	3,646		
Components Completed	2,750	2,488	3,856	4,223	3,897	3,571		
INDEX	0.97	0.99	0.97	0.95	0.97	0.98		
Engines Scheduled	130	109	92	93	70	94		
Engines Completed	130	109	92	93	70	94		
INDEX	1.00	1.00	1.00	1.00	1.00	1.00		

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	74	84	68	42	115	119		
Aircraft Actual	100	96	74	43	107	116		
VARIANCE	26	12	6	1	-8	-3		
Components Planned	30	28	26	24	27	28		
Components Actual	36	36	28	31	29	31		
VARIANCE	6	8	2	7	2	3		
Engines Planned	39	39	32	30	41	34		
Engines Actual	53	53	36	42	51	44		
VARIANCE	14	14	4	12	10	10		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue	105,626,000	207,238,000	305,553,000	371,837,000	77,062,000	157,215,000		
Cum Budg Cost	84,227,000	173,895,000	252,447,000	336,561,000	81,693,000	166,421,000		
Budgeted NOR INDEX	1.25	1.19	1.21	1.10	0.94	0.94		
Cum Actual Revenue	148,921,214	231,649,101	304,263,557	385,007,426	68,316,637	153,833,982		
Cum Actual Cost	91,592,780	166,549,790	255,110,963	346,890,003	76,428,055	164,255,229		
Actual NOR INDEX	1.63	1.39	1.19	1.11	0.89	0.94		
NOR INDEX	1.30	1.17	0.99	1.00	0.95	0.99		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost	84,227,000	173,895,000	252,447,000	336,561,000	81,693,000	166,421,000		
Budgeted Total DLH	769,000	1,590,000	2,294,000	3,084,000	611,000	1,441,000		
Bud Labor Hour Cost	109.53	109.37	110.05	109.13	133.70	115.49		
Total Actual Cost	91,592,780	166,549,790	255,110,963	346,890,003	76,428,055	164,255,229		
Actual Total DLH	784,792	1,540,291	2,260,262	2,941,452	675,883	1,449,773		
Actual Labor Hour Cost	116.71	108.13	112.87	117.93	113.08	113.30		
Labor Hour Cost INDEX	1.07	0.99	1.03	1.08	0.85	0.98		

NADEP JACKSONVILLE
JACKSONVILLE, FL

MAJOR WORKLOAD ACCOMPLISHED:

P-3 Orions, A-7E's, Components, and Engines (J52 and F404)

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2957
Military:	28

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

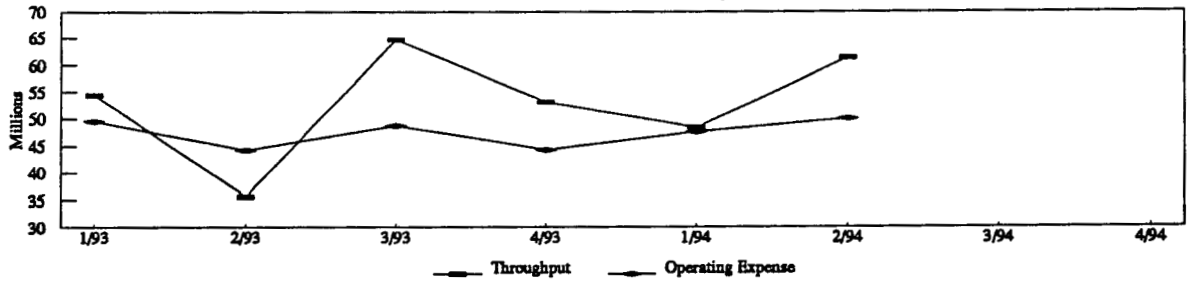
$168,400,569

All indicators are moving as desired except for schedule and process days which were impacted by mandatory completion dates on other products in the Depot, additional processing requirements on scheduled aircraft and material constraints on the engine program.

NADEP JACKSONVILLE

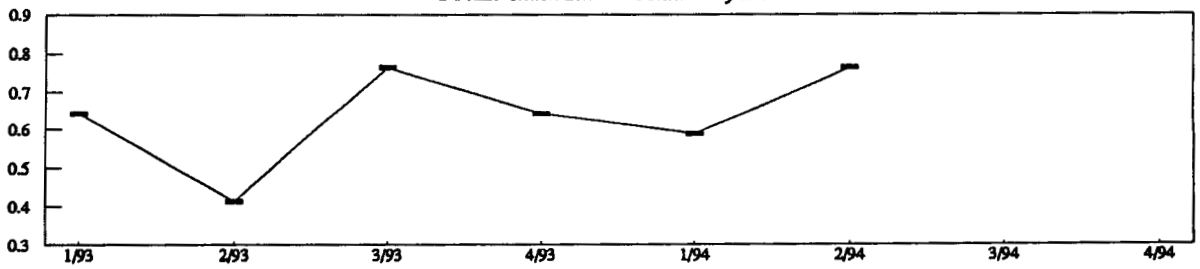
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



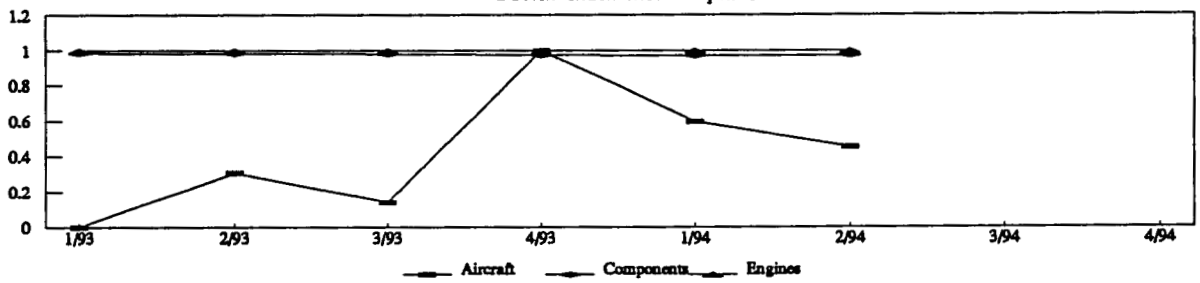
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

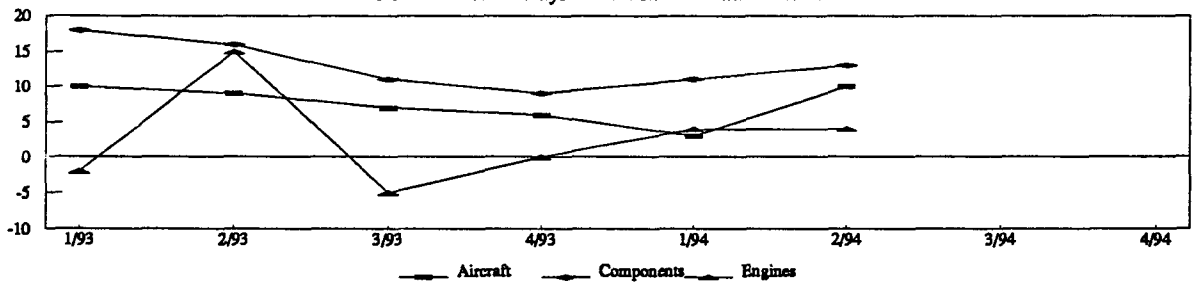


Aircraft not completed on schedule in 2nd Qtr FY94 either required major repairs or were intentionally delayed to accelerate work on other aircraft to meet mandatory customer completion dates.

NADEP JACKSONVILLE

PROCESS DAYS

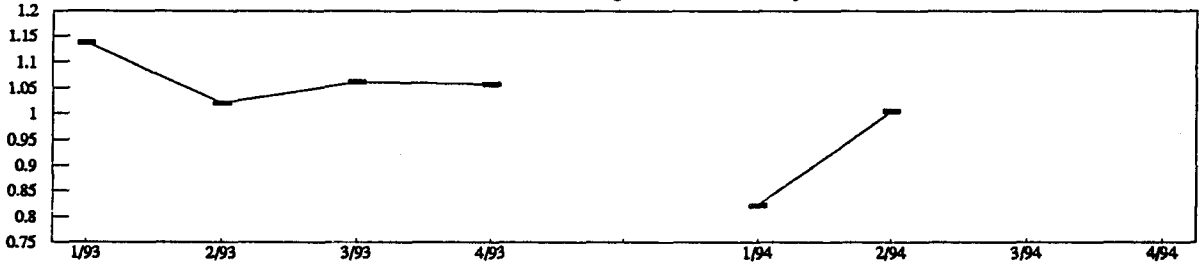
GOAL: Process Days Should show Continual Reduction



Some aircraft completed in 1st and 2nd Qtrs FY94 required major repairs which increased process days. Increase in process days for engines was mostly attributable to material constraints.

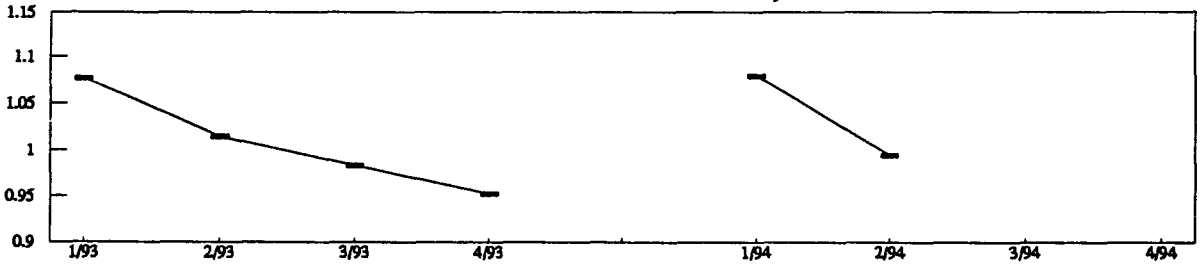
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



NADEP JACKSONVILLE

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	98730000	82512000	107661000	99057000	86077000	93358000		
Total Cost ($)	93756000	91130000	91661000	90226000	85295000	82009000		
Direct Materials ($)	44260000	46864000	42966000	45888000	37738000	31975000		
Throughput ($)	54470000	35648000	64695000	53169000	48339000	61383000		
Operating Expense ($)	49496000	44266000	48695000	44338000	47557000	50034000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	54470000	35648000	64695000	53169000	48339000	61383000		
Longterm Inventory ($)	84880000	86300000	84593000	82768000	82373000	80481000		
INDEX	0.64	0.41	0.76	0.64	0.59	0.76		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	9	13	7	7	5	11		
Aircraft Completed	0	4	1	7	3	5		
INDEX	0.00	0.31	0.14	1.00	0.60	0.45		
Components Scheduled	128	114	152	156	139	150		
Components Completed	126	112	149	152	135	146		
INDEX	0.98	0.98	0.98	0.97	0.97	0.97		
Engines Scheduled	86	76	68	66	48	36		
Engines Completed	86	76	68	66	48	36		
INDEX	1.00	1.00	1.00	1.00	1.00	1.00		

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	125	61	80	30	65	52		
Aircraft Actual	135	70	87	36	68	62		
VARIANCE	10	9	7	6	3	10		
Components Planned	27	26	25	25	25	25		
Components Actual	45	42	36	34	36	38		
VARIANCE	18	16	11	9	11	13		
Engines Planned	43	38	50	43	35	37		
Engines Actual	41	53	45	43	39	41		
VARIANCE	-2	15	-5	0	4	4		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	85726000	177939000	277442000	378959000	99397000	182750000		
Cum Budg Cost ($)	92241000	184482000	281288000	378095000	81090000	171277000		
Budgeted NOR INDEX	0.93	0.96	0.99	1.00	1.23	1.07		
Cum Actual Revenue ($)	98730000	181241000	288903000	387959000	86077000	179435000		
Cum Actual Cost ($)	93394000	184077000	275738000	365965000	85295000	167304000		
Actual NOR INDEX	1.06	0.98	1.05	1.06	1.01	1.07		
NOR INDEX	1.14	1.02	1.06	1.06	0.82	1.01		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	92241000	184482000	281288000	378095000	81090000	171277000		
Budgeted Total DLH	745000	1506000	2267000	2990000	696000	1492000		
Bud Labor Hour Cost	123.81	122.50	124.08	126.45	116.51	114.80		
Total Actual Cost ($)	93394000	184077000	275738000	365965000	85295000	167304000		
Actual Total DLH	700000	1481000	2261000	3039000	678000	1466000		
Actual Labor Hour Cost	133.42	124.29	121.95	120.42	125.80	114.12		
Labor Hour Cost INDEX	1.08	1.01	0.98	0.95	1.08	0.99		

NADEP Norfolk
NORFOLK, VA

MAJOR WORKLOAD ACCOMPLISHED:

F-14 A to D Remanufacture
F-14 Competition
A6E SDLM
A6E Rewings, EA6B
TF30 and F110 Engines (Until phased out)
Components

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	3289
Military:	30

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

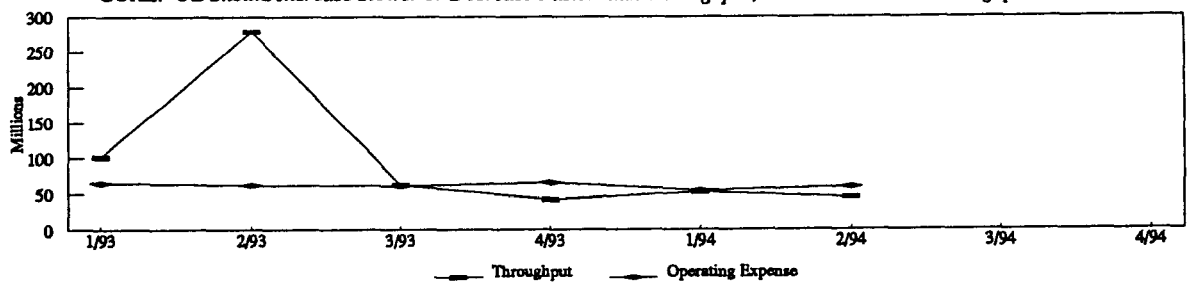
$297,922,000

Naval Aviation Depot Norfolk operations indicators variations between quarters are affected by the phasing out of the Engine program, a major policy change within the Defense Business Operating Fund accounting system which skewed all the trend data on the financial charts. Also a newly imposed Budget mark (Program Budget Decision 426) by NAVAIR and NAVCOMPT that impacted our labor hour index.

NADEP NORFOLK

THROUGHPUT & OPERATING EXPENSE

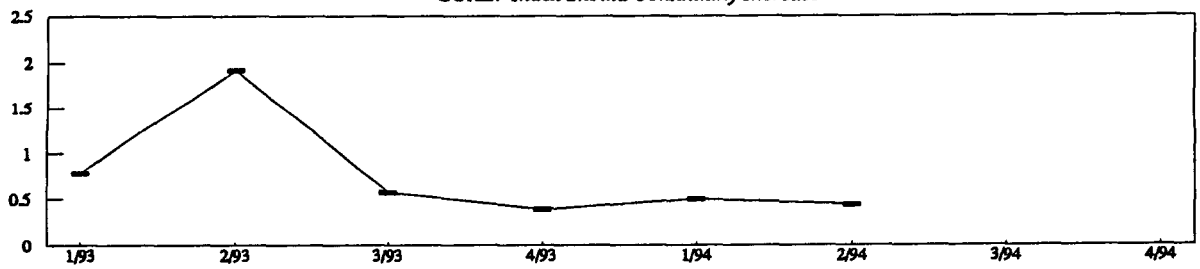
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Progress Payments and Fixed Price Unbillable amounts were transfered to revenue due to Defense Business Operating Fund accounting policy change.

CAPITAL INVESTMENT EFFECTIVENESS

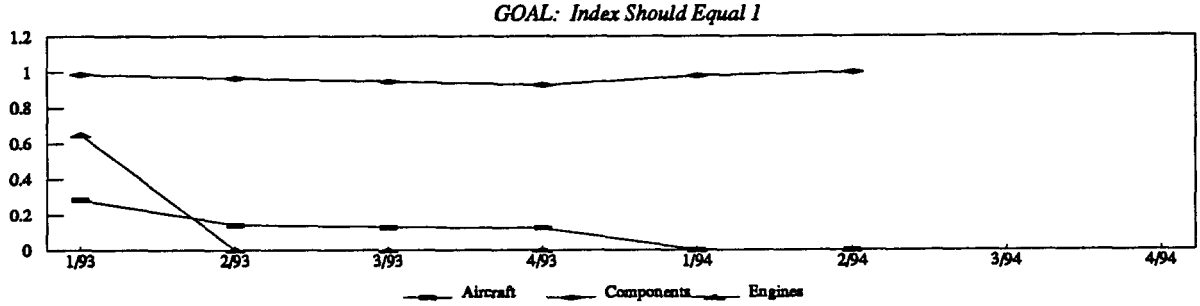
GOAL: Index Should Continually Increase



The decrease in Capital Investment is also due to accounting policy change.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

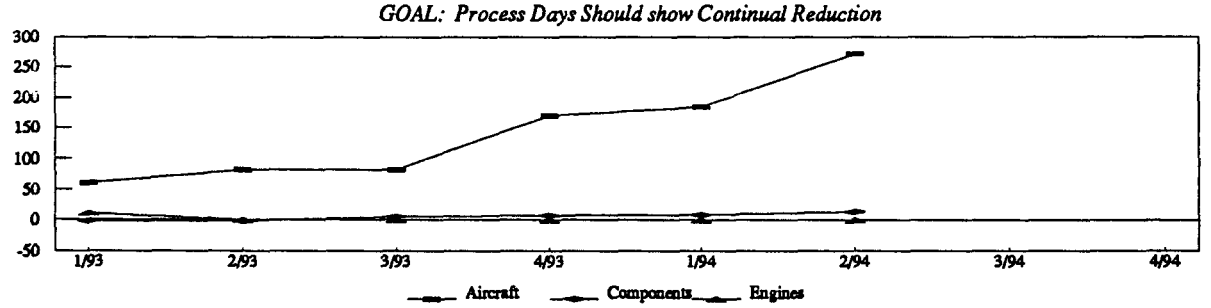


The aircraft and engine schedules were affected by the close out of the engine program. The aircraft program was also affected by the 569 bulkhead repair and reinduction of aircraft under the Drive-in-Mod (DIM) program which added more process days. The component program schedule decreased slightly due to assets (lack of units to induct), engineering delays (REI) and facilities (test stands down).

NADEP NORFOLK

PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



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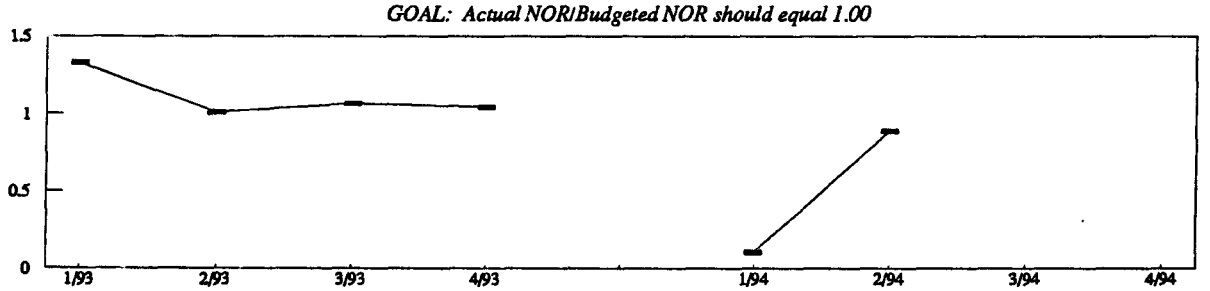
NET OPERATING RESULTS

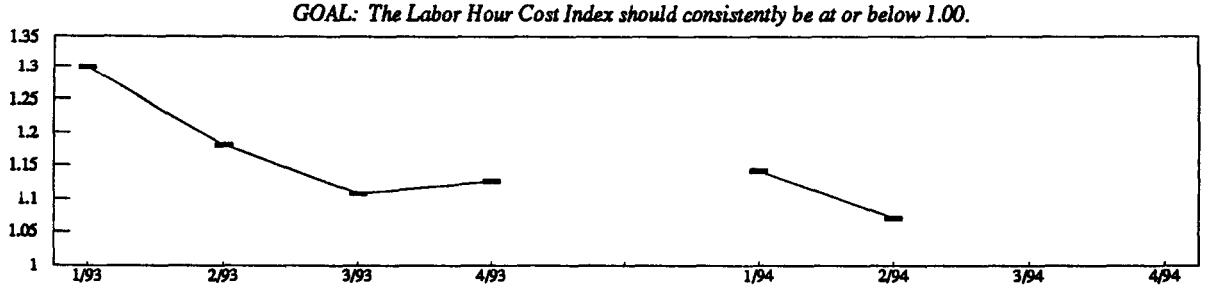
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Progress Payments and Fixed Price Unbillable amounts were transfered to revenue due to Defense Business Operating Fund accounting policy change.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The increased budgeted labor hour cost index is due to imposed budget marks (Program Budget Decision 426) by NAVAIR and NAVCOMPT that we are now directed to phase to (reduction in overhead, PSD Contracts, and direct material).

NADEP NORFOLK

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	119681762	296352078	82877514	65743985	72340533	62646338		
Total Cost ($)	83836077	79396154	81681622	89723777	74440824	77649274		
Direct Materials ($)	18318990	16962462	20056643	23312520	19047528	17186561		
Throughput ($)	101362772	279389616	62820871	42431465	53293005	45459777		
Operating Expense ($)	65517087	62433692	61624979	66411257	55393296	60462713		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	101362772	279389616	62820871	42431465	53293005	45459777		
Longterm Inventory ($)	128468222	145082982	109628795	110490883	107387865	104493514		
INDEX	0.79	1.93	0.57	0.38	0.50	0.44		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	14	14	23	8	9	10		
Aircraft Completed	4	2	3	1	0	0		
INDEX	0.29	0.14	0.13	0.13	0.00	0.00		
Components Scheduled	2879	2625	3497	3465	3506	2631		
Components Completed	2842	2533	3313	3213	3436	2631		
INDEX	0.99	0.96	0.95	0.93	0.98	1.00		
Engines Scheduled	23							
Engines Completed	15							
INDEX	0.65							

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	408	396	391	340	392	259		
Aircraft Actual	469	479	474	510	577	531		
VARIANCE	61	83	83	170	185	272		
Components Planned	38	35	30	30	32	35		
Components Actual	36	33	35	37	40	48		
VARIANCE	-2	-2	5	7	8	13		
Engines Planned	53							
Engines Actual	63							
VARIANCE	10							

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	69785000	145691000	222735000	282530000	77625000	153433000		
Cum Budg Cost ($)	65117000	135947000	224297000	303317000	7970000	148788000		
Budgeted NOR INDEX	1.07	1.07	0.99	0.93	9.74	1.03		
Cum Actual Revenue ($)	119681762	176670316	259547830	325291815	72340533	140237461		
Cum Actual Cost ($)	83836077	163232231	244913853	334637629	74440824	152090098		
Actual NOR INDEX	1.43	1.08	1.06	0.97	0.97	0.92		
NOR INDEX	1.33	1.01	1.07	1.04	0.10	0.89		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Budgeted Cost	65117000	135947000	224297000	303317000	79700000	148788000		
Budgeted Total DLH	1049000	2003000	3116000	4121000	1021000	1772000		
Bud Labor Hour Cost	62.08	67.87	71.98	73.60	78.06	83.97		
Total Actual Cost ($)	83836077	163232231	244913853	334637629	74440824	152090098		
Actual Total DLH	1040000	2038000	3071000	4036000	835000	1692000		
Actual Labor Hour Cost	80.61	80.09	79.75	82.91	89.15	89.89		
Labor Hour Cost INDEX	1.30	1.18	1.11	1.13	1.14	1.07		

NADEP NORTH ISLAND
SAN DIEGO, CA

MAJOR WORKLOAD ACCOMPLISHED:

F/A-18 Hornet, C-2 Greyhound, E-2 Hawkeye, S-3 Viking, F-14 In-Service Repair, F/A-18 Center Barrel Splice, ASO/DMISA/FMS Components, LM2500 and T64 Engines, Manufacturing, Mobile (Van) Manufacturing, F-5/T38 Adversary Support, Avionics, Support Equipment, Shipboard Repair (VRT), Calibration, and Engineering/Software.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	3587
Military:	29

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

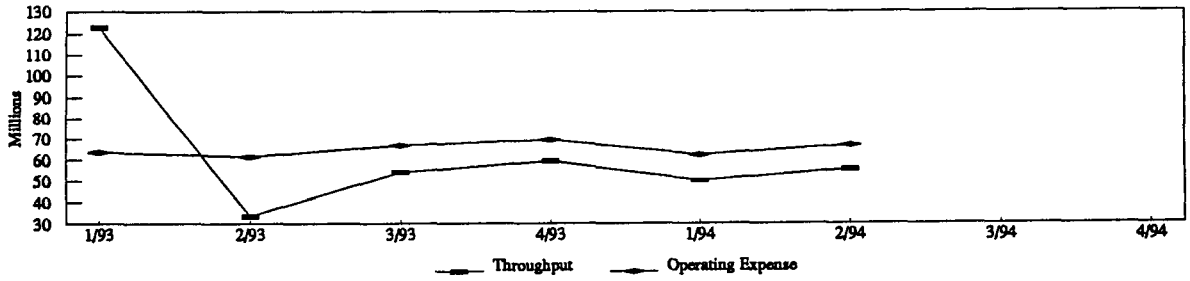
$328,715,000

Naval Aviation Depot North Island provides a wide range of engineering, calibration, manufacturing, overhaul and repair services performed on aircraft, engines, ships, and components. The Depot's Primary Standards Laboratory provides primary calibration standards for Navy and other DoD agencies. In addition to functioning as the Navy's largest bearing repair facility, the Depot dispatches field teams to deployed ships and aviation units world wide. North Island is also one of the three DoD depots that has large engine overhaul capability. Management of the Depot is committed to Total Quality Leadership involving suppliers, customers and fellow NAVAIR TEAM as an integral part of operational planning. Over a quarter of the Depot's work effort is dedicated to support of the Navy's frontline F/A-18, E-2, C-2, and S-3 carrier aircraft. The Depot's extensive engineering and software specialists provides state-of-the-art cradle to grave support for aircraft and other customer programs. North Island's cost and financial performance is generally improving. In particular, Net Operating Results and Labor Hour Cost are significantly improved, while Capital Investment Effectiveness shows continuing dramatic gains. Aircraft schedule and process days performance has declined recently because of material shortages and aircraft priority shifts, but is expected to recover during FY94. Several F/A-18 aircraft were inducted and delivered during 1st Qtr FY94, in record time, in order to meet an urgent Atlantic Fleet requirement. This major priority shift was very successfully accomodated, but has had a dramatic impact on FY94 aircraft deliveries.

NADEP NORTH ISLAND

THROUGHPUT & OPERATING EXPENSE

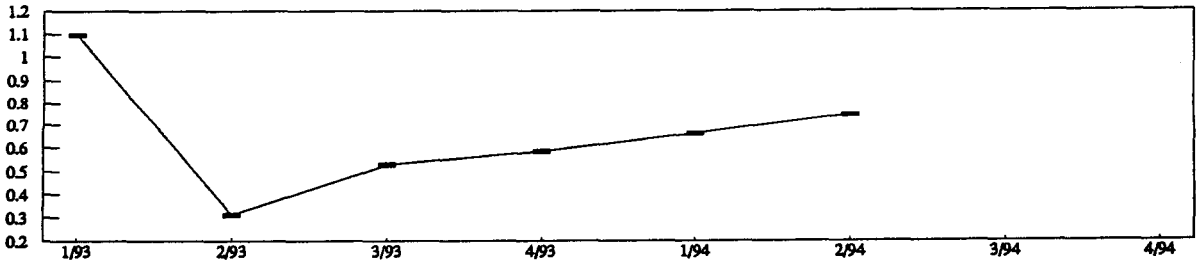
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



In 1st and 2nd Qtr FY93, Throughput data exhibit anomalous variations because of a DBOF accounting policy change. 3rd Qtr FY94 Throughput is over stated by approximately $27M due to a NAVAIR financial programming change (revenue recognition) incorporated in 3rd Qtr FY94 and removed in 4th Qtr FY94. With revenue adjusted by $27M, Throughput and Operating Expense would remain constant with previous quarters.

CAPITAL INVESTMENT EFFECTIVENESS

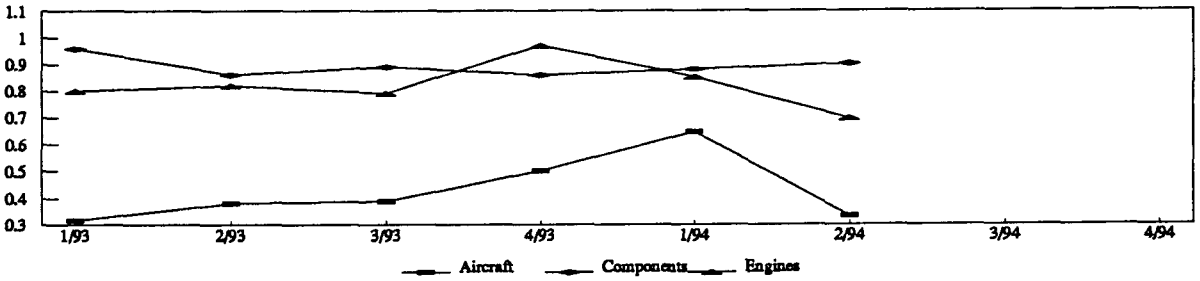
GOAL: Index Should Continually Increase



Right sizing, in combination with a reduction in fixed assets, has resulted in an upward trend. 3rd Qtr FY94 revenue is overstated due to a NAVAIR programming change previously explained in Throughput. With revenue adjusted by $27M, the Capital Investment Effectiveness index remained constant; however, longterm inventory reduced by $2.5M in 3rd Qtr FY94.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

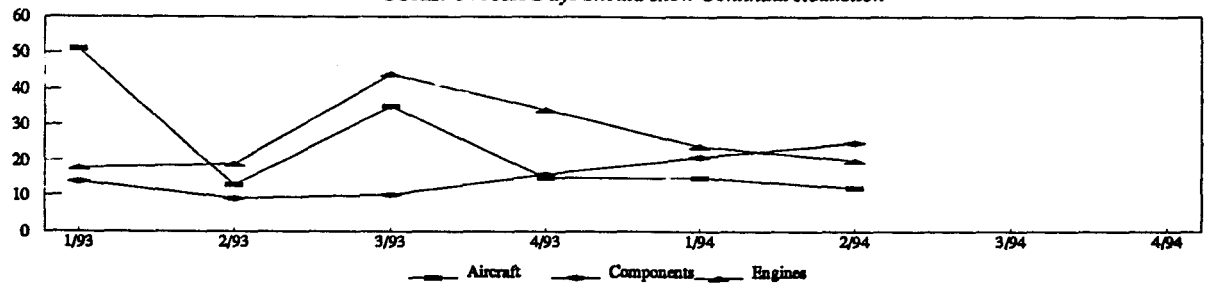


Aircraft schedule and process days performance has declined recently because of material shortages and aircraft priority shifts.

NADEP NORTH ISLAND

PROCESS DAYS

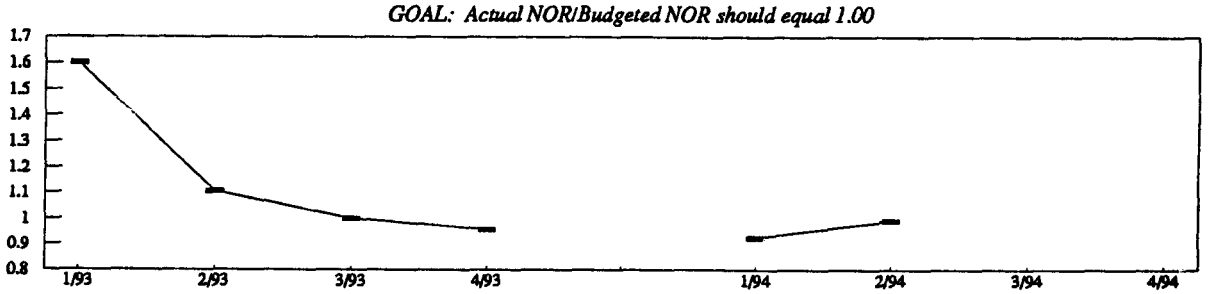
GOAL: Process Days Should show Continual Reduction



Aircraft schedule and process days performance has declined recently because of material shortages and aircraft priority shifts.

NET OPERATING RESULTS

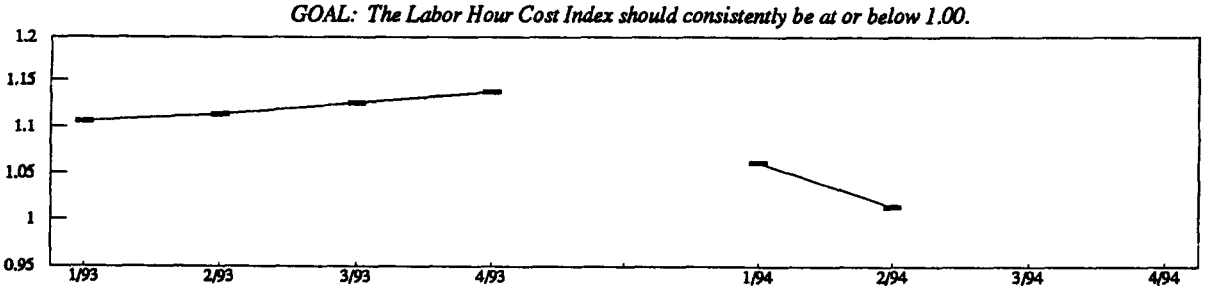
GOAL: Actual NOR/Budgeted NOR should equal 1.00



In 1st and 2nd Qtr FY93, the NOR indicator was affected by a DBOF accounting policy change. 3rd Qtr FY94 revenue is over stated due to a NAVAIR programming changes previously explained in Throughput. With revenue adjusted by $27M, the Net Operating Results index would be .98.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Current performance reflects a concerted effort to reduce indirect costs within the depot.

NADEP NORTH ISLAND

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	142279930	58470677	77311100	80146185	67412008	77838189		
Total Cost ($)	82888620	86547802	89837567	90073560	79374182	88901343		
Direct Materials ($)	19251286	25001962	23047106	20666717	17131273	22122878		
Throughput ($)	123028644	33468715	54263994	59479468	50280735	55715311		
Operating Expense ($)	63637334	61545840	66790461	69406843	62242909	66778465		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	123028644	33468715	54263994	59479468	50280735	55715311		
Longterm Inventory ($)	112242283	107441605	102762506	102372051	76208285	74396575		
INDEX	1.10	0.31	0.53	0.58	0.66	0.75		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	19	21	18	12	17	27		
Aircraft Completed	6	8	7	6	11	9		
INDEX	0.32	0.38	0.39	0.50	0.65	0.33		
Components Scheduled	2296	2748	3579	4084	4284	3820		
Components Completed	2202	2364	3184	3508	3772	3445		
INDEX	0.96	0.86	0.89	0.86	0.88	0.90		
Engines Scheduled	50	50	43	35	27	23		
Engines Completed	40	41	34	34	23	16		
INDEX	0.80	0.82	0.79	0.97	0.85	0.70		

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	230	261	262	269	258	376		
Aircraft Actual	281	274	297	284	273	388		
VARIANCE	51	13	35	15	15	12		
Components Planned	30	30	27	25	25	25		
Components Actual	44	39	37	41	46	50		
VARIANCE	14	9	10	16	21	25		
Engines Planned	45	46	47	47	69	69		
Engines Actual	63	65	91	81	93	89		
VARIANCE	18	19	44	34	24	20		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	69785000	145691000	224046000	302401000	76000000	141037000		
Cum Budg Cost ($)	65117000	135947000	209061000	282175000	82634000	161817000		
Budgeted NOR INDEX	1.07	1.07	1.07	1.07	0.92	0.87		
Cum Actual Revenue ($)	142279930	200750607	278061707	358207892	67412008	145250197		
Cum Actual Cost ($)	82888620	169436422	259273989	349347549	79374182	168275525		
Actual NOR INDEX	1.72	1.18	1.07	1.03	0.85	0.86		
NOR INDEX	1.60	1.11	1.00	0.96	0.92	0.99		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	65117000	135947000	209061000	282175000	82634000	161817000		
Budgeted Total DLH	808000	1686000	2594000	3501000	883000	1622000		
Bud Labor Hour Cost	80.59	80.63	80.59	80.60	93.58	99.76		
Total Actual Cost ($)	82888620	169436422	259273989	349347549	79374182	168275525		
Actual Total DLH	929394	1885888	2855144	3808726	798846	1663128		
Actual Labor Hour Cost	89.19	89.84	90.81	91.72	99.36	101.18		
Labor Hour Cost INDEX	1.11	1.11	1.13	1.14	1.06	1.01		

NADEP PENSACOLA
PENSACOLA, FL

MAJOR WORKLOAD ACCOMPLISHED:

H-1, H-3. H-53, H-60
MULTIPLE COMPONENTS
NO ENGINE PROGRAM

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1922
Military:	34

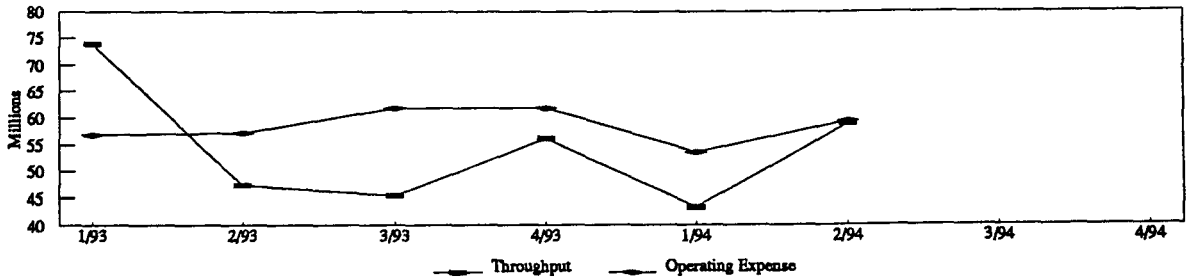
CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$336,895,000

NADEP PENSACOLA

THROUGHPUT & OPERATING EXPENSE

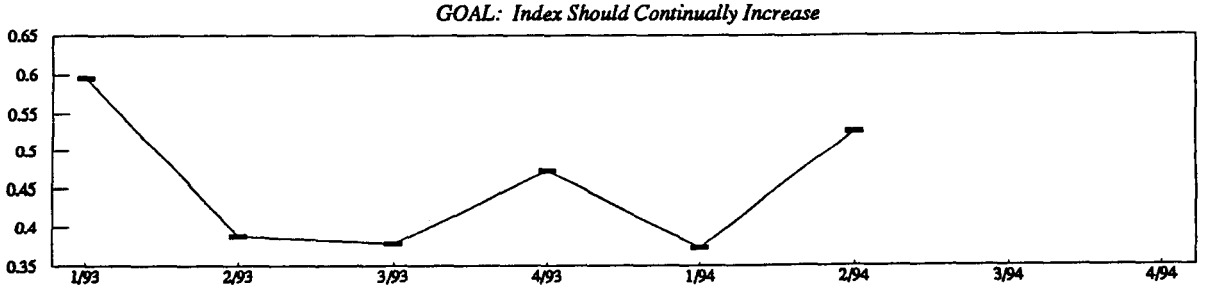
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



As a result of the reduction in force and lack of expertise, operating expense is staying constant whereas throughput is pointing downward.

CAPITAL INVESTMENT EFFECTIVENESS

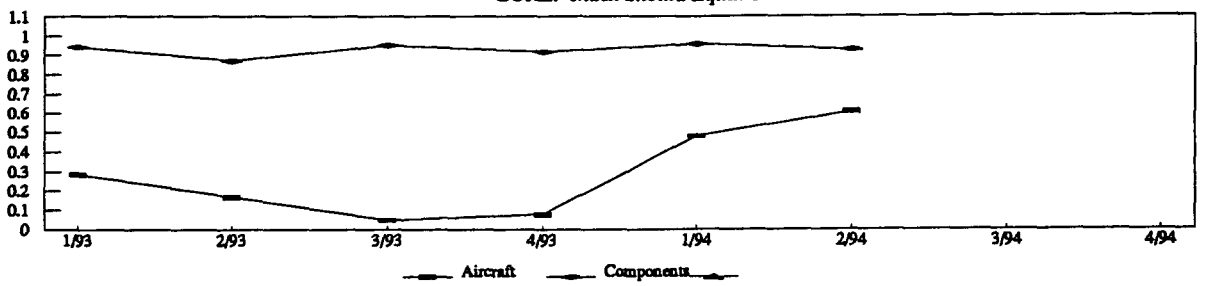
GOAL: Index Should Continually Increase



Due to the reduction in force, throughput is reducing at a faster rate than long term inventory.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

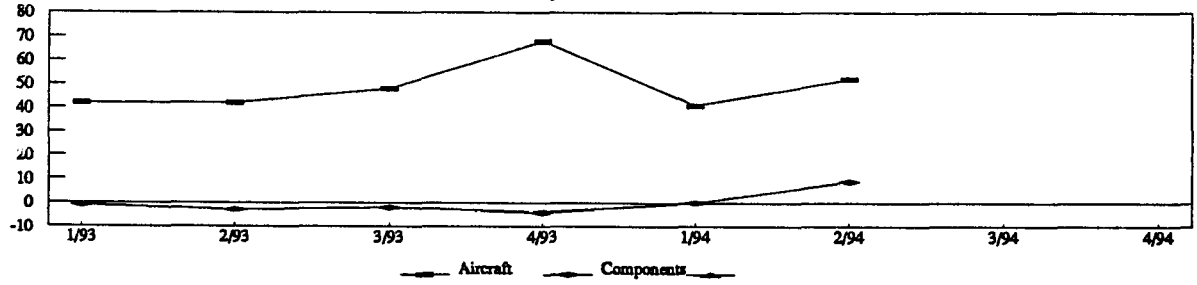


We are loosing our valuable aircraft and component personnel due to closing. They are being replaced by contract personnel but the expertise is lost. We do not anticipate a drastic increase in TAT but we do expect some.

NADEP PENSACOLA

PROCESS DAYS

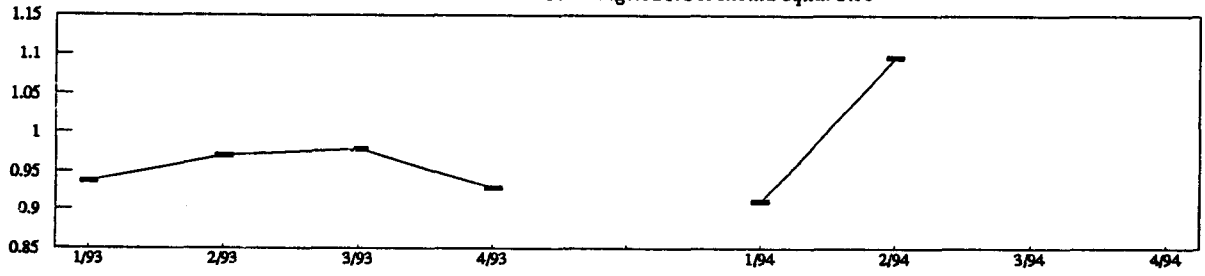
GOAL: Process Days Should show Continual Reduction



We are loosing our valuable aircraft and component personnel due to closing. They are being replaced by contract personnel but the expertise is lost. We do not anticipate a drastic increase in TAT but we do expect some.

NET OPERATING RESULTS

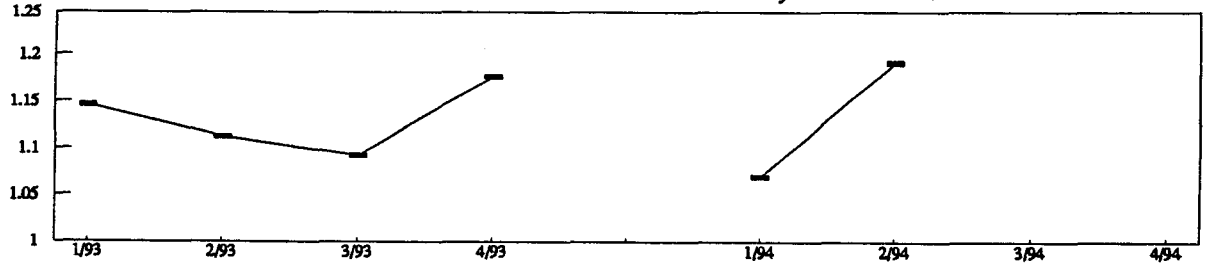
GOAL: Actual NOR/Budgeted NOR should equal 1.00



In the 2nd QTR FY94, revenue was greater than budget due to functional release of the revenue recognition process into the NIFIMS.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The reduction in force caused a reduction in Direct Labor Hours worked.

NADEP PENSACOLA

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	98972000	69310000	69056000	81644000	63710000	82750000		
Total Cost ($)	81909000	79223000	85474000	87294000	74099000	83201000		
Direct Materials ($)	25057000	22038000	23727000	25509000	20521000	23861000		
Throughput ($)	73915000	47272000	45329000	56135000	43189000	58889000		
Operating Expense ($)	56852000	57185000	61747000	61785000	53578000	59340000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	73915000	47272000	45329000	56135000	43189000	58889000		
Longterm Inventory ($)	124011000	121770000	119809000	118783000	115666000	111821000		
INDEX	0.60	0.39	0.38	0.47	0.37	0.53		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	21	18	21	13	27	23		
Aircraft Completed	6	3	1	1	13	14		
INDEX	0.29	0.17	0.05	0.08	0.48	0.61		
Components Scheduled	4082	3743	5056	5570	4775	4522		
Components Completed	3851	3256	4819	5115	4585	4200		
INDEX	0.94	0.87	0.95	0.92	0.96	0.93		

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	176	170	155	151	152	142		
Aircraft Actual	218	212	203	219	193	194		
VARIANCE	42	42	48	68	41	52		
Components Planned	33	32	31	31	31	30		
Components Actual	32	29	29	27	31	39		
VARIANCE	-1	-3	-2	-4	0	9		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	98381000	169000000	238263000	331356000	72088000	127948000		
Cum Budg Cost ($)	76382000	157000000	242231000	322000000	76294000	150540000		
Budgeted NOR INDEX	1.29	1.08	0.98	1.03	0.94	0.85		
Cum Actual Revenue ($)	98972000	168282000	237338000	318982000	63711000	146462000		
Cum Actual Cost ($)	81909000	161132000	246606000	333900000	74099000	157301000		
Actual NOR INDEX	1.21	1.04	0.96	0.96	0.86	0.93		
NOR INDEX	0.94	0.97	0.98	0.93	0.91	1.10		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	76382000	157000000	242231000	322000000	76294000	150540000		
Budgeted Total DLH	747000	775000	748000	705000	751000	758000		
Bud Labor Hour Cost	102.25	202.58	323.84	456.74	101.59	198.60		
Total Actual Cost ($)	81909000	161132000	246606000	333900000	74099000	157301000		
Actual Total DLH	699000	715000	697000	621000	682000	664000		
Actual Labor Hour Cost	117.18	225.36	353.81	537.68	108.65	236.90		
Labor Hour Cost INDEX	1.15	1.11	1.09	1.18	1.07	1.19		

NAVAL SHIPYARDS

LONG BEACH NAVAL SHIPYARD
LONG BEACH, CA

MAJOR WORKLOAD ACCOMPLISHED:

Surface ship overhaul, alteration and repair.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	3416
Military:	35

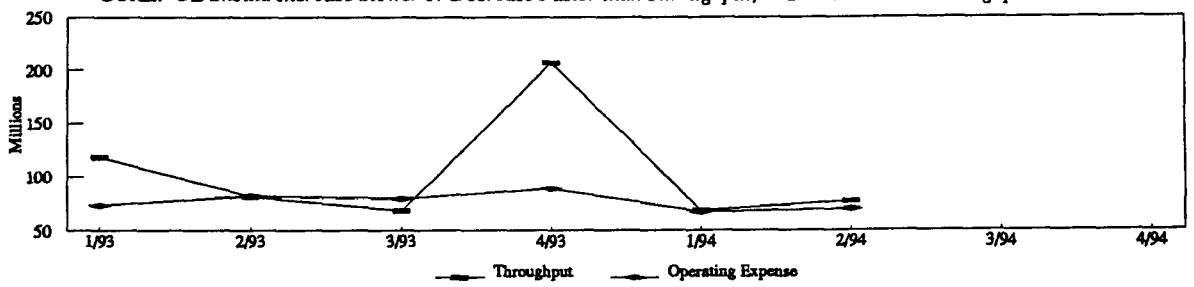
CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$327,980,000

LONG BEACH NAVAL SHIPYARD

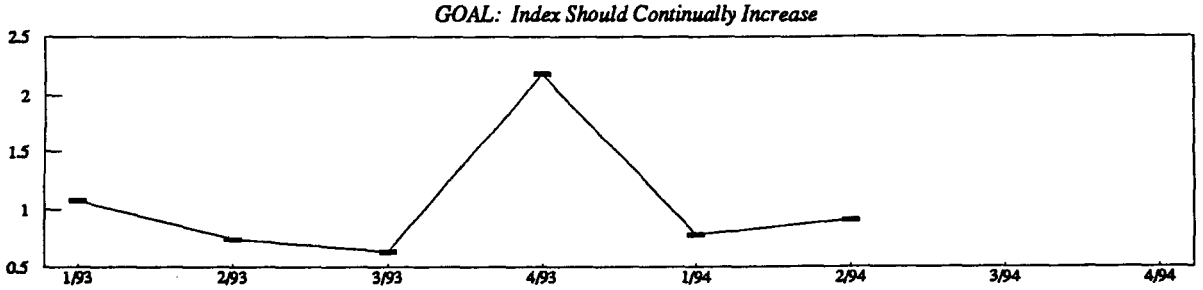
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



CAPITAL INVESTMENT EFFECTIVENESS

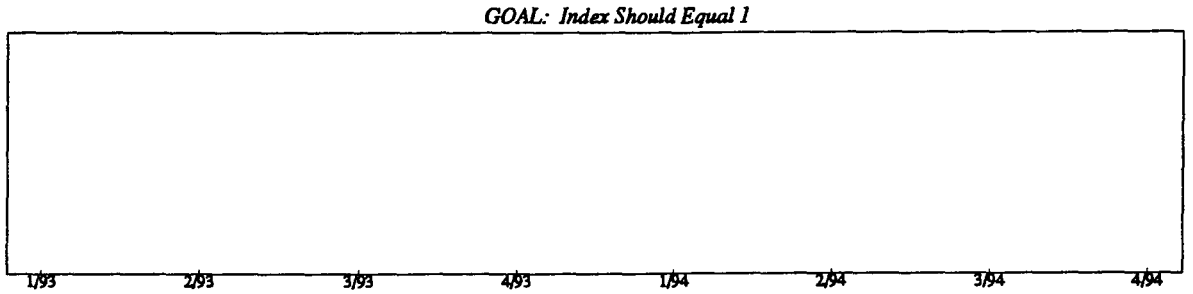
GOAL: Index Should Continually Increase



No explanation required.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

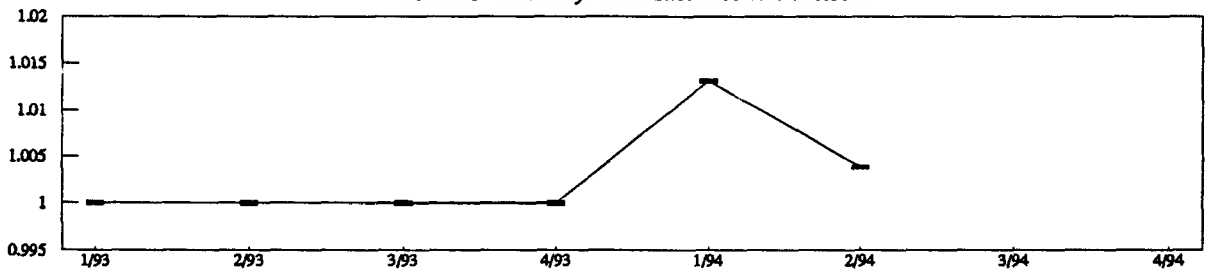


NAVSEA does not report on this indicator.

LONG BEACH NAVAL SHIPYARD

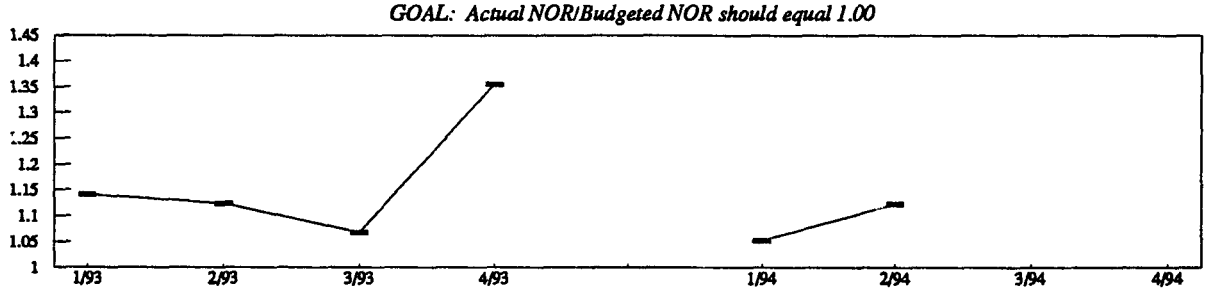
PROCESS DAYS

GOAL: Process Days Index Should be 1.00 or Above



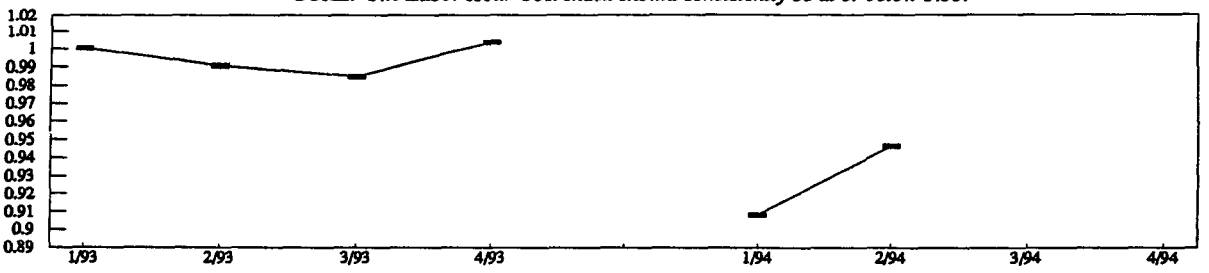
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



LONG BEACH NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	124583857	89155324	75511819	213345000	72196000	83418000		
Total Cost ($)	79193092	89670861	86941047	95337000	70596000	76053000		
Direct Materials ($)	6312334	7936631	7833035	6531000	3937000	6373000		
Throughput ($)	118271523	81218693	67678784	206814000	68259000	77045000		
Operating Expense ($)	72880758	81734230	79108012	88806000	66659000	69680000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	118271523	81218693	67678784	206814000	68259000	77045000		
Longterm Inventory ($)	109763853	109248725	106751062	94876000	87495000	84793000		
INDEX	1.08	0.74	0.63	2.18	0.78	0.91		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	676	396	109	457	540	256		
Actual Flow Days	676	396	109	457	533	255		
INDEX	1.00	1.00	1.00	1.00	1.01	1.00		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	117549000	182920000	257381000	344745000	80001000	154440000		
Cum Budg Cost ($)	85278000	162443000	243336000	326532000	82393000	163600000		
Budgeted NOR INDEX	1.38	1.13	1.06	1.06	0.97	0.94		
Cum Actual Revenue ($)	124583857	213739181	289251000	502596000	72196000	155614000		
Cum Actual Cost ($)	79193092	168863953	255805000	351142000	70596446	146649000		
Actual NOR INDEX	1.57	1.27	1.13	1.43	1.02	1.06		
NOR INDEX	1.14	1.12	1.07	1.36	1.05	1.12		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	85278000	162443000	243336000	326532000	82393000	163600000		
Budgeted Total DLH	1311936	2304776	3373776	4436520	918680	1792180		
Bud Labor Hour Cost	$65.00	$70.48	$72.13	$73.60	$89.69	$91.29		
Total Actual Cost ($)	79193092	168863953	255805000	351142000	70596000	146649000		
Actual Total DLH	1218067	2418292	3599997	4752007	866538	1696494		
Actual Labor Hour Cost	$65.02	$69.83	$71.06	$73.89	$81.47	$86.44		
Labor Hour Cost INDEX	1.00	0.99	0.99	1.00	0.91	0.95		

NORFOLK NAVAL SHIPYARD
PORTSMOUTH, VA

MAJOR WORKLOAD ACCOMPLISHED:

Overhaul, repair, alteration and inactivation of submarines, surface ships, and aircraft carriers and reactor compartment disposal and hull recycling.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	8227
Military:	124

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

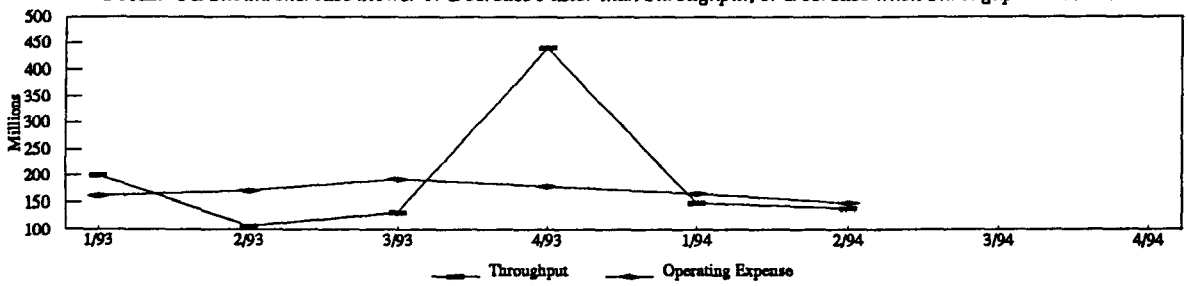
$656,660,000

During the 1st and 2nd Qtr FY94, 7 CNO availabilities were completed. Growth in work on USS LASALLE, USS EISENHOWER, USS GATES, USS SOUTH CAROLINA, and USS POLK caused an increase in overtime usage to 17.4% vice 9% budgeted. This caused an increase in cost without a corresponding increase in revenue. Regular direct hours were 7.9% lower than budgeted and the civilian workforce was reduced by 1318 persons.

NORFOLK NAVAL SHIPYARD

THROUGHPUT & OPERATING EXPENSE

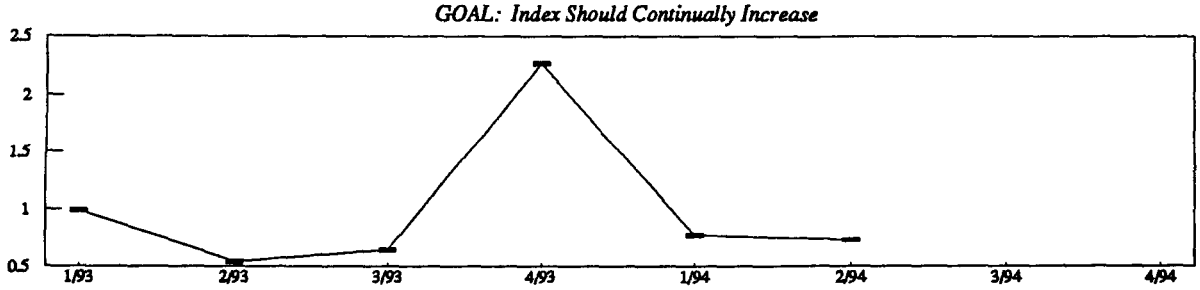
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Growth in numbers of mandays to be worked, with reduced resources, caused overtime use to increase while the number of regular direct hours decreased. This caused expense to increase faster than throughput.

CAPITAL INVESTMENT EFFECTIVENESS

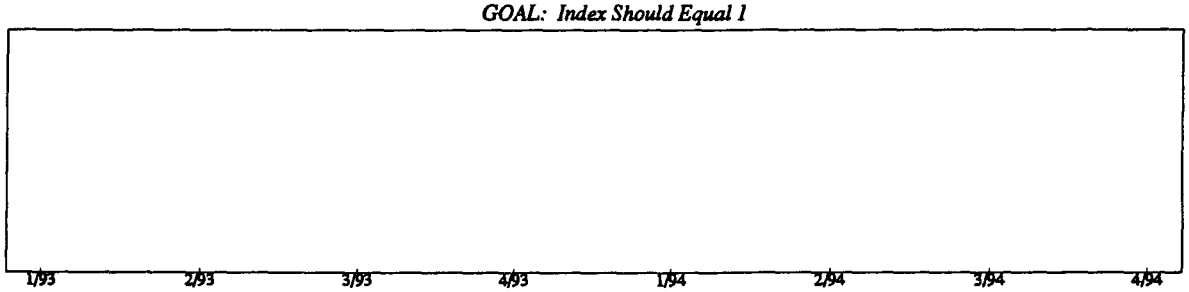
GOAL: Index Should Continually Increase



This indicator was adversely effected by the reduction in throughput.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

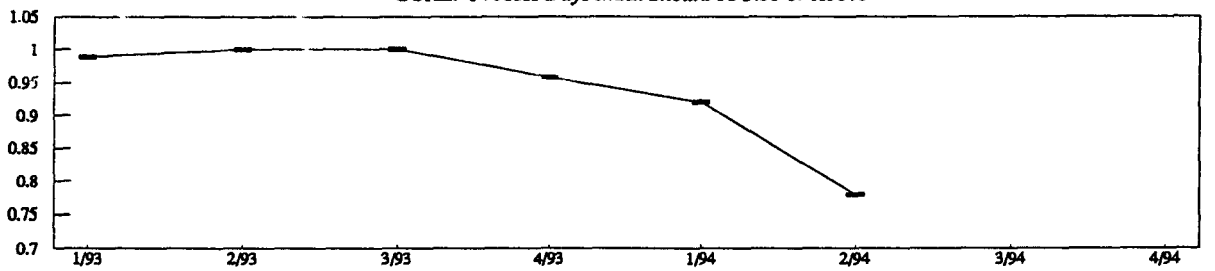


NAVSEA does not report on this indicator.

NORFOLK NAVAL SHIPYARD

PROCESS DAYS

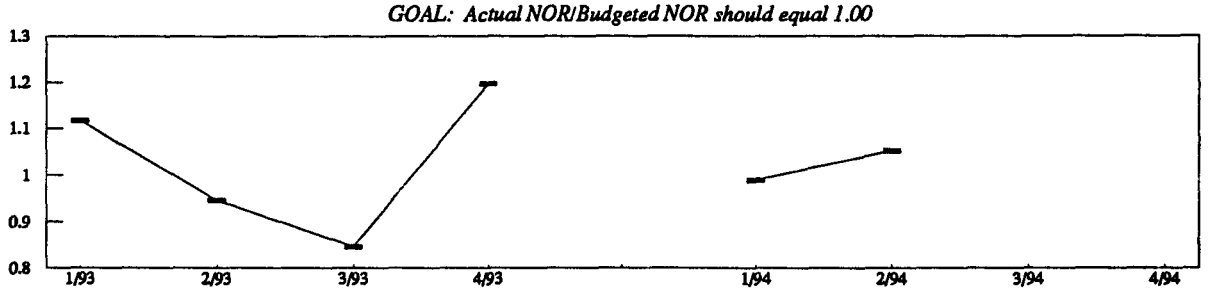
GOAL: Process Days Index Should be 1.00 or Above



New work on several ships negatively effected this indicator. Completion of USS SOUTH CAROLINA during 2nd Qtr FY94 (279 days late) was a severe impact on this index.

NET OPERATING RESULTS

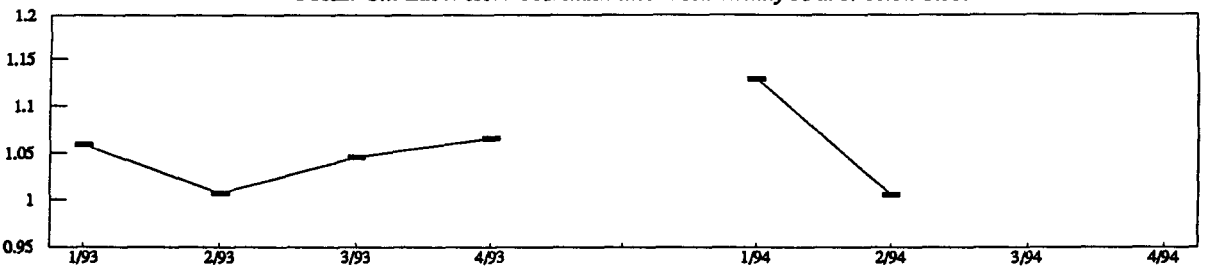
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Both Revenue and Cost increased over the budgeted numbers. The actual ratio is slightly better than the Budgeted ratio, causing the indicator to be above 1.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Labor Hour Cost has been decreased by reducing the work force through RIF voluntary early retirement.

NORFOLK NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	215947510	123623025	147184465	455881000	164183000	146384000		
Total Cost ($)	177566217	187707348	208834435	194713000	181711000	156291000		
Direct Materials ($)	16421623	16898566	15948811	15874000	16345000	8967000		
Throughput ($)	199525887	106724459	131235654	440007000	147838000	137417000		
Operating Expense ($)	161144594	170808782	192885624	178839000	165366000	147324000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	199525887	106724459	131235654	440007000	147838000	137417000		
Longterm Inventory ($)	201445994	196714592	204012000	193935000	190975000	187651000		
INDEX	0.99	0.54	0.64	2.27	0.77	0.73		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	434	454	364	480	624	1338		
Actual Flow Days	439	454	364	501	678	1717		
INDEX	0.99	1.00	1.00	0.96	0.92	0.78		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	170090000	318634000	485593000	652553000	139840000	272659000		
Cum Budg Cost ($)	156264000	324322000	484747000	637588000	153122000	312661000		
Budgeted NOR INDEX	1.09	0.98	1.00	1.02	0.91	0.87		
Cum Actual Revenue ($)	215947510	339570535	486755000	942636000	164183000	310567000		
Cum Actual Cost ($)	177566217	365273565	574108000	768821000	181711000	338002000		
Actual NOR INDEX	1.22	0.93	0.85	1.23	0.90	0.92		
NOR INDEX	1.12	0.95	0.85	1.20	0.99	1.05		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	156264000	324322000	483987000	637588000	153122000	312661000		
Budgeted Total DLH	3003832	5550976	8332000	10897864	2371721	4626801		
Bud Labor Hour Cost	$52.02	$58.43	$58.09	$58.51	$64.56	$67.58		
Total Actual Cost ($)	177566217	365273565	574108000	768821000	181711000	338002000		
Actual Total DLH	3223063	6207238	9447690	12324121	2490207	4973143		
Actual Labor Hour Cost	$55.09	$58.85	$60.77	$62.38	$72.97	$67.97		
Labor Hour Cost INDEX	1.06	1.01	1.05	1.07	1.13	1.01		

PEARL HARBOR NAVAL SHIPYARD
PEARL HARBOR, HA

MAJOR WORKLOAD ACCOMPLISHED:

Submarine and surface ship overhaul, alteration and repair.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	4506
Military:	43

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$214,775,392

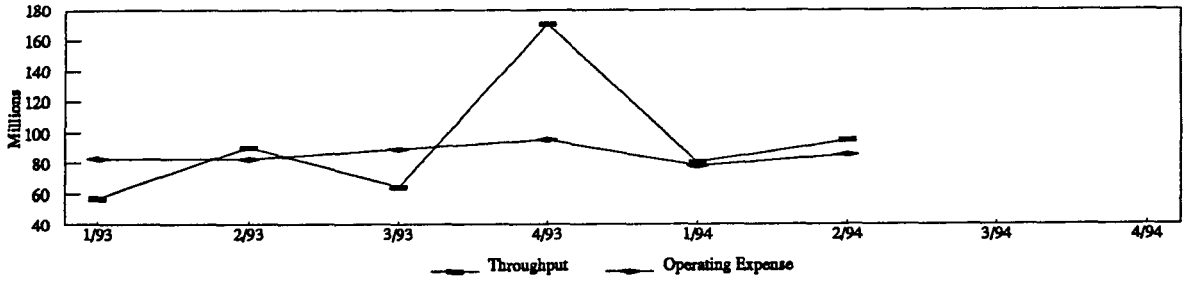
The Shipyard continues to see improvements to the AOR balance. The improvements were attributed to the USS HONOLULU (SSN 718) with a fixed price gain of $6.6M, the USS OLYMPIA (SSN 717) with a gain of $6.5M, and the USS WM BATES with a gain of $6.6M. One of the fixed price losses which offset some of the gains was the USS INGERSOLL (DD990) with a fixed price loss of $3.2M.

A reduction-in-force has been approved at the shipyard for 233 people. Of that, 197 permanent employees will take the Separation Incentive Pay (SIP) and will leave by 3 July 1994. The remaining 36 will be involuntarily separated.

PEARL HARBOR NAVAL SHIPYARD

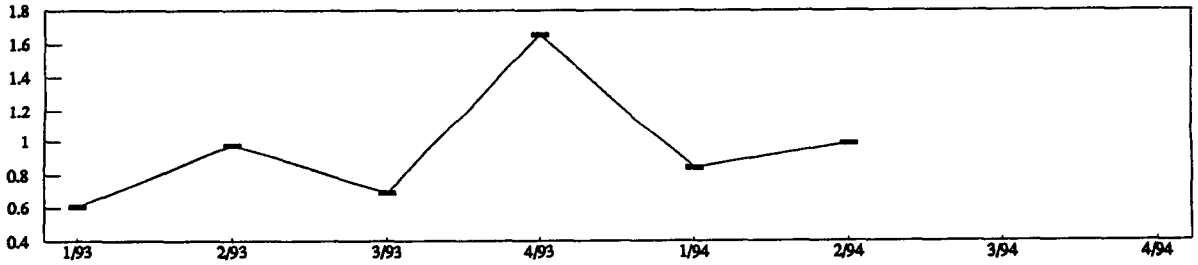
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



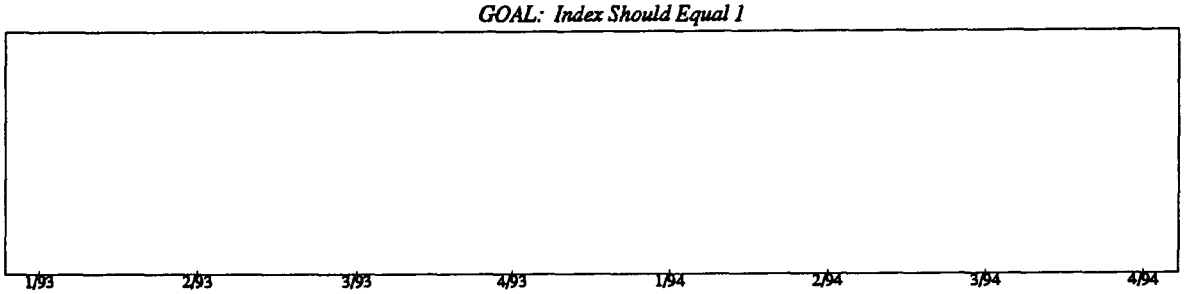
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

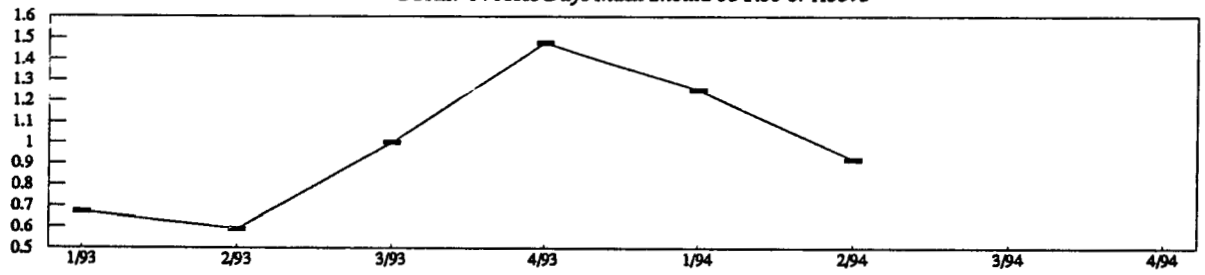


NAVSEA does not report on this indicator.

PEARL HARBOR NAVAL SHIPYARD

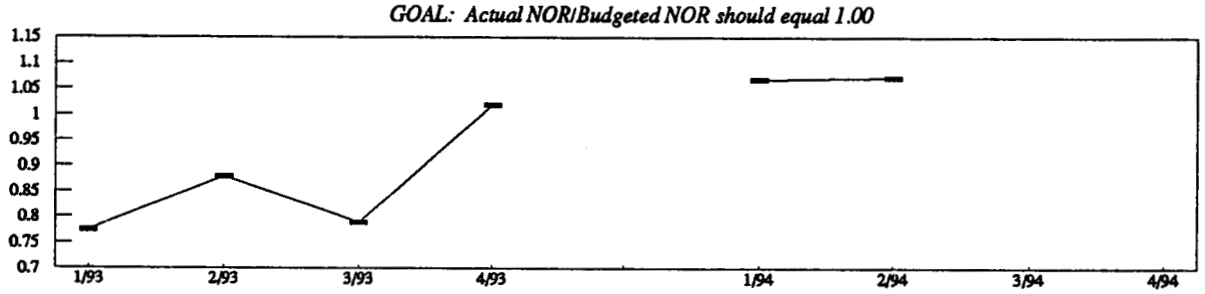
PROCESS DAYS

GOAL: Process Days Index Should be 1.00 or Above



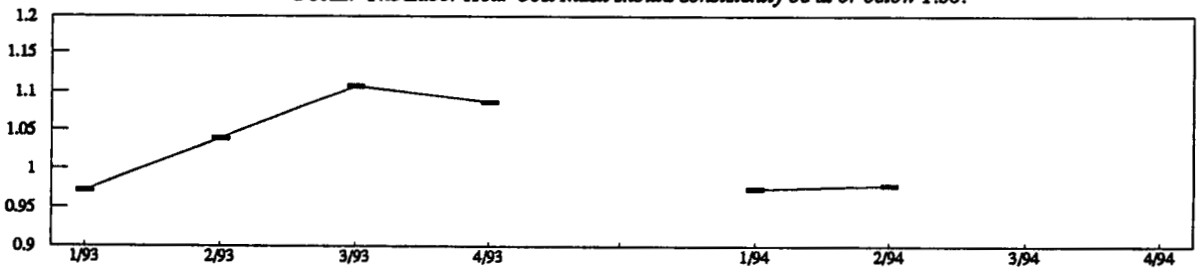
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



PEARL HARBOR NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	63772934	95660745	71191321	176842000	85394000	98995000		
Total Cost ($)	89545166	87706703	96584131	101597000	82719000	89508000		
Direct Materials ($)	6686324	5223005	7285671	6139000	4951000	4131000		
Throughput ($)	57086610	90437740	63905650	170703000	80443000	94864000		
Operating Expense ($)	82858842	82483698	89298460	95458000	77768000	85377000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	57086610	90437740	63905650	170703000	80443000	94864000		
Longterm Inventory ($)	93868625	92666174	91931982	102987932	95594000	95548000		
INDEX	0.61	0.98	0.70	1.66	0.84	0.99		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	61	405	697	544	334	412		
Actual Flow Days	91	688	697	368	267	448		
INDEX	0.67	0.59	1.00	1.48	1.25	0.92		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	76442000	176159000	286411000	389407000	88293000	182975000		
Cum Budg Cost ($)	83114000	172209000	268131000	365685000	91290000	183116000		
Budgeted NOR INDEX	0.92	1.02	1.07	1.06	0.97	1.00		
Cum Actual Revenue ($)	63772934	159453679	230645000	407487000	85394000	184389000		
Cum Actual Cost ($)	89545166	177251869	273836000	375433000	82719000	172227000		
Actual NOR INDEX	0.71	0.90	0.84	1.09	1.03	1.07		
NOR INDEX	0.77	0.88	0.79	1.02	1.07	1.07		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	83114000	172209000	268131000	365685000	91290000	183116000		
Budgeted Total DLH	980920	2181192	3599048	4858712	980274	1912338		
Bud Labor Hour Cost	$84.73	$78.95	$74.50	$75.26	$93.13	$95.76		
Total Actual Cost ($)	89545166	177251869	273836000	375433000	82719000	172227000		
Actual Total DLH	1087232	2159011	3318304	4591070	911695	1837009		
Actual Labor Hour Cost	$82.36	$82.10	$82.52	$81.77	$90.73	$93.75		
Labor Hour Cost INDEX	0.97	1.04	1.11	1.09	0.97	0.98		

PORTSMOUTH NAVAL SHIPYARD
PORTSMOUTH, NH

MAJOR WORKLOAD ACCOMPLISHED:

Repair and alteration of Submarines

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	5539
Military:	110

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

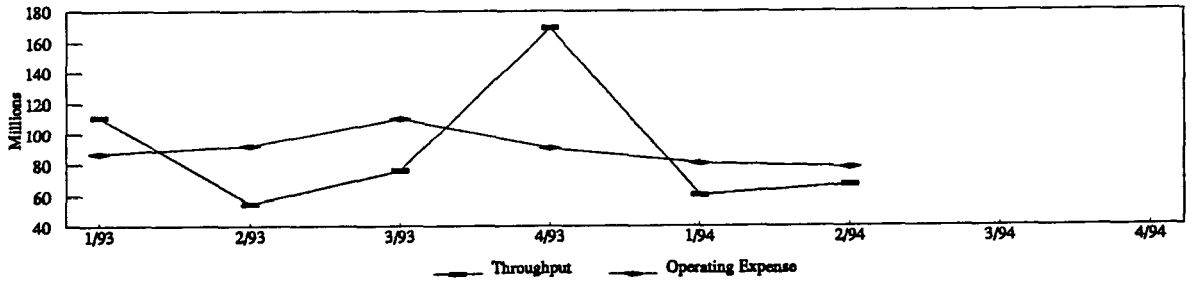
$345,675,000

The 1st and 2nd quarters of FY94 continued the trend of workload reductions combined with the shipyard's inability to either attract new work or reduce its workforce. Workforce Reductions have not kept pace with workload reductions. Labor costs continued in excess of revenue generating work which has had a negative impact on the Shipyard's manday rate and NOR.

PORTSMOUTH NAVAL SHIPYARD

THROUGHPUT & OPERATING EXPENSE

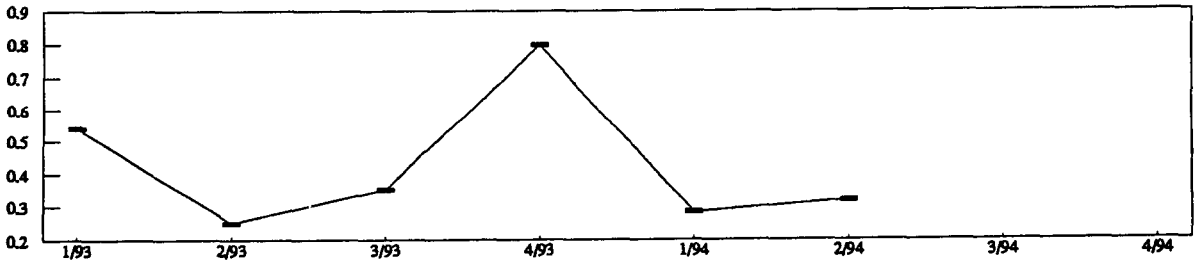
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Operating Expenses exceed Throughput due to unexpected workload reductions.

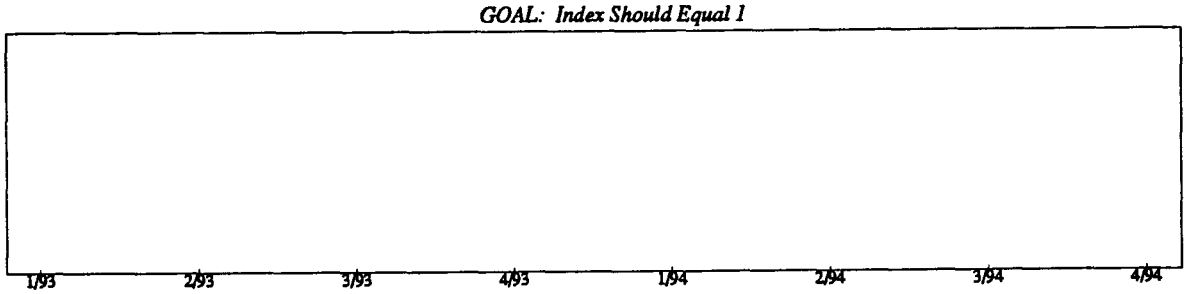
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

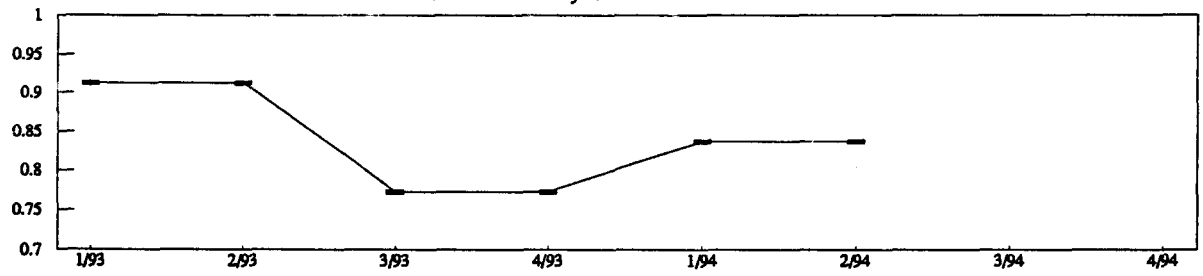


NAVSEA does not report on this indicator.

PORTSMOUTH NAVAL SHIPYARD

PROCESS DAYS

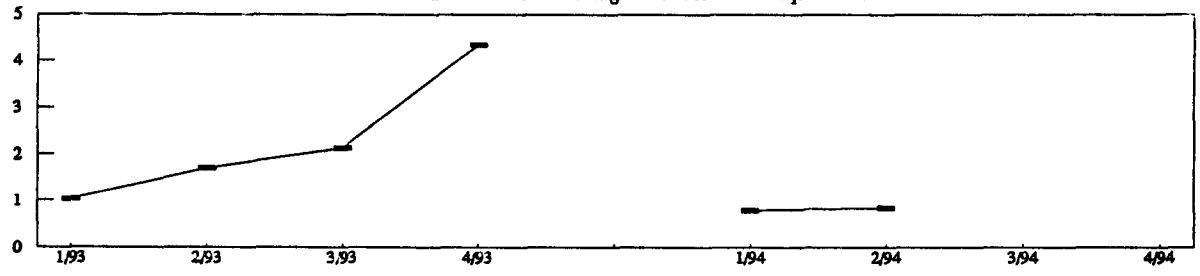
GOAL: Process Days Index Should be 1.00 or Above



The change in the Process Days Index is due to the late completion of a unique SSN availability with extensive customer changes that caused project schedule delay. The shipyard has not been successful in adjusting scheduled flow days with the customer for changes in work during the availability.

NET OPERATING RESULTS

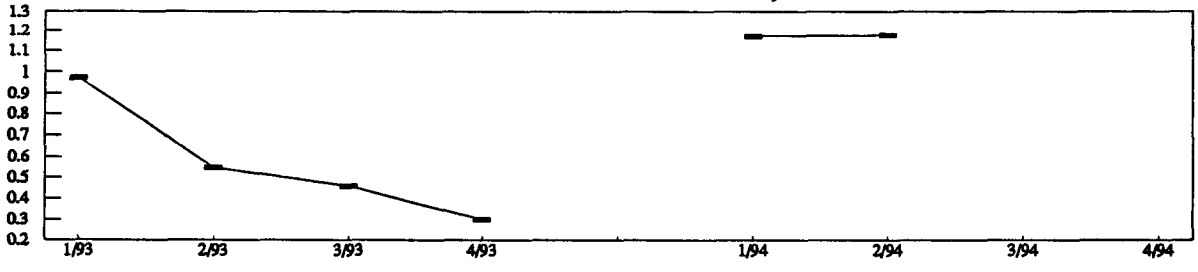
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The NOR index declined in the 4th QTR FY93 due to a DFAS directed accounting adjustment to move $60M of Work in Progress to revenue without a commensurate increase in cost.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



A drop in labor requirements against anticipated work on both ship and non-ship work, coupled with a delay in RIF approval generated excess costs in relation to the planned workload.

PORTSMOUTH NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	115299851	60277568	80946581	173093000	63920000	69540000		
Total Cost ($)	91172121	97309549	115107330	94355000	83844000	80564000		
Direct Materials ($)	4378389	5244520	4856091	3710000	3313000	2736000		
Throughput ($)	110921462	55033048	76090490	169383000	60607000	66804000		
Operating Expense ($)	86793732	92065029	110251239	90645000	80531000	77828000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	110921462	55033048	76090490	169383000	60607000	66804000		
Longterm Inventory ($)	205482999	219979619	215830937	212531000	213625570	209272631		
INDEX	0.54	0.25	0.35	0.80	0.28	0.32		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	764	764	913	913	426	426		
Actual Flow Days	837	837	1180	1180	509	509		
INDEX	0.91	0.91	0.77	0.77	0.84	0.84		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	106090000	182080000	268753000	357626000	81838000	159652000		
Cum Budg Cost ($)	86836000	172852000	257147000	341187000	84054000	163974000		
Budgeted NOR INDEX	1.22	1.05	1.05	1.05	0.97	0.97		
Cum Actual Revenue ($)	115299851	175577419	256524000	429617000	63920000	133460000		
Cum Actual Cost ($)	91172121	97309549	115107330	94355000	83844000	164408000		
Actual NOR INDEX	1.26	1.80	2.23	4.55	0.76	0.81		
NOR INDEX	1.04	1.71	2.13	4.34	0.78	0.83		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	86836000	172852000	257147000	341187000	84054000	163974000		
Budgeted Total DLH	1320144	2740832	4198120	5810152	1204262	2349297		
Bud Labor Hour Cost	$65.78	$63.07	$61.25	$58.72	$69.80	$69.80		
Total Actual Cost ($)	91172121	97309549	115107330	94355000	83844000	164408000		
Actual Total DLH	1421790	2820282	4099591	5349280	1023324	2000175		
Actual Labor Hour Cost	$64.12	$34.50	$28.08	$17.64	$81.93	$82.20		
Labor Hour Cost INDEX	0.97	0.55	0.46	0.30	1.17	1.18		

PUGET SOUND NAVAL SHIPYARD
BREMERTON, WA

MAJOR WORKLOAD ACCOMPLISHED:

Overhaul, alteration, inactivation and repair of submarines, aircraft carriers and surface ships, reactor compartment disposal and hull recycling

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	10500
Military:	127

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$797,232,000

Shipyard workload was dominated by the USS TEXAS inactivation (completed in December), the continuation of the USS OHIO EOH, and the start of the USS NIMITZ DSRA in January. In addition, 24 other ship projects were in process. However, the total workload decreased approximately 17% from the FY94 President's budget level of 1.71 million mandays.

As a result of the decreasing workload, management undertook several initiatives to reduce costs. A zero-based staffing review was conducted by senior management resulting in overhead labor reductions of 126 men per day. Overhead material was also reviewed and reduced by $18M.

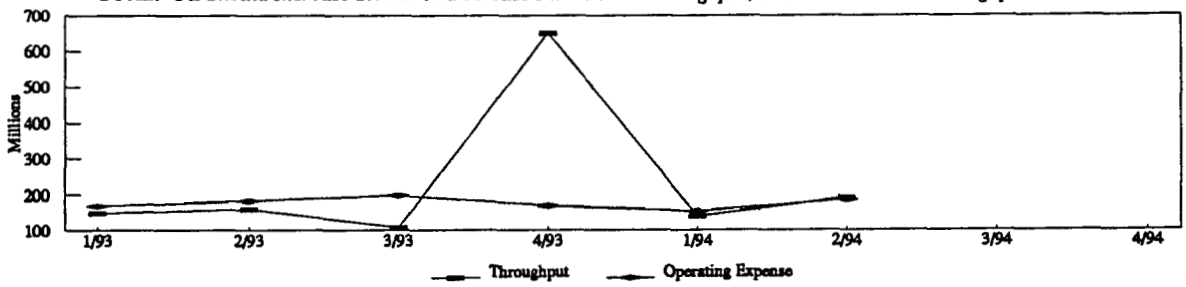
Fixed-price losses in this period were $26.5M primarily due to difficulties with recycling projects, including asbestos and PCB removal. Most losses occurred on prior year projects which were fixed priced before the magnitude of the recycling and environmental process problems were known. FY94 starts are reflecting substantial stabilized gains.

The FY94 President's budget included an average labor & overhead rate of $409; the Shipyard executed the 1st Qtr at $404. However, subsequent NAVCOMPT and OSD reductions changed the approved rate to $381. Due to reduced workload and added costs, the actual rate for the first half increased to $412. NOR for the period was $8.6M; $55M below the phased budget.

PUGET SOUND NAVAL SHIPYARD

THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant

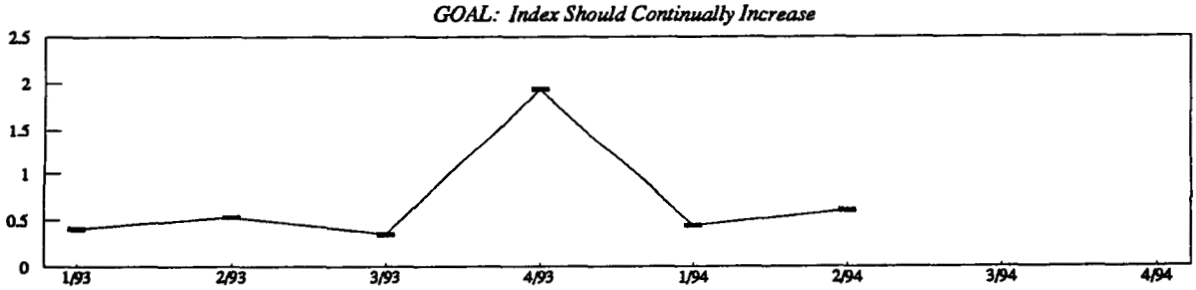


Throughtput in the 4th Qtr FY93 is atypical due to the direction to zero-out Work-In-Process; i.e., recognize as revenue.

Note: All budget & cost data herein exclude SIP/VEREA costs, which are not normally included in operational costs.

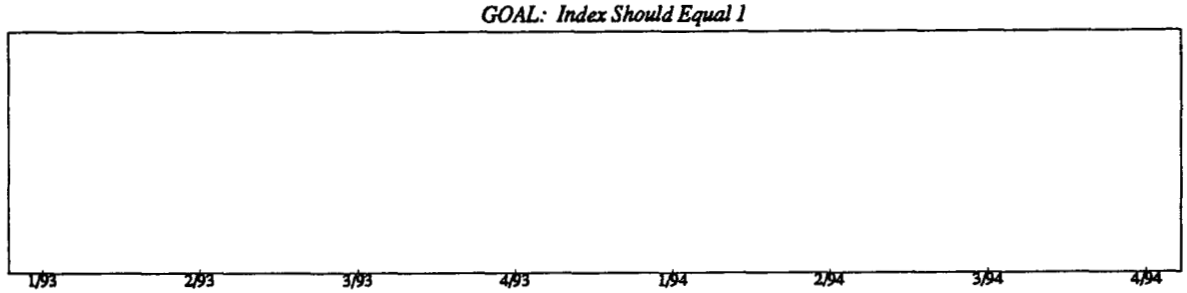
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

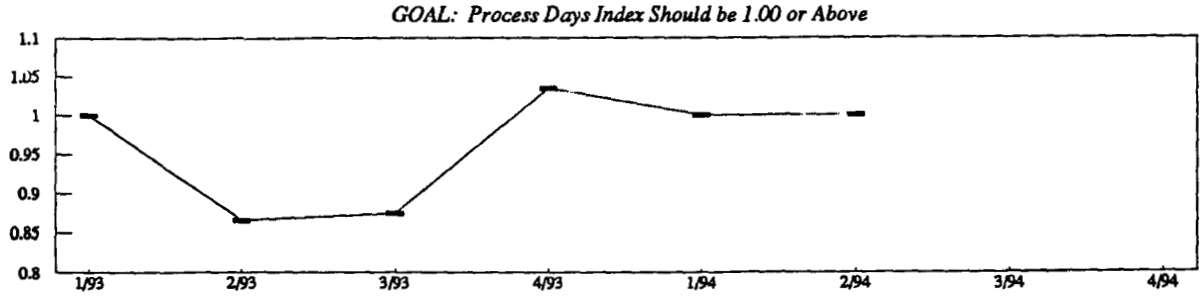


NAVSEA does not report on this indicator.

PUGET SOUND NAVAL SHIPYARD

PROCESS DAYS

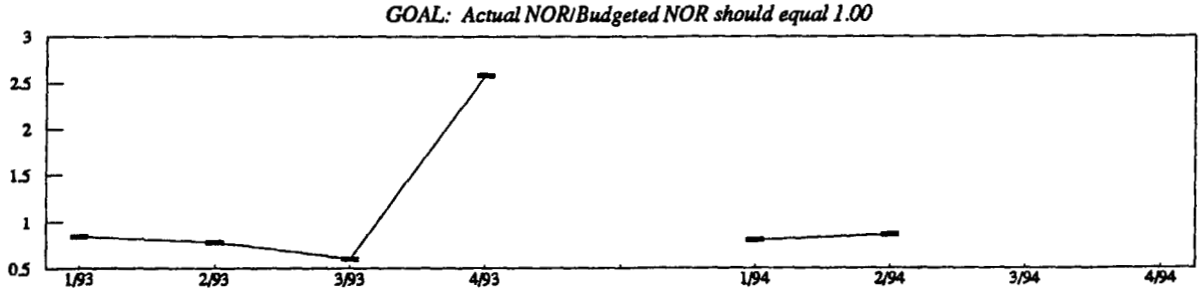
GOAL: Process Days Index Should be 1.00 or Above



No analysis required.

NET OPERATING RESULTS

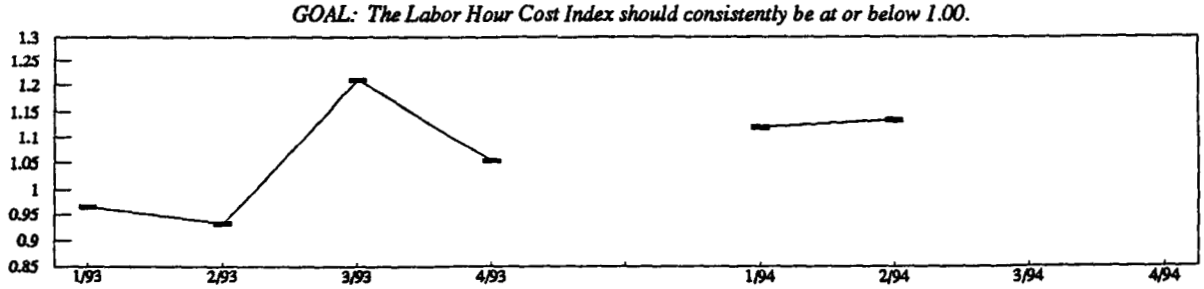
GOAL: Actual NOR/Budgeted NOR should equal 1.00



NOR is below budget due to unanticipated workload reductions.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Labor costs are over budget due to unanticipated workload reductions.

PUGET SOUND NAVAL SHIPYARD

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	168461134	176446064	118641802	665554000	156112000	200121000		
Total Cost ($)	189405099	199642356	208844667	185585878	170638000	194240000		
Direct Materials ($)	19326355	16036120	10765525	16030000	16370000	9338000		
Throughput ($)	149134779	160409944	107876277	649524000	139742000	190783000		
Operating Expense ($)	170078744	183606236	198079142	169555878	154268000	184902000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	149134779	160409944	107876277	649524000	139742000	190783000		
Longterm Inventory ($)	369284482	300567629	313006049	335543049	315257000	312213000		
INDEX	0.40	0.53	0.34	1.94	0.44	0.61		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	181	1835	1270	720	256	1019		
Actual Flow Days	181	2121	1453	696	256	1019		
INDEX	1.00	0.87	0.87	1.03	1.00	1.00		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	197216000	191673000	158497000	245715000	198236000	424060000		
Cum Budg Cost ($)	186187000	169138000	167305000	176841000	176000000	377747000		
Budgeted NOR INDEX	1.06	1.13	0.95	1.39	1.13	1.12		
Cum Actual Revenue ($)	168481134	176445064	118641802	665554000	156112000	356233000		
Cum Actual Cost ($)	189405099	199642356	208844667	185585878	170638000	364878000		
Actual NOR INDEX	0.89	0.88	0.57	3.59	0.91	0.98		
NOR INDEX	0.84	0.78	0.60	2.58	0.81	0.87		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	186187000	169138000	167305000	176841000	176000000	377747000		
Budgeted Total DLH	3264663	2969079	2946071	3075011	3123916	6710052		
Bud Labor Hour Cost	$57.03	$56.97	$56.79	$57.51	$56.34	$56.30		
Total Actual Cost ($)	189405099	199642356	208844667	185585878	170638000	364878000		
Actual Total DLH	3440751	3761667	3035339	3059561	2701766	5719435		
Actual Labor Hour Cost	$55.05	$53.07	$68.80	$60.66	$63.16	$63.80		
Labor Hour Cost INDEX	0.97	0.93	1.21	1.05	1.12	1.13		

AIR FORCE AIR LOGISTICS CENTERS AND SPECIALIZED CENTERS

AEROSPACE GUIDANCE AND METROLOGY CENTER
NEWARK AFB, OH

MAJOR WORKLOAD ACCOMPLISHED:

Minuteman III MGS	Peacekeeper MGCS	B-1B INU	F-15 IMU	F-16 INU
F-117 IMU	KC-135 INU	PADs IMU	DMINS IMU	TMDE
Carousel IMU	SPN-GEANS IMU	ESGN IMU	Displacement Gyro	

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	817
Military:	6

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

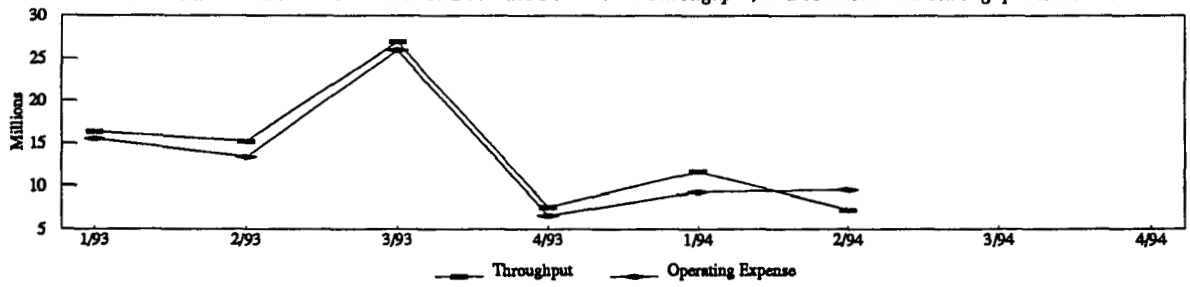
$81,600,000

Aerospace Guidance and Metrology Center 1st and 2nd quarter operations indicators were adversely affected by higher than anticipated Reparable Support Division (RSD) material costs and a projected FY94 budgeted loss of $7.5 million. Our Direct Product Labor Hours (DPAH) were also less than budgeted due to the Test Measurement and Diagnostic Equipment (TMDE) workload not generating as budgeted. These three factors have reduced our revenue, significantly increased total cost, affected our schedule indicator and increased our labor hour costs.

AEROSPACE GUIDANCE AND METROLOGY CENTER

THROUGHPUT & OPERATING EXPENSE

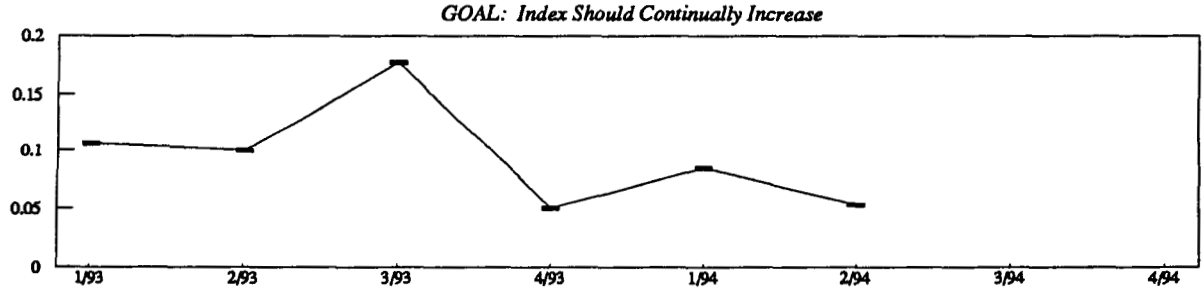
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Increases in direct material costs, caused by increased material prices and higher than expected RSD charges, along with a decrease in our workloads have caused a decrease in throughput and a slight increase in our operating expenses.

CAPITAL INVESTMENT EFFECTIVENESS

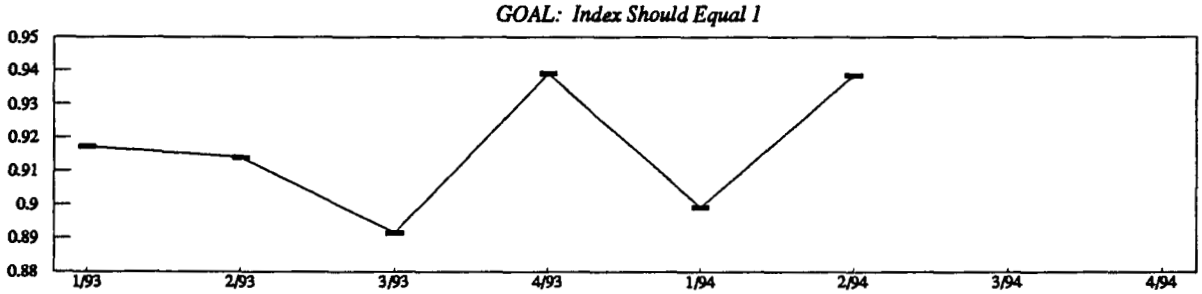
GOAL: Index Should Continually Increase



A steadily decreasing long term inventory, reduced revenue, and increased material costs have caused the decrease in our capital investment effectiveness.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

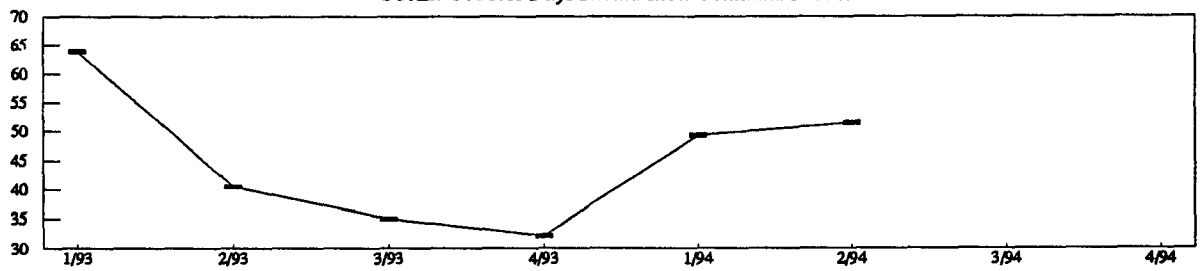


Lack of receipts in the Test Measurement and Diagnostic Equipment (TMDE) and ARN 101 INU workload are the main drivers for the total underproduction.

AEROSPACE GUIDANCE AND METROLOGY CENTER

PROCESS DAYS

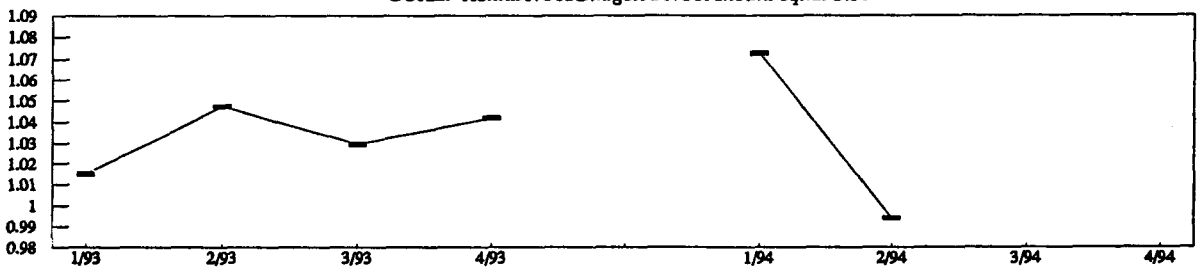
GOAL: Process Days Should show Continual Reduction



AGMC uses 7 workloads as "pacing items" (3 IMU/INU, 2 Gyro, 1 Velocity Meter and the Minuteman III Missile Guidance Set). An OC-ALC planned FY93 carry over of 702 units, plus maintaining our normal workload schedules has resulted in increased staging times causing increased overall turn around time. As we work through this extra workload our turn around time should return to normal.

NET OPERATING RESULTS

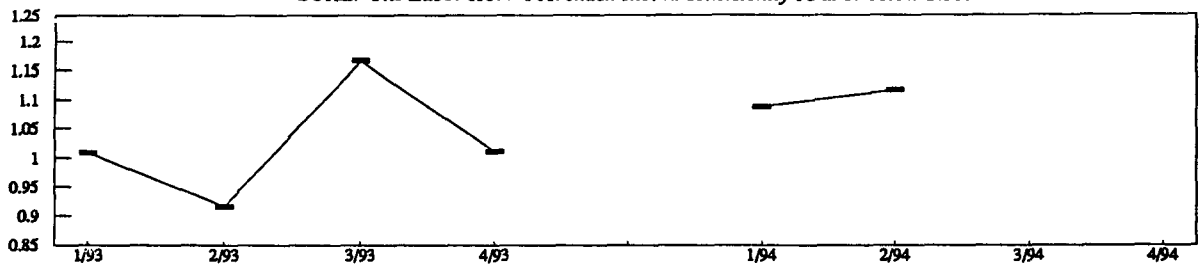
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The 1st Qtr FY94 profit of $1.3 million, driven by less than normal repair costs of the N-16 INU, CN1375 Displacement Gyro, and DMINS and less material usage on MM III, F-117, and 7901A Displacement Gyro workloads caused our actual NOR index to increase.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The higher labor costs were driven by increased material costs, constant fixed costs, and fewer direct labor hours.

AEROSPACE GUIDANCE AND METROLOGY CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	20300000	19800000	32200000	10000000	19506000	18381000		
Total Cost ($)	19466000	17929000	31255000	9054000	17122000	20675000		
Direct Materials ($)	3957000	4575000	5333000	2485000	7888000	11196000		
Throughput ($)	16343000	15225000	26867000	7515000	11618000	7185000		
Operating Expense ($)	15509000	13354000	25922000	6569000	9234000	9479000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	16343000	15225000	26867000	7515000	11618000	7185000		
Longterm Inventory ($)	153627378	152125269	151005859	147948833	137182208	133719085		
INDEX	0.11	0.10	0.18	0.05	0.08	0.05		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Components Scheduled	3379	2941	2855	2995	2985	2903		
Components Completed	3099	2688	2545	2812	2684	2724		
INDEX	0.92	0.91	0.89	0.94	0.90	0.94		

PROCESS DAYS

DATE INDUCTED - DATE COMPLETED = PROCESS DAYS

Components Process Days	57895	33371	29210	31109	51010	53913		
Number of Items	907	824	833	966	1034	1048		
AVG PROCESS DAYS	63.83	40.50	35.07	32.20	49.33	51.44		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	20678000	45381000	70655000	95217000	19569000	40779000	61613000	81754000
Cum Budg Cost ($)	20091000	44372000	69082000	93717000	18432000	40437000	64915000	89284000
Budgeted NOR INDEX	1.03	1.02	1.02	1.02	1.06	1.01	0.95	0.92
Cum Actual Revenue ($)	20339000	40059000	72288000	82272000	19506000	37887000		
Cum Actual Cost ($)	19466000	37395000	68650000	77704000	17122000	37797000		
Actual NOR INDEX	1.04	1.07	1.05	1.06	1.14	1.00		
NOR INDEX	1.02	1.05	1.03	1.04	1.07	0.99		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	20091000	44372000	69082000	93717000	18432000	40437000	64915000	89284000
Budgeted Total DLH	279802	573612	873642	1165012	241126	505517	765146	1019722
Bud Labor Hour Cost	$71.80	$77.36	$79.07	$80.44	$76.44	$79.99		
Total Actual Cost ($)	19466000	37395000	68650000	77704000	17122000	37797000		
Actual Total DLH	268532	527816	744189	954954	205779	422747		
Actual Labor Hour Cost	$72.49	$70.85	$92.25	$81.37	$83.21	$89.41		
Labor Hour Cost INDEX	1.01	0.92	1.17	1.01	1.09	1.12		

OGDEN AIR LOGISTICS CENTER
HILL AFB, UT

MAJOR WORKLOAD ACCOMPLISHED:

F/RF-4 Phantom, F-16 Fighting Falcon, C-130 Hercules, F/ A-18 Hornet, LGM-30 Minuteman Missile, LGM-118A Peacekeeper Missile, GBU-15 Laser Guided Bomb, Simulators/Training Devices, AGM-65 Maverick Missile, Cruise Missiles, Landing Gear, Wheels & Brakes, Air Munitions, Explosives, Photonics, Aircraft Instruments, and Aircraft Guns

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	5049
Military:	125

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

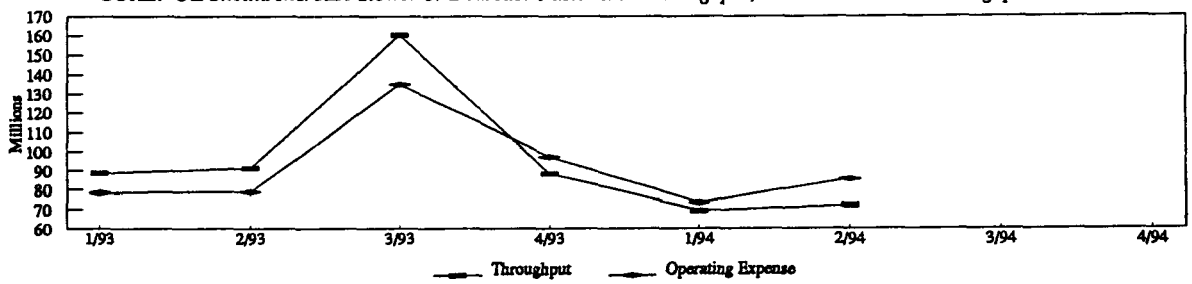
$417,116,000

Ogden Air Logistics Center's operations indicators show some variation from quarter to quarter. There are several items of interest that have had a significant impact on the performance of these indicators. During the 1st Qtr FY93, DMRD 904 became effective, which required the costs of Reparable Support Division (RSD) material be added to the data systems that track production costs and revenue. The costs associated with this material are then considered in the profit and loss aspect of depot performance. When the data systems were reprogrammed to address RSD material, the systems did not consistently recognize the costs in the debit and credit accounting format. Most of these problems have been resolved; however, there are a few which are being dealt with on a case by case basis. Another item of interest was a change in the accounting procedures called "Revenue Recognition". In the past, some of the costs and most of the revenues were counted in the data system once the end product was completed. Under revenue recognition, costs and revenues are counted as the product moves through the WIP phase. This new procedure became effective during the 3rd Qtr FY93 at which time costs and revenues accumulated to date for those items in WIP were added to the system in a "lump sum" entry. This caused the costs to be artifically high for the qtr. The final issue impacting this data set is that during the 1st and 2nd quarters of FY94 we experienced financial losses due to anticipated workload that did not materialize, as well as programmed losses which compensate for profits earned in FY93.

OGDEN AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

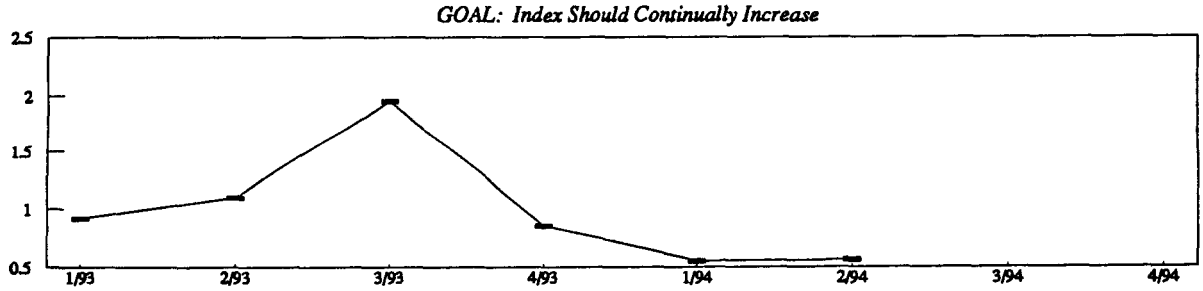
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



At the beginning of FY93 data system problems resulted from the implementation of DMRD 904. The system was prevented from recognizing all of the costs and revenues accumulated during the qtr. The large increase in total cost and revenue during 3rd Qtr FY93 was due to the change in revenue recognition. Throughput has been lower than OE since 4th Qtr FY93 because workload has not materialized at the expected rate. OE remains high due to relatively "fixed" expenses such as Dir and Ind Civilian Labor.

CAPITAL INVESTMENT EFFECTIVENESS

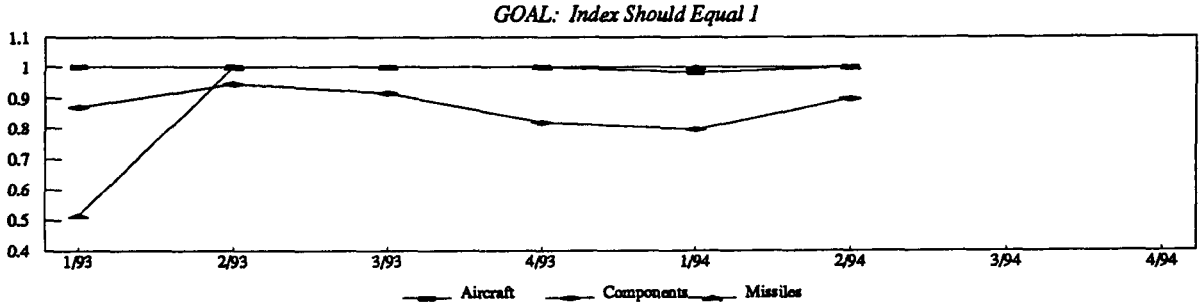
GOAL: Index Should Continually Increase



The accounting procedure change in revenue recognition caused Throughput to be artificially high in 3rd Qtr FY93. The trend in 4th Qtr FY93 - 2nd Qtr FY94 is the result of a reversal in accounting procedures for capital equipment in which erroneous Command-level guidance was implemented in 4th Qtr FY92 and reversed in 2nd Qtr FY94. The index will rise in 3rd Qtr FY94 and continue to rise as these errors are corrected and equipment continues to be depreciated.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

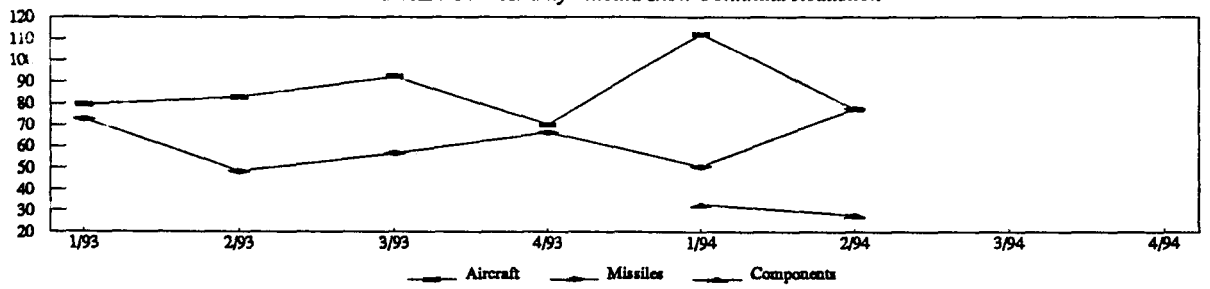


An in depth focus on customer satisfaction and successful working relationships has helped improve aircraft and missile performance over the past five quarters. Components dropped during 4th Qtr FY93 and 1st Qtr FY94 due to carryover of workload. 2nd Qtr FY94 data improved once these assets began to produce. This is an annual cycle due to the manner in which workload is negotiated and inducted.

OGDEN AIR LOGISTICS CENTER

PROCESS DAYS

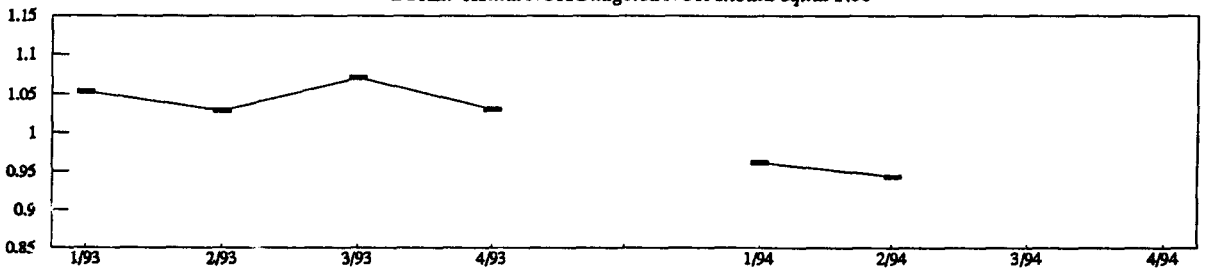
GOAL: Process Days Should show Continual Reduction



Each aircraft, missile or component requires a different maintenance function to be performed on each unit depending on the amount of damage or wear to the unit. For this reason the trend lines of this indicator may not be consistent from one quarter to the next. The component data represents the average number of process days per item of the 20 unique stock numbered items tracked. We are monitoring this population of components to determine the reliability of data. Some changes may be necessary.

NET OPERATING RESULTS

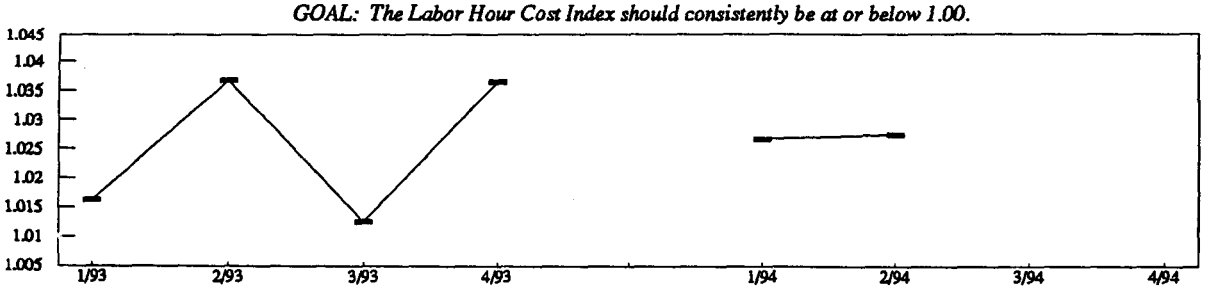
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The downward movement in Net Operating Results is consistent with the trend seen in the Throughput and Operating Expense indicators. Because workload has not materialized at the anticipated level, costs continue to exceed revenue. The Center is aggressively pursuing ways to decrease operating expenses to compensate for this workload problem and improve our loss situation.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



This indicator remains slightly above 1.0 because there was little history in RSD material at the time budgets were developed. Large credits were coming through the system without offsetting debits so it was difficult to budget in this category.

OGDEN AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	94469584	118478007	173399132	102308869	89526439	89689031		
Total Cost ($)	84290145	105944813	148133848	111076294	93560121	103617908		
Direct Materials ($)	5727736	27109843	13187951	13866514	20410394	17953619		
Throughput ($)	88741848	91368164	160211181	88442355	69116045	71735412		
Operating Expense ($)	78562409	78834970	134945897	97209780	73149727	85664289		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	88741848	91368164	160211181	88442355	69116045	71735412		
Longterm Inventory ($)	96481634	82873535	82067497	103667859	124885068	127771046		
INDEX	0.92	1.10	1.95	0.85	0.55	0.56		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	86	84	74	66	310 54	65		
Aircraft Completed	86	84	74	66	53	65		
INDEX	1.00	1.00	1.00	1.00	0.98	1.00		
Components Scheduled 8486	20845	20650	19967	23524	22432	19902		
Components Completed 7625	18153	19523	18293	19292	17873	17855		
INDEX	0.87	0.95	0.92	0.82	0.80	0.90		
Missiles Scheduled	70	36	41	39	54	39		
Missiles Completed	36	36	41	39	54	39		
INDEX	0.51	1.00	1.00	1.00	1.00	1.00		

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	6837	6955	6823	4620	6050	5018		
Number of Items	86	84	74	66	54	65		
AVG PROCESS DAYS	79.50	82.80	92.20	70.00	112.04	77.20		
Missiles Process Days	2621	1746	2324	2582	2737	3019		
Number of Items	36	36	41	39	54	39		
AVG PROCESS DAYS	72.81	48.50	56.68	66.21	50.69	77.41		
Components Process Days					3658	1882		
Number of Items					112	68		
AVG PROCESS DAYS					32.66	27.68		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	94469000	228316000	336991000	450223000	80270000	189780000		
Cum Budg Cost ($)	88785000	209724000	316290000	426665000	80662000	196913000		
Budgeted NOR INDEX	1.06	1.09	1.07	1.06	1.00	0.96		
Cum Actual Revenue ($)	94469584	212947591	386346723	488655592	89526439	179215470		
Cum Actual Cost ($)	84290145	190234958	338368806	449445100	93560121	197178029		
Actual NOR INDEX	1.12	1.12	1.14	1.09	0.96	0.91		
NOR INDEX	1.05	1.03	1.07	1.03	0.96	0.94		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	94197000	203138000	311596000	420453000	101466000	206047000		
Budgeted Total DLH	1703164	3354717	5032074	6735238	1393723	2824704		
Bud Labor Hour Cost	$55.31	$60.55	$61.92	$62.43	$72.80	$72.94		
Total Actual Cost ($)	90175218	202190348	298836564	407467689	104447446	212470714		
Actual Total DLH	1604374	3220679	4765986	6296586	1397284	2834744		
Actual Labor Hour Cost	$56.21	$62.78	$62.70	$64.71	$74.75	$74.95		
Labor Hour Cost INDEX	1.02	1.04	1.01	1.04	1.03	1.03		

OKLAHOMA CITY AIR LOGISTICS CENTER
TINKER AFB, OK

MAJOR WORKLOAD ACCOMPLISHED:

Bombers (B-52 and B-1), Tankers (-135), and other large fixed wing aircraft (E-3), Missile and Jet Engines, Aircraft and Engine Components, and Exchangeable Components for all AF weapon systems (Pneudraulics/ Hydraulics/Pneumatics, Oxygen/Gas Generating equipment, Engine and Flight Instruments, Unique Avionics and Software).

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6091
Military:	107

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

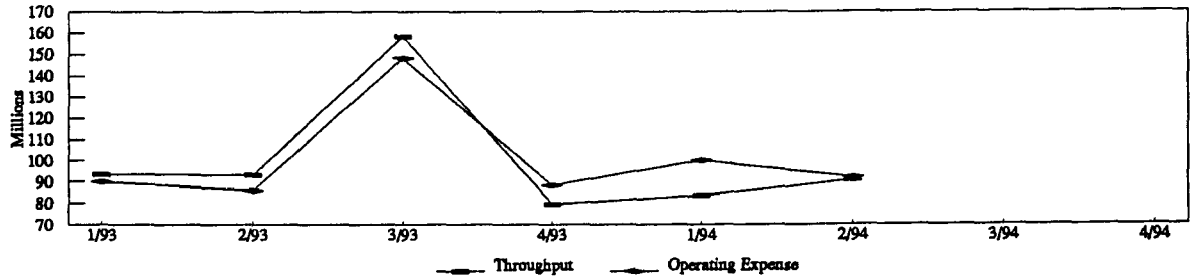
$926,007,000

Operating expense exceeds throughput due to FY93 carryover workload being sold at FY93 prices but incurring FY94 costs. FY93 carryover workload was inducted in FY93 but not sold until FY94. Actual loss is primarily due to reduced production hours driven by increased indirect labor factors, direct labor capability less than projected, and workload reduction in aircraft, two level avionics, & FEEMS. Workload reductions cause fixed costs to be spread over fewer production hours which drives a loss. The two level workload is not generating at the rate expected, this contributes to our underrun of throughput, targets, and projected production. Aircraft Management Directorate introduced a multi-skilling initiative, Air Logistic Center Airframe Rating System (ALCARS). The program, which is modeled after the Federal Aviation Agency's Airframe & Powerplant (A & P) licensing system, is intended to provide the Directorate workers with a cadre of specially trained and multi-qualified technicians. The system was tested on four prototype C-135 aircraft undergoing modification & repair before actual implementation. The results were shortened flow days, improved quality & financial performance on the four prototype 135 aircraft. Also entered into an interservicing agreement with Navy to perform depot level maintenance on the Navy's E-6 acft. Work is performed by depot personnel working side by side with Navy personnel. This optimizes the advantages created by co-location of STRATCOMWING ONE, Navy Wing & OC-ALC, depot supplier , a unique arrangement not found at other repair depots. NOTE: Pacing Engines for Process Days have been changed FROM: TF33-103 and TF30-P111 TO: TF30-111, F110-100 and F101-102 to reflect a better representation of current workload.

OKLAHOMA CITY AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

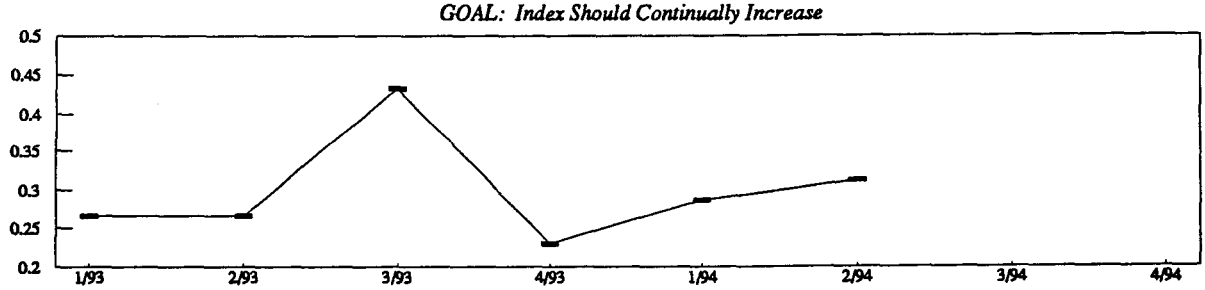
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



1/94: Carryover workload is being sold at FY93 prices while incurring FY94 costs. Operating Expense (OE) exceeds Throughput (T) primarily due to reduced workload in engines driving a loss in overhead. 2/94: The smaller variance between T & OE is primarily due to more FY94 inputs being sold in the second quarter. OE continues to exceed T due to Program Budget Decisions (PBDs) which directed the return of FY92 profits. Part shortages & schedule changes in Engines also contributed to lower Throughput.

CAPITAL INVESTMENT EFFECTIVENESS

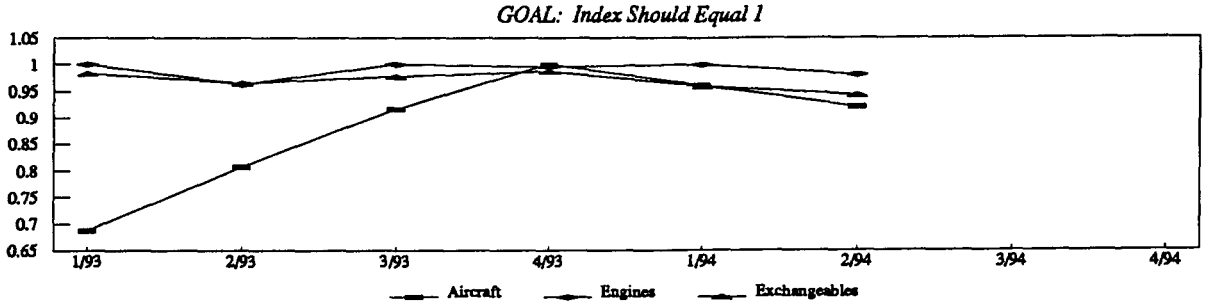
GOAL: Index Should Continually Increase



1/94: The drop in Long Term Inventory value can be attributed to an adjustment in acquisition cost in the G017 System. 2/94: Long Term Inventory increased approximately $1M due to a slight increase in contributed assets. However, the index reflects an upward trend due to the $7M increase in Throughput.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

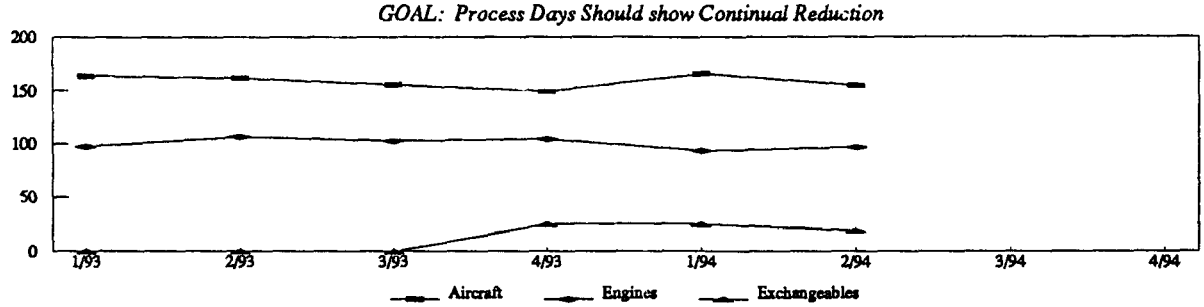


Acft: The aging 135 fleet experienced unplanned structural & corrosion repairs in all acft areas & added requirements in E-3 program negatively impacted schedule. Eng: Close coordination with contractors resolved problems of non-conforming material & material shortage which impacted TF30-111 engine schedule. Exch: Software deficiencies, late delivery of parts & assets contributed to temporary decrease in production percentage. Had parts & assets been available 2/94 index would have been 98.7%.

OKLAHOMA CITY AIR LOGISTICS CENTER

PROCESS DAYS

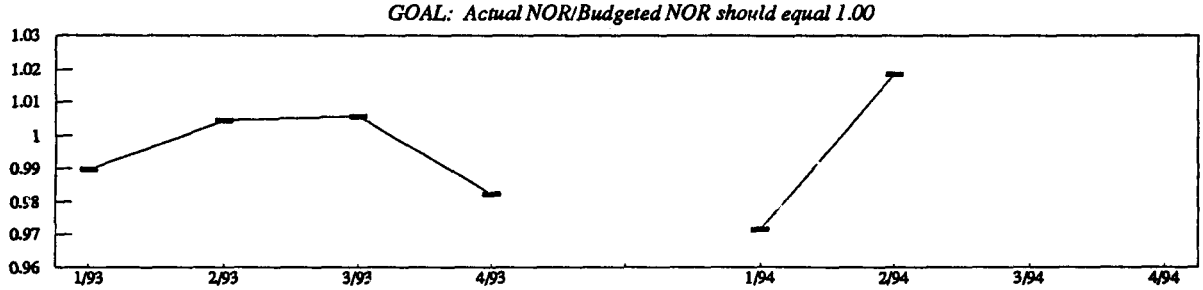
GOAL: Process Days Should show Continual Reduction



Acft: 1/94 Process days increased due to aging 135 fleet causing unplanned structural & corrosion repairs in all aircraft areas. 2/94 decreased due to requirements not generating. Eng: 1/94 pacing engines changed from 2 to 3 different engines. 2/94 increased due to work stoppage/kits for TF30-111. Exch: 1/94 is a different set of items than those reported in 4/93. Changed to represent a more factual flow of items. 2/94 decreased due to work center attention on selected items. Does not include AWP.

NET OPERATING RESULTS

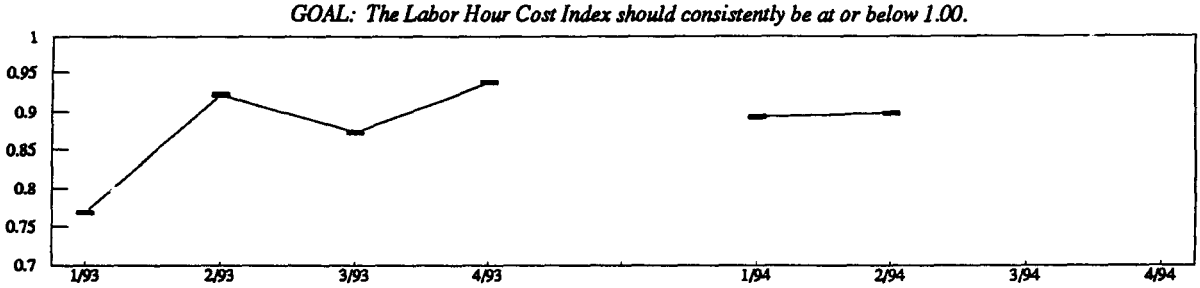
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Actual revenue and costs for 1/94 are under budget due to reduced production hours (165K) driven by increased indirect labor factors, schedule changes, and direct labor capability less than planned. 2/94 actual revenue and costs are also under budget due to reduced production hours (302K) driven by requirements not generating in B-1, B-52, and E-3, reduced two-level avionics requirements, and reduced FEEMS workload due to engine mix changes from A jobs tc B jobs.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



1/94:Actual DLH less than budgeted - higher indirect labor factors than projected & schedule changes. Actual labor hour cost less than budgeted due to lower RSD material usage in two-level maintenance than planned. 2/94:Actual DLH less than budget due to reduced production hours (302K) driven by requirements not generating in acft, reduced two-level avionics requirements, & reduced FEEMS workload (changes from A to B jobs). Actual Labor Hour Cost less than budgeted -less material requirements - Engines.

OKLAHOMA CITY AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	117502000	138627163	233208862	153290905	147566860	176519491		
Total Cost ($)	113852000	131353149	223252393	162147819	164401016	177851233		
Direct Materials ($)	23895981	45511616	75000527	73942834	64263796	85740413		
Throughput ($)	93606019	93115547	158208335	79348071	83303064	90779078		
Operating Expense ($)	89956019	85841533	148251866	88204985	100137220	92110820		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	93606019	93115547	158208335	79348071	83303064	90779078		
Longterm Inventory ($)	351988721	350285649	365792000	345470647	290375902	291461574		
INDEX	0.27	0.27	0.43	0.23	0.29	0.31		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	16	26	24	23	25	25		
Aircraft Completed	11	21	22	23	24	23		
INDEX	0.69	0.81	0.92	1.00	0.96	0.92		
Engines Scheduled	240	240	205	201	184	198		
Engines Completed	240	231	205	200	184	194		
INDEX	1.00	0.96	1.00	1.00	1.00	0.98		
Exchangeables Scheduled	26859	28365	21800	22241	22048	23620		
Exchangeables Completed	26393	27363	21300	21936	21133	22254		
INDEX	0.98	0.96	0.98	0.99	0.96	0.94		

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	2617	4198	3731	3432	4312	3720		
Number of Items	16	26	24	23	26	24		
AVG PROCESS DAYS	163.56	161.46	155.46	149.22	165.85	155.00		
Engines Process Days	5062	4250	3074	3125	2622	5046		
Number of Items	52	40	30	30	28	52		
AVG PROCESS DAYS	97.35	106.25	102.47	104.17	93.64	97.04		
Exchangeables Process Days				248	249	193		
Number of Items				10	10	10		
AVG PROCESS DAYS				24.80	24.90	19.30		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	148801000	335215000	516948000	715069000	175038000	386774000		
Cum Budg Cost ($)	142705000	322365000	497760000	689315000	189402000	415968000		
Budgeted NOR INDEX	1.04	1.04	1.04	1.04	0.92	0.93		
Cum Actual Revenue ($)	117502000	256129163	489338025	642628930	147566860	324086351		
Cum Actual Cost ($)	113852000	245205149	468457542	630605361	164401016	342252250		
Actual NOR INDEX	1.03	1.04	1.04	1.02	0.90	0.95		
NOR INDEX	0.99	1.00	1.01	0.98	0.97	1.02		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	171443000	340932000	519857000	699902000	198873000	415781000		
Budgeted Total DLH	1814193	3508224	5293716	7131928	1732095	3567953		
Bud Labor Hour Cost	$94.50	$97.18	$98.20	$98.14	$114.82	$116.53		
Total Actual Cost ($)	112839126	287826316	416035753	599381670	167559503	354234453		
Actual Total DLH	1554166	3212236	4855629	6515892	1634596	3384351		
Actual Labor Hour Cost	$72.60	$89.60	$85.68	$91.99	$102.51	$104.67		
Labor Hour Cost INDEX	0.77	0.92	0.87	0.94	0.89	0.90		

SACRAMENTO AIR LOGISTICS CENTER
McCLELLAN AFB, CA

MAJOR WORKLOAD ACCOMPLISHED:

F-111, F-15, A-10, KC-135, Communications-Electronics, Space Systems, Ground Power Generators

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	5477
Military:	215

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

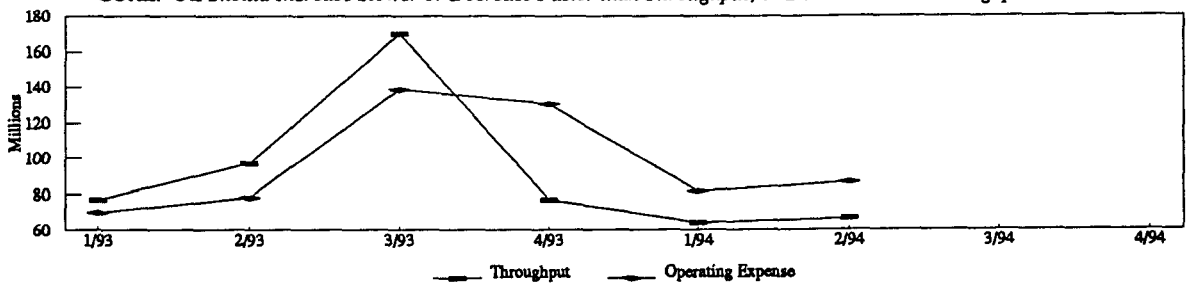
$509,000,000

SM-ALC provides worldwide logistics support for assigned aircraft systems, communications-electronic systems, space systems, and ground power generators. We maintain and repair the F-111, A-10, F-15 and KC-135. Additionally, we have program management responsibility for the Air Force's newest fleet, the F117 Stealth Fighter and F-22 Advanced Tactical Fighter. As the Air Force Center for Communications-Electronics, we manage, sustain, modify, test and repair over 200 communication systems. The inventory value of communication-electronic and space systems is $5 billion. As the predominant space and logistics support facility in DOD, we manage ground control equipment which in turn monitors the health and well being of satellites and other space vehicles. SM-ALC is the High Technology Center for Very High Speed Integrated Circuits, fiber optics and the Center of Excellence for advanced composites. SM-ALC operates a worldwide, one of a kind, fighter sized non-destructive inspection facility and the only industrial nuclear reactor in DOD. We have proven capability in repairing, overhauling, and modifying entire categories of complex avionic components, as well as testing and performing diagnostic analysis of intertial navigation systems, repair testers, instrument repair, flight control and navigation flight instruments.

SACRAMENTO AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

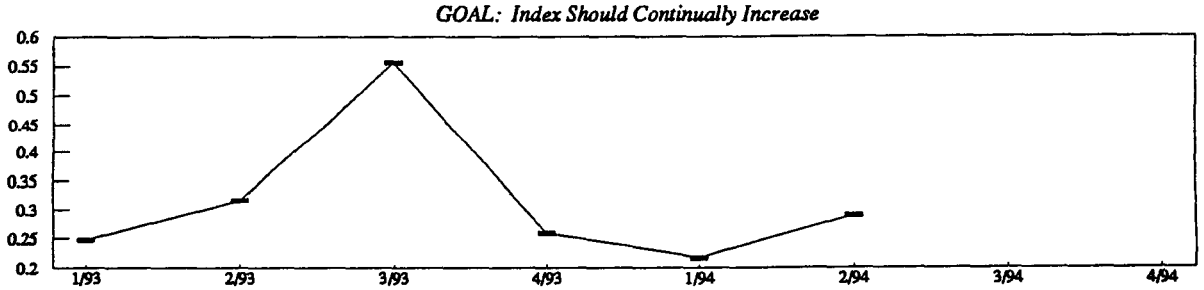
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Target budget does not include revenue recognition, whereas actual budget includes revenue recognition. This results in both sides of the equation not being equal.

CAPITAL INVESTMENT EFFECTIVENESS

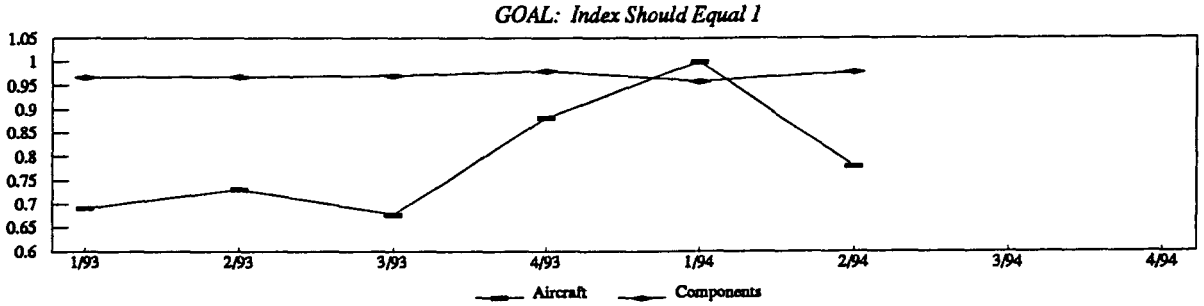
GOAL: Index Should Continually Increase



No analysis required this quarter per DMIO Handbook as Capital Investment Effectiveness shows upward start.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

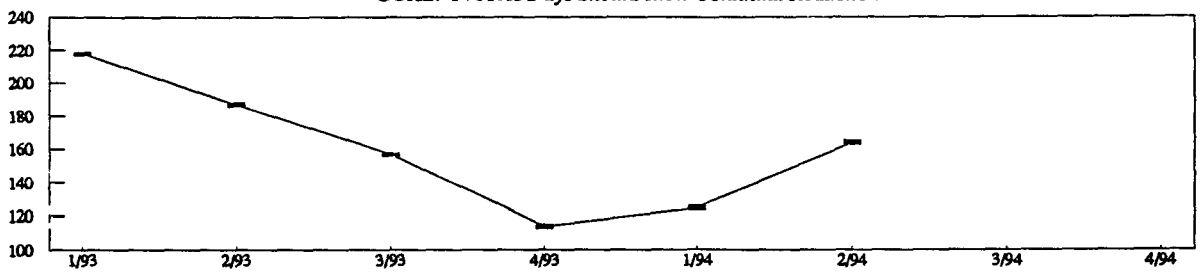


Aircraft scheduled and aircraft completed (on time) as used on this chart reflects final negotiated AMREP. Three KC-135s were late due to accelerated inputs causing washrack bottleneck, one due to new fuel requirements and avionics sensor, one due to rewire and DITMCO behind for test equipment. The EF-111A was late due to repair--upper skin, F2 tank stringer and nacelle former plow. Sold in 3rd Qtr.

SACRAMENTO AIR LOGISTICS CENTER

PROCESS DAYS

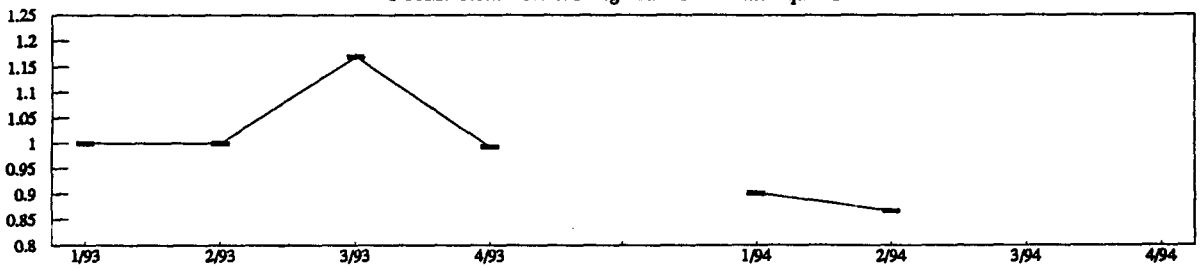
GOAL: Process Days Should show Continual Reduction



The average flow days increased from 1st Qtr FY94 to 2nd Qtr FY94 due to a higher proportion of long flow EF-111As.

NET OPERATING RESULTS

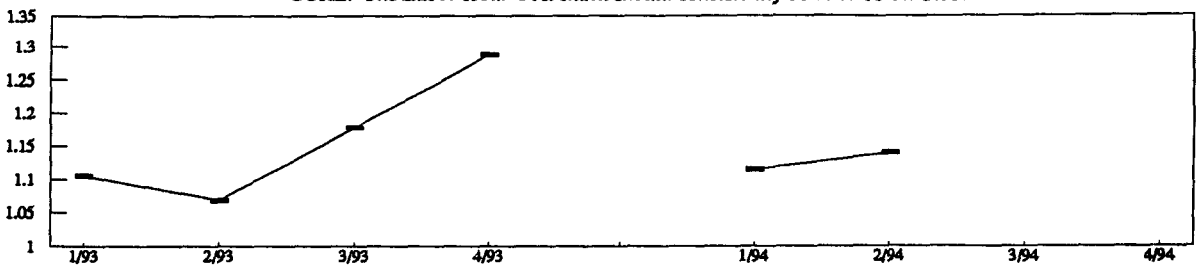
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Net operating losses through the end of March continue to run considerably higher than targeted due primarily to higher than targeted direct RSD material in the F-111 commodity along with lower than targeted production efficiency and yield. Also, there were unanticipated structural problems with the KC-135. This trend is expected to continue for the remainder of the year.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Labor Hour Cost continues to run higher than Budget primarily as a result of higher than projected overtime usage and vicinity pay not included in the budget. This condition is expected to continue throughout the remainder of the year.

SACRAMENTO AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	77812754	109303513	202402302	115396797	97751519	114967486		
Total Cost ($)	70670158	90604249	170958547	168706901	114925022	134649095		
Direct Materials ($)	671414	12363222	32592933	38531454	33664149	48410631		
Throughput ($)	77141340	96940291	169809369	76865343	64087370	66556855		
Operating Expense ($)	69998744	78241027	138365614	130175447	81260873	86238464		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	77141340	96940291	169809369	76865343	64087370	66556855		
Longterm Inventory ($)	311521589	306441546	304879562	297006083	294640723	229188312		
INDEX	0.25	0.32	0.56	0.26	0.22	0.29		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	42	52	34	34	27	27		
Aircraft Completed	29	38	23	30	27	21		
INDEX	0.69	0.73	0.68	0.88	1.00	0.78		
Components Scheduled	26148	24706	24344	25290	24541	23889		
Components Completed	25266	23889	23598	24756	23514	23334		
INDEX	0.97	0.97	0.97	0.98	0.96	0.98		

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days								
Number of Items								
AVG PROCESS DAYS	218.00	187.00	157.00	114.00	125.00	164.00		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	77812754	187116267	296792267	412040267	103616338	116359000		
Cum Budg Cost ($)	70670157	161274406	296280406	405847406	109832179	118186000		
Budgeted NOR INDEX	1.10	1.16	1.00	1.02	0.94	0.98		
Cum Actual Revenue ($)	77812754	187116267	389518569	504915366	97751519	114967486		
Cum Actual Cost ($)	70670158	161274407	332232954	500939855	114925052	134649095		
Actual NOR INDEX	1.10	1.16	1.17	1.01	0.85	0.85		
NOR INDEX	1.00	1.00	1.17	0.99	0.90	0.87		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	70670157	161274406	296280406	405847406	109832179	228018179		
Budgeted Total DLH	1621286	3266803	4824290	6367870	1508755	3048859		
Bud Labor Hour Cost	$43.59	$49.37	$61.41	$63.73	$72.80	$74.79		
Total Actual Cost ($)	70670158	161274407	332232954	500939855	114925052	249574147		
Actual Total DLH	1467067	3057101	4592907	6106839	1415762	2927025		
Actual Labor Hour Cost	$48.17	$52.75	$72.34	$82.03	$81.18	$85.27		
Labor Hour Cost INDEX	1.11	1.07	1.18	1.29	1.12	1.14		

SAN ANTONIO AIR LOGISTICS CENTER
KELLY AFB, TX

MAJOR WORKLOAD ACCOMPLISHED:

C-5 Cargo Aircraft, TF39 Engine (C-5 Aircraft), F100 Engine (F-15 & F-16 Aircraft), T56 Engine (C-130 Aircraft) and related exchangeables. Gas turbine engines, secondary power systems, auxiliary power units, starters and related exchangeables. Manual and automatic test equipment exchangeables, fuel accessories and nuclear components.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	5837
Military:	69

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$659,100,000

The effects of DMRD 904 implementation are evident throughout SA-ALC DMOI data for the period FY93/3-4. The addition of RSD material costs coupled with revenue recognition produced the spike in SA-ALC indicators.

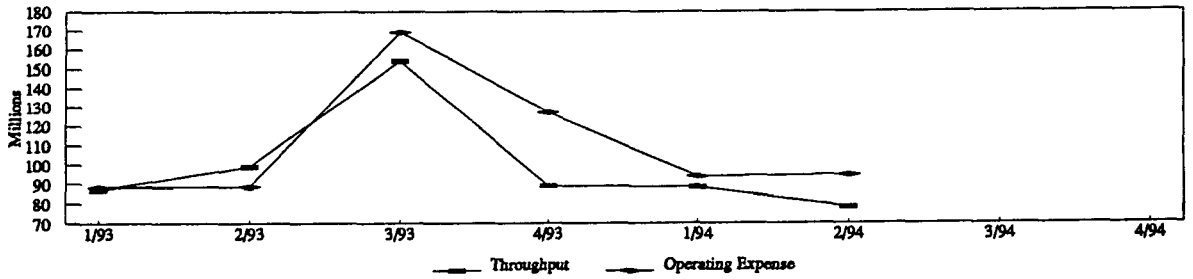
Adjustments made to assumptions used in the developing workload projections for SA-ALC have affected the DMOI report. These adjustments include AMC C-5A/B overfly decision, manpower re-training requirements due to B-52 work transfer to OC-ALC, changes in C-5A PDM work package, funding availability for parts supportability and mandated downsizing requirements.

Reported DMOI "Labor Rate Cost" for SA-ALC during the period FY94/2 reflects actual production costs with the DMBA. This production rate includes material costs as well as labor costs associated with production within the DMBA. SA-ALC and OC-ALC incur much higher than AFMC average costs (approximately twice the Command average) for materials due to the nature of the workloads assigned to the centers. To accurately assess actual direct labor cost the material cost component of the current DMOI "Labor Rate Cost" should be removed.

SAN ANTONIO AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

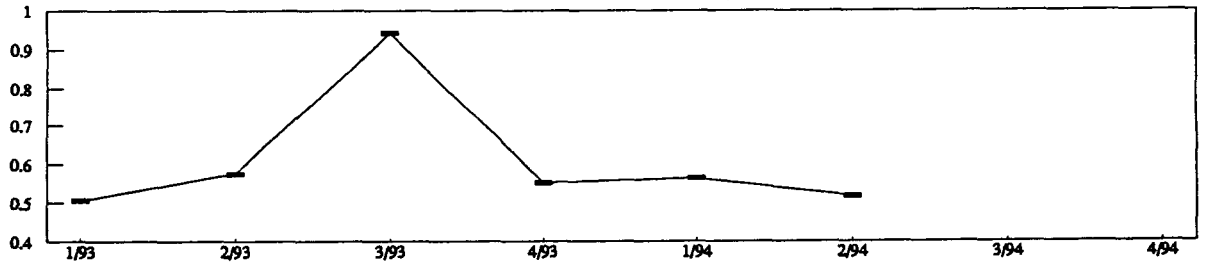
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



The 3rd Qtr FY93 increase in throughput and operating expenses are the result of implementation of DMRD 904 and revenue recognition.

CAPITAL INVESTMENT EFFECTIVENESS

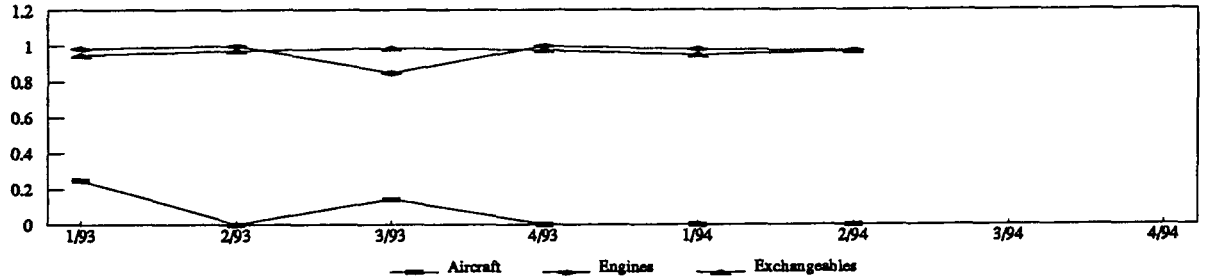
GOAL: Index Should Continually Increase



This indicator does not currently include the undepreciated value of buildings since there is currently no requirement to maintain that data. The spike in 3rd Qtr FY93 is the effect of new revenue recognition policy.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

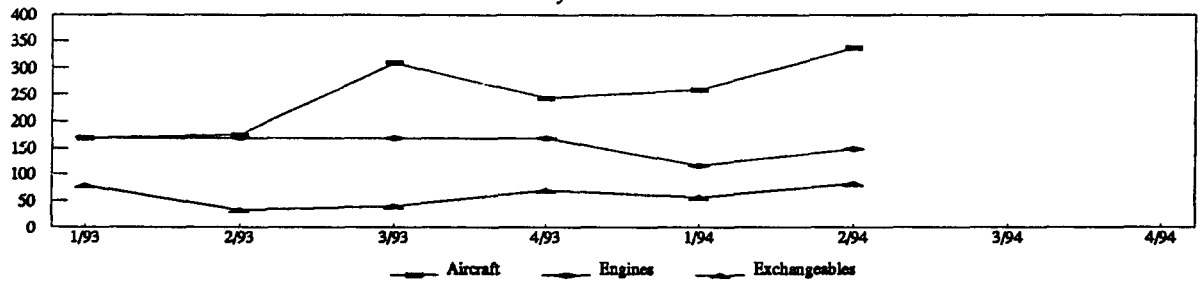


The 3rd Qtr FY93 dip in engine schedule conformance is a follow on effect of earlier funding cuts in RSD and SSD. The impact could be more severe in future time periods. The poor performance in aircraft schedule is due to the length of time required for C-5 PDM and regulatory prohibitions against rescheduling for defects found after the first 30 days of that cycle.

SAN ANTONIO AIR LOGISTICS CENTER

PROCESS DAYS

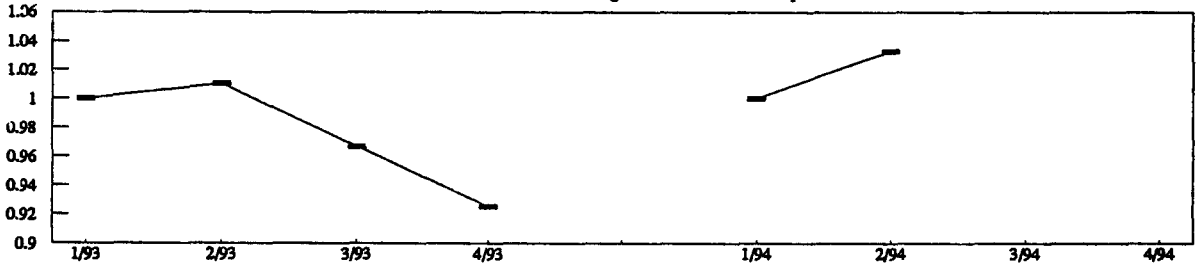
GOAL: Process Days Should show Continual Reduction



Increased process days for aircraft is the result of increased work packages caused by the increasing age of the aircraft and extended flying hours used to compensate for C-141 down time. Variations in the exchangeables average from quarter to quarter are caused by requirements changes which change the workload mix.

NET OPERATING RESULTS

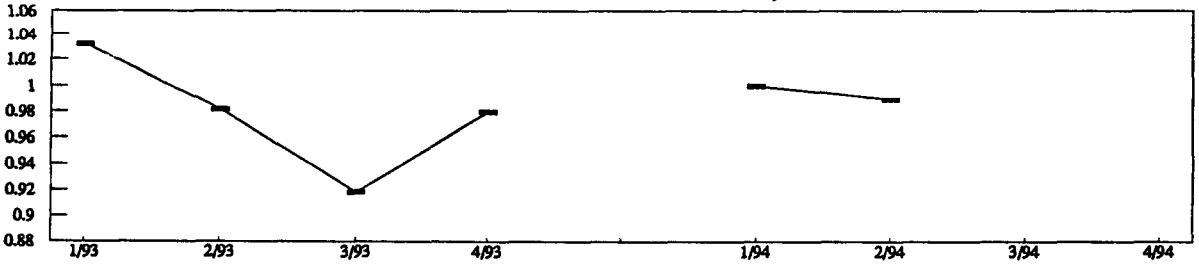
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The relative stability of this indicator is the result of increased management emphasis on maintaining cost to budget tolerances.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Increased emphasis on forecasting costs has contributed to the low relative variance in this indicator. This is a total cost to labor index which includes costs uncontrolled by the industrial fund, i.e. material. The cost of material would be the same regardless of the industrial complex accomplishing the repair. Our actual labor cost for the first two quarters of FY94 is $40.70.

SAN ANTONIO AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	114906000	143451000	204073000	155321000	144866000	144650000		
Total Cost ($)	116225000	132863000	219247000	193463000	150582000	161380000		
Direct Materials ($)	27907000	44251000	50121000	66367000	56483000	66550000		
Throughput ($)	86999000	99200000	153952000	88954000	88383000	78100000		
Operating Expense ($)	88318000	88612000	169126000	127096000	94099000	94830000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	86999000	99200000	153952000	88954000	88383000	78100000		
Longterm Inventory ($)	171710000	172233000	163443000	161160000	156722000	151086000		
INDEX	0.51	0.58	0.94	0.55	0.56	0.52		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	8	9	7	2	5	6		
Aircraft Completed	2	0	1	0	0	0		
INDEX	0.25	0.00	0.14	0.00	0.00	0.00		
Engines Scheduled	62	69	59	46	51	37		
Engines Completed	61	69	50	46	50	36		
INDEX	0.98	1.00	0.85	1.00	0.98	0.97		
Exchangeables Scheduled	28179	32303	28211	25581	20179	20162		
Exchangeables Completed	26713	31394	27883	24969	19146	19562		
INDEX	0.95	0.97	0.99	0.98	0.95	0.97		

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	169	527	1547	1217	1297	1688		
Number of Items	1	3	5	5	5	5		
AVG PROCESS DAYS	169.00	175.67	309.40	243.40	259.40	337.60		
Engines Process Days	1017	1187	1017	1186	465	298		
Number of Items	6	7	6	7	4	2		
AVG PROCESS DAYS	169.50	169.57	169.50	169.43	116.25	149.00		
Exchangeables Process Days	2345	1461	4793	23070	9909	15482		
Number of Items	30	45	119	330	174	187		
AVG PROCESS DAYS	78.17	32.47	40.28	69.91	56.95	82.79		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	114906000	296249000	470991000	647599000	144886000	322708000		
Cum Budg Cost ($)	116225000	288525000	461219000	642011000	150582000	359152000		
Budgeted NOR INDEX	0.99	1.03	1.02	1.01	0.96	0.90		
Cum Actual Revenue ($)	114906000	258357000	462430000	617751000	144886000	289536000		
Cum Actual Cost ($)	116225000	249088000	468335000	661798000	150582000	311962000		
Actual NOR INDEX	0.99	1.04	0.99	0.93	0.96	0.93		
NOR INDEX	1.00	1.01	0.97	0.93	1.00	1.03		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	98280000	309663000	490755000	664822000	158308000	391014000		
Budgeted Total DLH	1862000	3849000	5842000	7857000	1580000	3356000		
Bud Labor Hour Cost	$52.78	$80.45	$84.00	$84.62	$100.19	$116.51		
Total Actual Cost ($)	98280000	291955000	428855000	616493000	158308000	363025000		
Actual Total DLH	1804000	3696000	5560000	7437000	1580000	3149000		
Actual Labor Hour Cost	$54.48	$78.99	$77.13	$82.90	$100.19	$115.28		
Labor Hour Cost INDEX	1.03	0.98	0.92	0.98	1.00	0.99		

WARNER ROBINS AIR LOGISTICS CENTER
ROBINS AFB, GA

MAJOR WORKLOAD ACCOMPLISHED:

F-15, C-130 & C-141, helicopters, various missiles, Electronic Warfare Systems and Avionics Systems, Vehicles & Special Operations Forces (SOF) aircraft.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6495
Military:	72

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

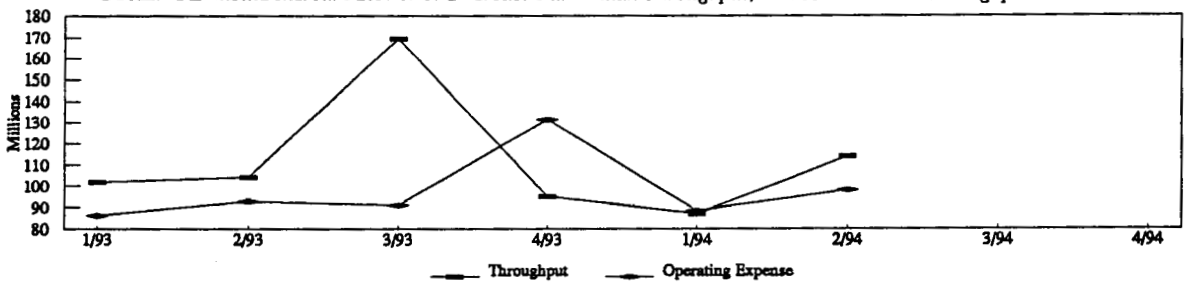
$605,265,000

WR-ALC has worldwide management responsibilities for the F-15, C-130, C-141, helicopters, various missiles, avionics, vehicles and worldwide management and engineering responsibilities for all SOF aircraft. Our team manages approximately 190,000 items that range from gunnery equipment to aerospace communications and navigation equipment including Global Positioning Systems. In order to maintain the highest standards of quality and technical performance, we recently completed the development of several new facilities that include state-of-the-art engineering, maintenance, and management systems available tc the DOD. Using these facilities, the WR team was able to organically accomplish engineering analysis, design, material selection, tooling, prototyping, and testing of a replacement F-15 rudder incorporating over 15 design improvements in a fraction of the cost of a contractual effort. The WR team has been a leader in the Computer Aided Acquisition and Logistics Support (CALS) and the Flexible Computer Integrated Manufacturing (FCIM) Initiatives since their inception. WR was chosen for the FCIM Processes Validation Enterprise (PVE) for mechanical parts for the Air Force and is the DOD site with PVE responsibilities in Engineering, Logistics, and Manufacturing. WR-ALC is the leader in defining the required capabilities of the two CALS flagship programs, JCALS and JEDMICS, and therefore was chosen as the Joint Logistics Systems Center's Initial Operating Site for Depot Maintenance Standards Systems within the Air Force for implementing Corporate Information Management migration systems. These accomplishments have been the result of major investments, in addition to our team's personal commitment at all levels.

WARNER ROBINS AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

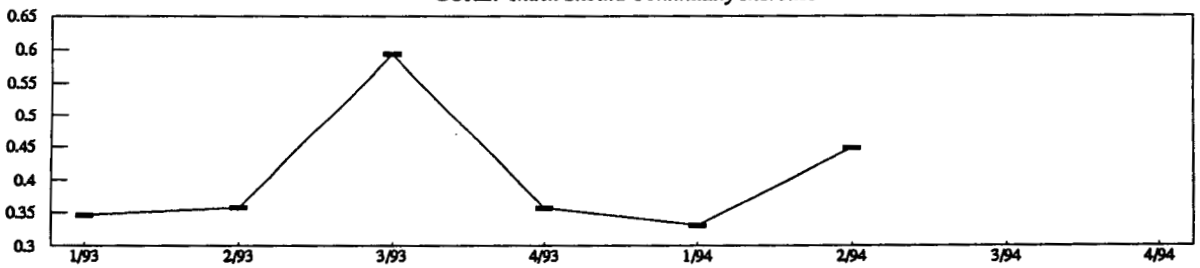
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



TP decreased from 4/93 to 1/94 due to the three production down days, holidays and the usual high leave usage that occurs in Nov and Dec. Direct material increased from 1/94 to 2/94 due to a DO35K/G004H interface problem which resulted in the C-141 Center Wing Box not being expensed in the correct quarter. The normal trend for revenue for the 1st Qtr is to be lower due to selling at a lower price on carryover items. Shutdown days, holidays and high leave usage will in turn drive other costs down.

CAPITAL INVESTMENT EFFECTIVENESS

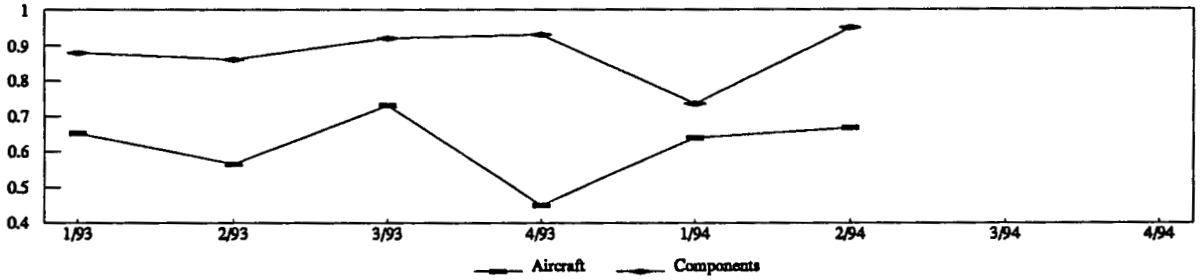
GOAL: Index Should Continually Increase



We've dropped $40M in long term inventory since 1st Qtr FY93 as we continue to turn in assets not being fully utilized.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

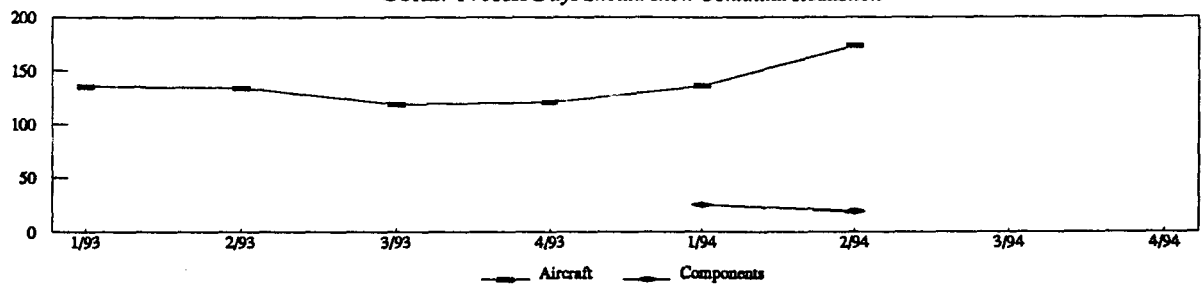


F-15's were 100% on time, C-130's were 80% on time. C-141's did not meet schedule due to unavailability of parts and additional unplanned work following inspection. We did not extend the completion date for C-141 aircraft inducted prior to 1 Jan 94 to reflect the extensions for unexpected repairs. C-141 aircraft produced during 3rd Qtr should have more realistic schedules since the AMREP process was utilized on those aircraft.

WARNER ROBINS AIR LOGISTICS CENTER

PROCESS DAYS

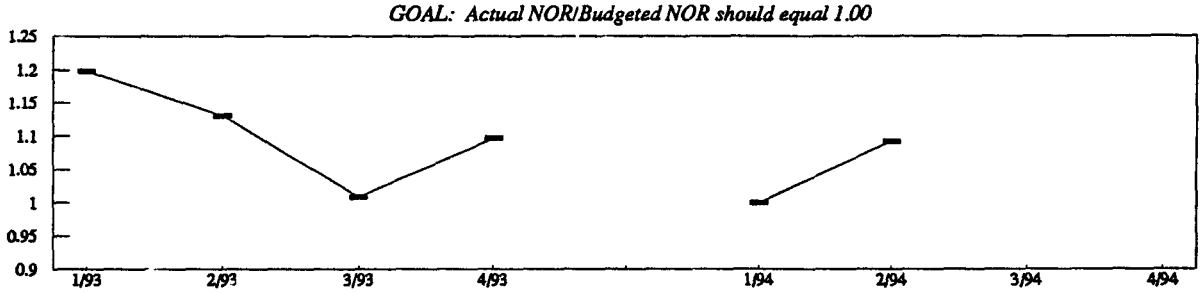
GOAL: Process Days Should show Continual Reduction



C-141 process days increased as a result of continued work force constraints, heavy workloads on such programs as Coral Weep, Center Wing Box Replacement, panel replacement, and isolated individual aircraft problems/delays. C-130 scheduled process days were higher to mods and special mission work load.

NET OPERATING RESULTS

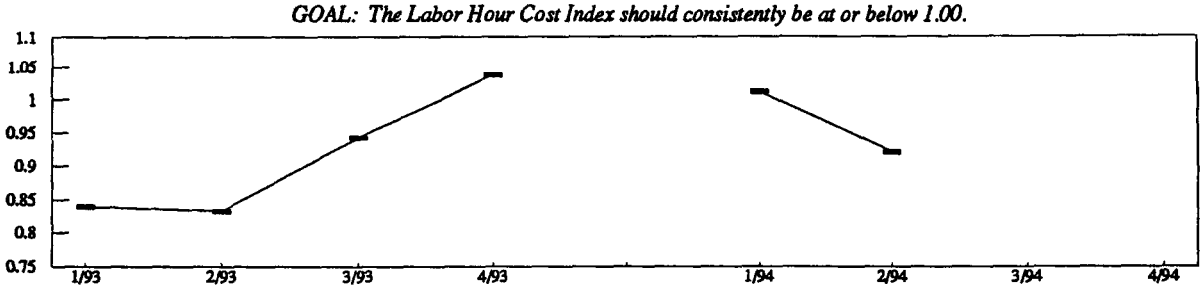
GOAL: Actual NOR/Budgeted NOR should equal 1.00



NOR decreased from 3rd Qtr FY93 to 1st Qtr FY94 but did not fall below 1.0. For 2nd Qtr FY94, NOR increased as a result of the actual cumulative costs being significantly below budget due in part to the decrease in depreciation expenses as a result of the turn-in of assets, and lower utilities costs. Our NOR has also been affected by our effort to decrease labor standards and increase productivity to provide better service to our customers without affecting the price.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Labor Hour Cost Index shows a downward trend due to the actual costs being significantly below budget as a result of decreasing depreciation expense and utilities costs.

WARNER ROBINS AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	120016000	118443000	224659000	132683000	127708000	163946000		
Total Cost ($)	104296000	107109000	146352000	168816000	129196000	148223000		
Direct Materials ($)	18127000	13982000	55132000	37302000	40509000	49793000		
Throughput ($)	101889000	104461000	169527000	95381000	87199000	114153000		
Operating Expense ($)	86169000	93127000	91220000	131514000	88687000	98430000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	101889000	104461000	169527000	95381000	87199000	114153000		
Longterm Inventory ($)	294130000	292109000	286146000	267119000	263830000	254723000		
INDEX	0.35	0.36	0.59	0.36	0.33	0.45		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	23	23	26	20	25	30		
Aircraft Completed	15	13	19	9	16	20		
INDEX	0.65	0.57	0.73	0.45	0.64	0.67		
Components Scheduled	27116	26126	26650	25846	30220000	31389000		
Components Completed	23856	22498	24564	24076	22225000	29814000		
INDEX	0.88	0.86	0.92	0.93	0.74	0.95		

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days								
Number of Items								
AVG PROCESS DAYS	135.70	134.50	118.50	120.30	136.00	173.00		
Components Process Days								
Number of Items								
AVG PROCESS DAYS					24.47	19.03		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	115562000	244490000	378739000	510124000	127702000	289398000		
Cum Budg Cost ($)	120386000	245015000	369707000	494646000	129188000	300894000		
Budgeted NOR INDEX	0.96	1.00	1.02	1.03	0.99	0.96		
Cum Actual Revenue ($)	120015000	238459000	369707000	595800000	127708000	291653000		
Cum Actual Cost ($)	104296000	211405000	357757000	526573000	129196000	277418000		
Actual NOR INDEX	1.15	1.13	1.03	1.13	0.99	1.05		
NOR INDEX	1.20	1.13	1.01	1.10	1.00	1.09		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	120386000	245015000	369707000	494646000	129186000	300894000		
Budgeted Total DLH	1776000	3610000	5510000	7402000	1867000	3853000		
Bud Labor Hour Cost	$67.78	$67.87	$67.10	$66.83	$69.19	$78.09		
Total Actual Cost ($)	104296000	211405000	357757000	526573000	129196000	277418000		
Actual Total DLH	1832000	3737000	5655000	7595000	1844000	3854000		
Actual Labor Hour Cost	$56.93	$56.57	$63.26	$69.33	$70.06	$71.98		
Labor Hour Cost INDEX	0.84	0.83	0.94	1.04	1.01	0.92		

MARINE CORPS
DEPOT MAINTENANCE ACTIVITIES

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA
ALBANY, GA

MAJOR WORKLOAD ACCOMPLISHED:

Communications and Electronics Equipment, Combat Vehicles, Ordnance and Weapons, Automotive Equipment, Amphibious Vehicles and Equipment, Construction Equipment, General Purpose Equipment, Automatic Test Support Equipment and Calibration Support.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1097
Military:	9

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

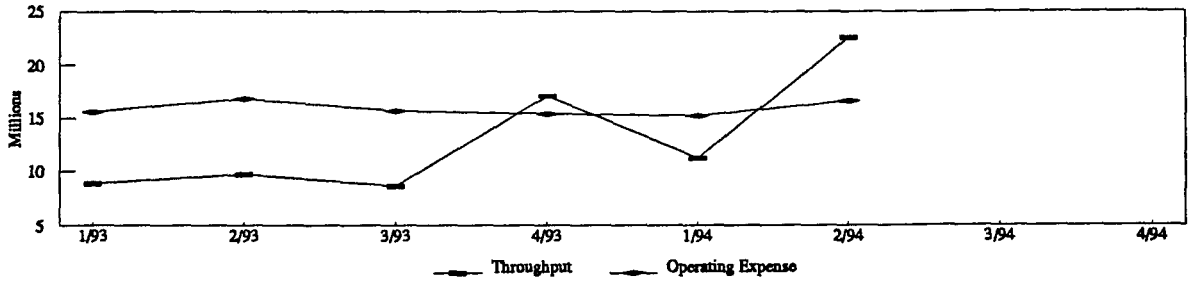
$99,414,000

In FY93, there was a planned loss of accumulated operating results directed by the Defense Business Operating Fund (DBOF). This loss was achieved through a negative surcharge applied against our total stable labor rate therefore reducing our revenue. In addition, workload increased significantly to meet priority maritime prepositioned ships (MPS) requirements and Southwest Asia rollback requirements. During this period, additional temporary employees were hired to meet workload requirements which increased costs significantly. For these reasons, the indicators as identified in this report may vary from the goal as explained and justified in the narrative for each indicator.

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA

THROUGHPUT & OPERATING EXPENSE

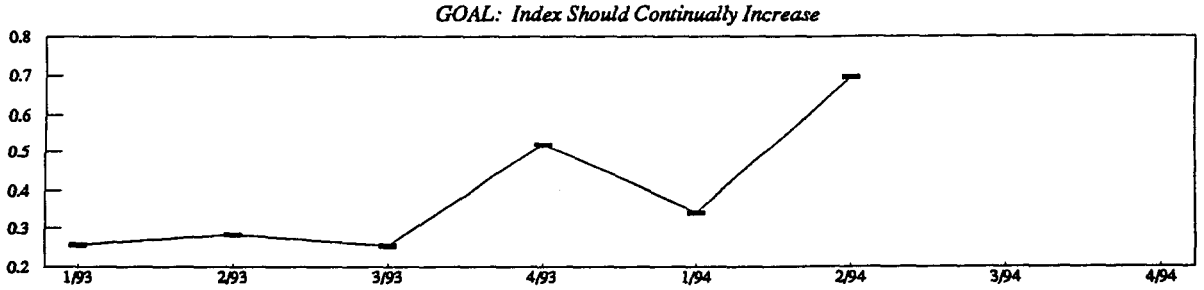
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



FY92 Throughput and Operating Expense remained relatively constant. In FY93, there was a planned loss in Revenue of $16,041,000 which caused Throughput to be lower than Operating Expense except in 4th Qtr when revenue increased due to increase in production to bring carryover down. In FY94, Throughput will exceed OE due to positive surcharge applied to our stable labor rate. 1st Qtr FY94 DLH were significantly lower than planned, causing Throughput to be lower than OE.

CAPITAL INVESTMENT EFFECTIVENESS

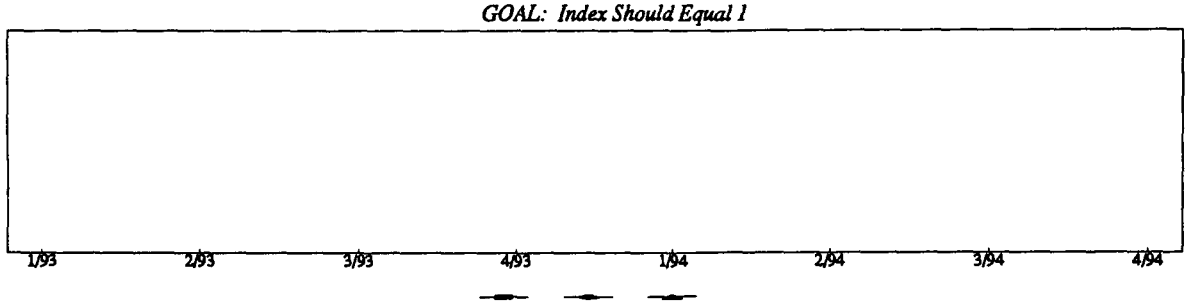
GOAL: Index Should Continually Increase



Due to planned loss of Revenue in FY93, Throughput decreased significantly, therefore decreasing investment ratio. In both 4th Qtr FY92 and FY93, the investment ratio increases significantly as a result of increases in workload to reduce carryover. In FY94, 2nd Qtr Effectiveness increased significantly due to increase in production to overcome shortfall in 1st Qtr.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

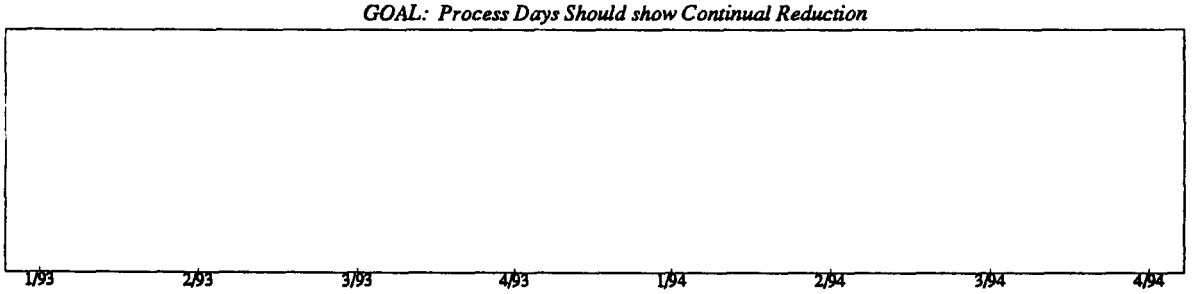


The Marine Corps is not required to submit Schedule Indicator Data.

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA

PROCESS DAYS

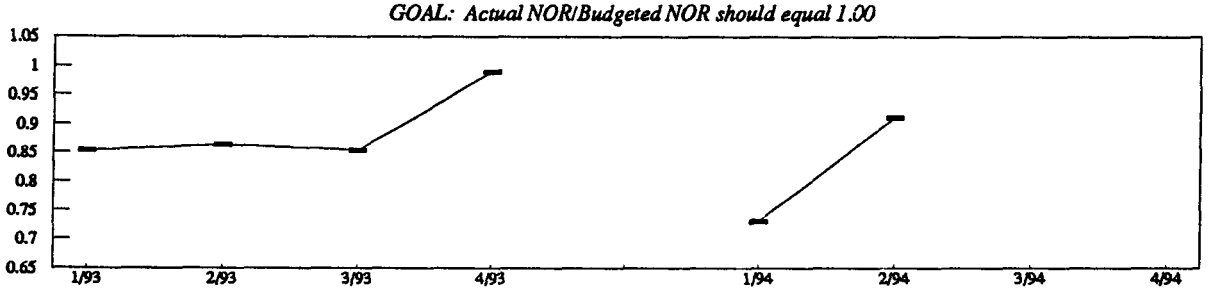
GOAL: Process Days Should show Continual Reduction



At this time, sufficient data is not available in our current system to compute actual process days as calculated in the Depot Maintenance Operations Indicators Handbook. Repair Division is currently implementing a business plan along with a system that will track process days for every item inducted into the depot.

NET OPERATING RESULTS

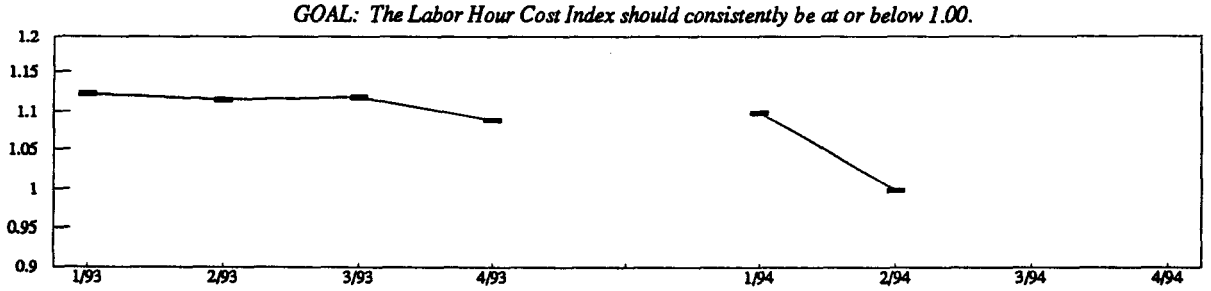
GOAL: Actual NOR/Budgeted NOR should equal 1.00



In FY93, actual NOR was lower than planned for the first three Qtrs due to increased cost as a result of hiring additional temporary employees to meet workload requirements. In 4th Qtr FY93, planned NOR was achieved due to fixed price gains realized in the quarter.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



In FY93, cost exceeded budget due to an increase in temporary employees and an increase in overtime, both required to meet workload requirements. In addition, indirect expenses increased substantially to support the direct effort.

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	14188692	15760664	15170737	22596734	17583173	29106009		
Total Cost ($)	20949214	22843917	22218733	20889077	21528218	23194356		
Direct Materials ($)	5331948	6043467	6573224	5530171	6358817	6590103		
Throughput ($)	8856744	9717197	8597513	17066563	11224356	22515906		
Operating Expense ($)	15617266	16800450	15645509	15358906	15169401	16604253		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	8856744	9717197	8597513	17066563	11224356	22515906		
Longterm Inventory ($)	34428132	34332652	33895261	32795977	32782334	32330581		
INDEX	0.26	0.28	0.25	0.52	0.34	0.70		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	14193000	28726000	43925000	59453000	23956000	47238000		
Cum Budg Cost ($)	17961000	36384000	55712000	75494000	21422000	41252000		
Budgeted NOR INDEX	0.79	0.79	0.79	0.79	1.12	1.15		
Cum Actual Revenue ($)	14188692	29949356	45120093	67716827	17583173	46689182		
Cum Actual Cost ($)	21039948	43947530	67013462	86900941	21528218	44722574		
Actual NOR INDEX	0.67	0.68	0.67	0.78	0.82	1.04		
NOR INDEX	0.85	0.86	0.85	0.99	0.73	0.91		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	17961000	36384000	55712000	75494000	21422000	41262000		
Budgeted Total DLH	353086	715236	1095199	1484220	370357	728768		
Bud Labor Hour Cost	$50.87	$50.87	$50.87	$50.86	$57.84	$56.62		
Total Actual Cost ($)	21039948	43947530	67013462	86900941	21528218	44722574		
Actual Total DLH	368456	773889	1176617	1568741	338584	789986		
Actual Labor Hour Cost	$57.10	$56.79	$56.95	$55.40	$63.58	$56.61		
Labor Hour Cost INDEX	1.12	1.12	1.12	1.09	1.10	1.00		

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA
BARSTOW, CA

MAJOR WORKLOAD ACCOMPLISHED:

Missiles, Communications and Electronics Equipment, Combat Vehicles, Ordnance and Weapons, Automotive Equipment, Amphibious Vehicles and Equipment, Construction Equipment, and General Purpose Equipment

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1091
Military:	9

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

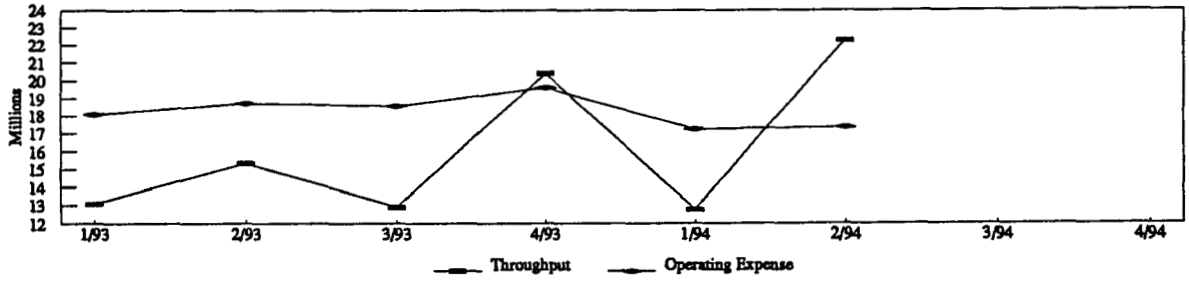
$92,883,000

During FY93 and 94, there were planned losses which directly affected revenue and operating results. The planned losses were directed so operating results could be brought to zero. Workload between FY93 and FY94 remained fairly constant. Due to the workload level, most temporary personnel brought on board in previous years are currently still employed. Because of unexpected additional costs such as the development of the business plan and Federal Employees Compensation Act Bill, operating expenses and labor costs were directly affected. The bill was payed in excess of $1,500,00 and costs will be distorted until this is absorbed. Numerous holidays in the 1st Qtr reduces direct labor hours and revenue has increased in the 2nd Qtr like in the past.

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA

THROUGHPUT & OPERATING EXPENSE

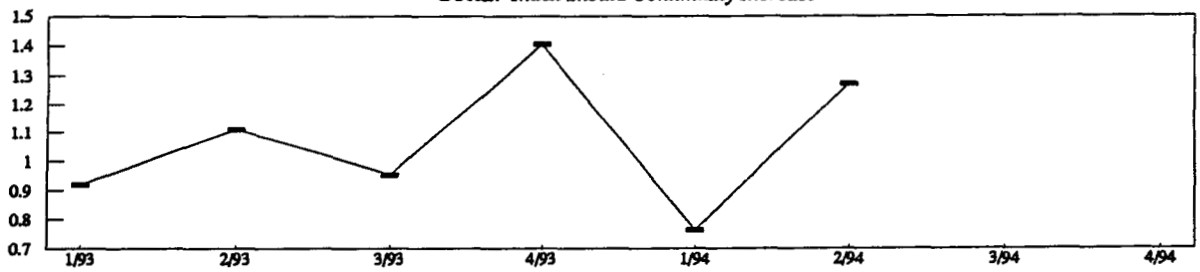
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



During the 1st Qtr of any given fiscal year, the leave is higher than normal. This reduces the direct labor hours which generate revenue. The 2nd Qtr has fewer holidays, and as a result, the revenue increases.

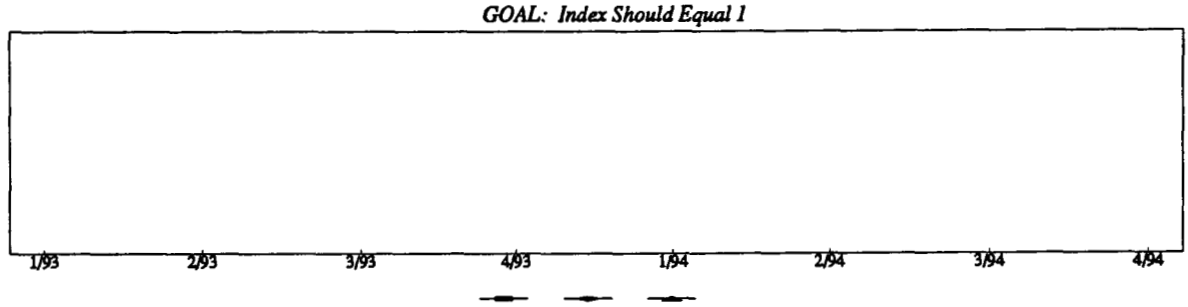
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

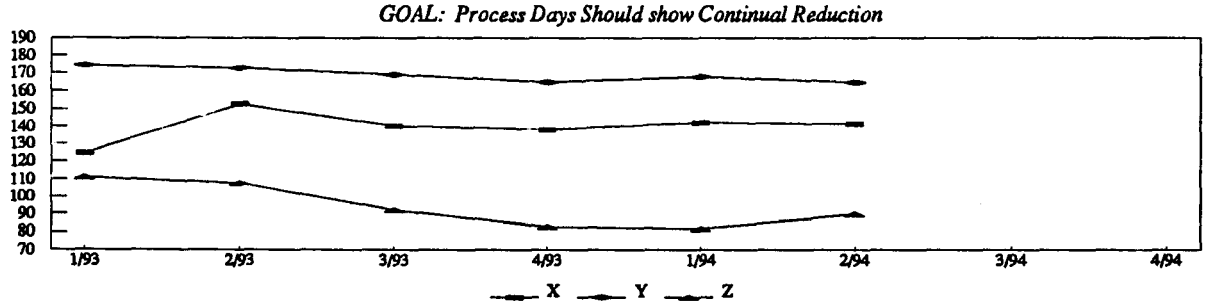


Marine Corps is not required to furnish Schedule Indicator data.

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA

PROCESS DAYS

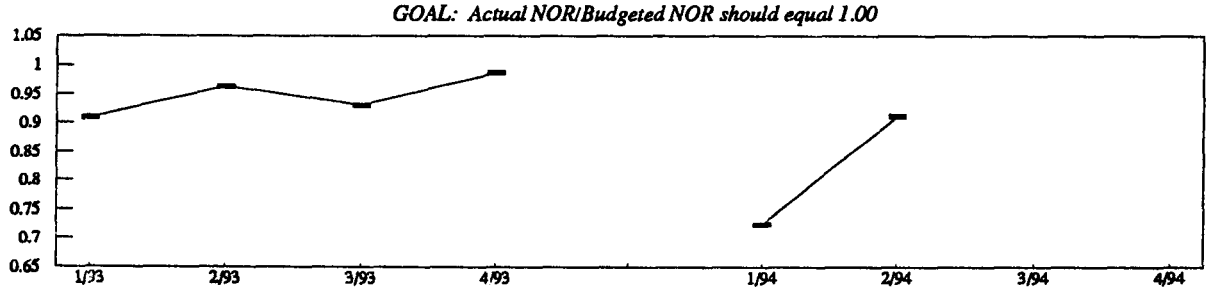
GOAL: Process Days Should show Continual Reduction



The increase in X process days during 2nd Qtr FY93 was due to the physical relocation of the line and changes in the process method. Process length has now stabilized at 140 days; changes in the number of assets available for induction have required frequent adjustment of the workforce size and resulted in minor fluctuations in processing time. The Y and Z show a downward trend; it is also important to note that the Y process time includes a 30-45 day processing/staging queue.

NET OPERATING RESULTS

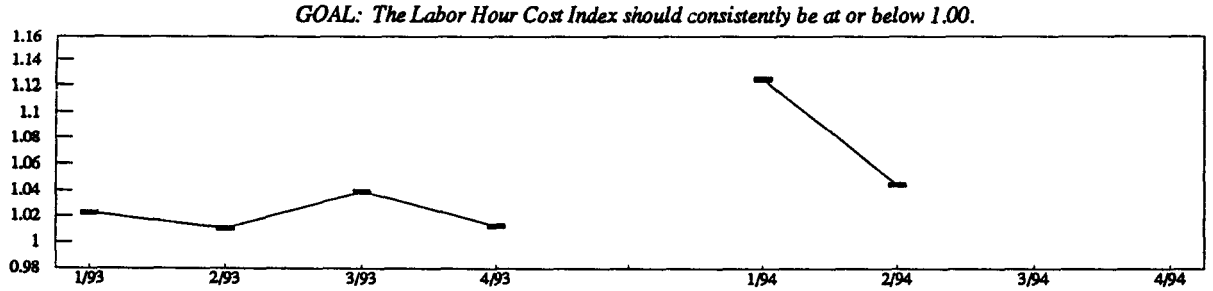
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The Net Operating Results for 1st Qtr FY94 were under plan due to the decrease in earned revenue and the receipt of bills not anticipated until later in the FY.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The actual costs of operations exceeded the budget during the 1st and 2nd Qtrs of FY94 due to receipt of bills not anticipated until later in the FY (FECA in excess of $1.5M). This will balance out by the end for FY94.

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	19037000	22705000	20163000	27827000	19090000	29002000		
Total Cost ($)	24035000	26065000	25844000	27048000	23570000	24071000		
Direct Materials ($)	5952000	7336000	7277000	7444000	6333000	6716000		
Throughput ($)	13085000	15369000	12886000	20383000	12757000	22286000		
Operating Expense ($)	18083000	18729000	18567000	19604000	17237000	17355000		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	13085000	15369000	12886000	20383000	12757000	22286000		
Longterm Inventory ($)	14212000	13851000	13506000	14515000	16729000	17541000		
INDEX	0.92	1.11	0.95	1.40	0.76	1.27		

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

X Process Days	4102	6108	5740	2898	1136	1974		
Number of Items	33	40	41	21	8	14		
AVG PROCESS DAYS	124.30	152.70	140.00	138.00	142.00	141.00		
Y Process Days	7138	8803	7436	4455	5040	5445		
Number of Items	41	51	44	27	30	33		
AVG PROCESS DAYS	174.10	172.61	169.00	165.00	168.00	165.00		
Z Process Days	3336	5924	4232	4067	2460	2520		
Number of Items	30	55	46	49	30	28		
AVG PROCESS DAYS	111.20	107.71	92.00	83.00	82.00	90.00		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	22403000	44445000	67571000	90696000	25245000	50604000		
Cum Budg Cost ($)	25702000	51404000	77106000	102807000	22663000	45656000		
Budgeted NOR INDEX	0.87	0.86	0.88	0.88	1.11	1.11		
Cum Actual Revenue ($)	19037000	41742000	61905000	89732000	19090000	48093000		
Cum Actual Cost ($)	24035000	50100000	75944000	102992000	23670000	47641000		
Actual NOR INDEX	0.79	0.83	0.82	0.87	0.81	1.01		
NOR INDEX	0.91	0.96	0.93	0.99	0.72	0.91		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	25702000	51404000	77106000	102807000	22663000	23033000		
Budgeted Total DLH	387000	767000	1167000	1566000	341000	347000		
Bud Labor Hour Cost	$66.41	$67.02	$66.07	$65.65	$66.46	$66.38		
Total Actual Cost ($)	24035000	50100000	75944000	102992000	23570000	24071000		
Actual Total DLH	354000	740000	1106000	1550000	315000	347000		
Actual Labor Hour Cost	$67.90	$67.70	$68.67	$66.45	$74.83	$69.37		
Labor Hour Cost INDEX	1.02	1.01	1.04	1.01	1.13	1.05		

DEFENSE LOGISTICS AGENCY DEPOTS

DIRECTORATE OF IPE OPS, MECHANICSBURG PA
MECHANICSBURG, PA

MAJOR WORKLOAD ACCOMPLISHED:

Manage the DoD level maintenance program for Industrial Plant Equipment (IPE) including operations of all major DoD IPE repair, rebuild, retro-fit and remanufacturing facilities and provide on-site customer support world-wide.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	128
Military:	0

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$11,000,000

The Industrial Plant Equipment Repair Facility provides repair and rebuild service of industrial machinery and supplies the needs of the Armed Forces in time of national emergency. Field services are provided by the maintenance personnel and the Richmond service support personnel. Field services available include assessments, repairs, inspections and installations of machinery and accessories, plant design and layout, relocation and safety guarding.

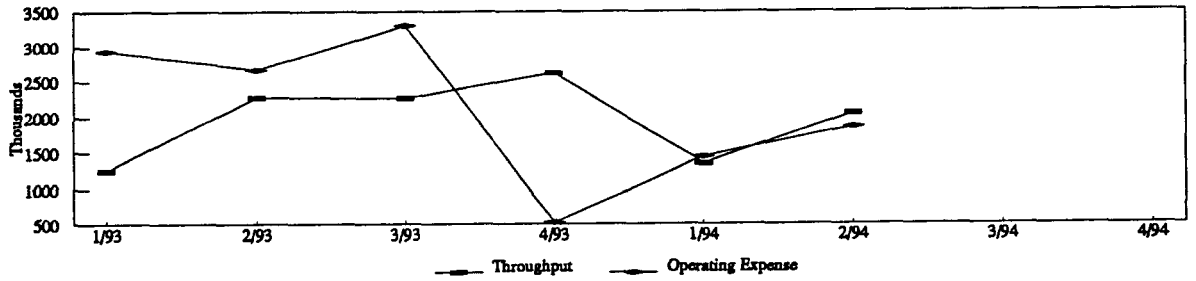
The other repair facility in Stockton, CA will close effective 2 Jul 94 and the former service support center in Memphis will be closed as of 30 Sep 94.

Based on estimated workload from the services, an average billable hourly rate was established to cover the cost of operations. The workload anticipated for FY 94 was based on operation of two facilities for the fiscal year. PBD 413 mandated reduction of personnel to 149, resulting in adverse actions and a great amount of transition required to move the entire function to one facility. The workload for FY 94 will not reach the original goal, however, the cost of operations has also decreased. Our ultimate goal for the fiscal year is to have an NOR ratio of 1.00.

DIRECTORATE OF IPE OPS, MECHANICSBURG PA

THROUGHPUT & OPERATING EXPENSE

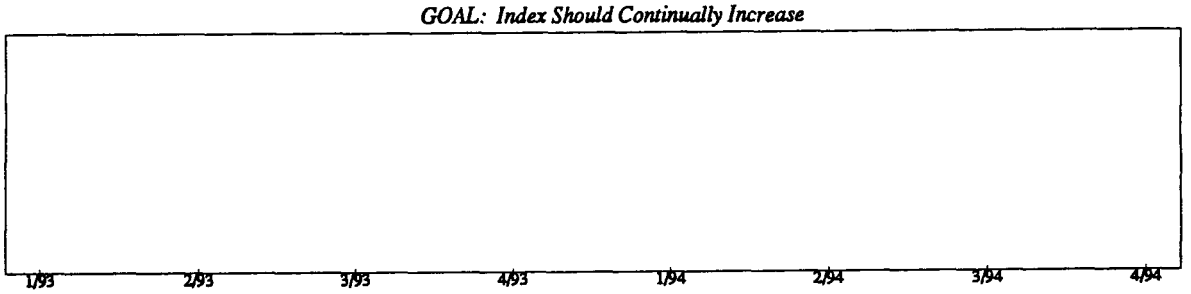
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



The FY 94 trend shows improvement from FY 93. YTD, costs have decreased due to reductions in personnel as a result of offering of incentive packages. The decrease in revenue is due to lower workload than anticipated during 1st half.

CAPITAL INVESTMENT EFFECTIVENESS

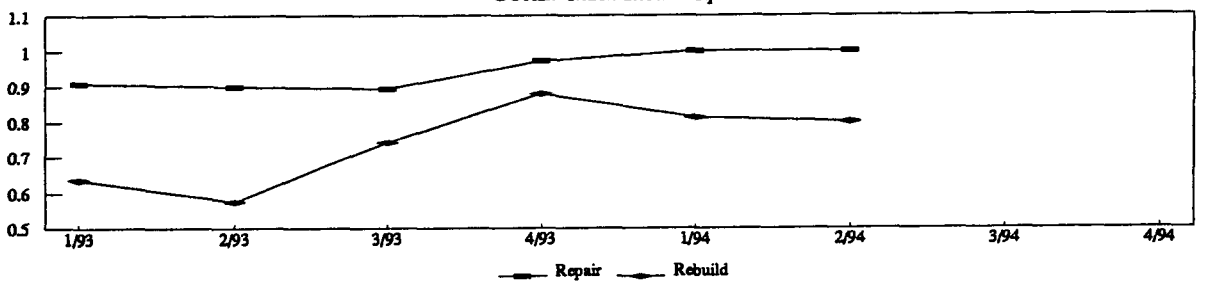
GOAL: Index Should Continually Increase



The book value of long term inventory assets for maintenance sites was not available in FY 93. Applicable assets and depreciation values have not been reconciled for FY 94.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

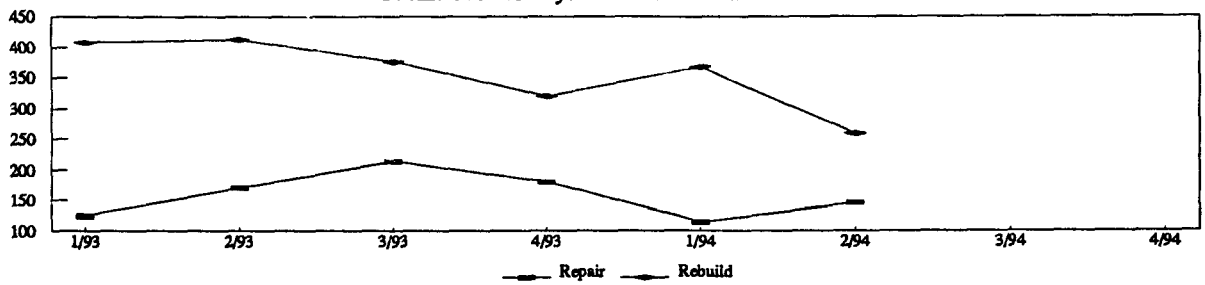


Late machines were a result of required rework to correct alignment problems, untimely delivery of Original Equipment Manufactured (OEM) parts, receipt of incorrect OEM parts and delays in ordering retrofit packages.

DIRECTORATE OF IPE OPS, MECHANICSBURG PA

PROCESS DAYS

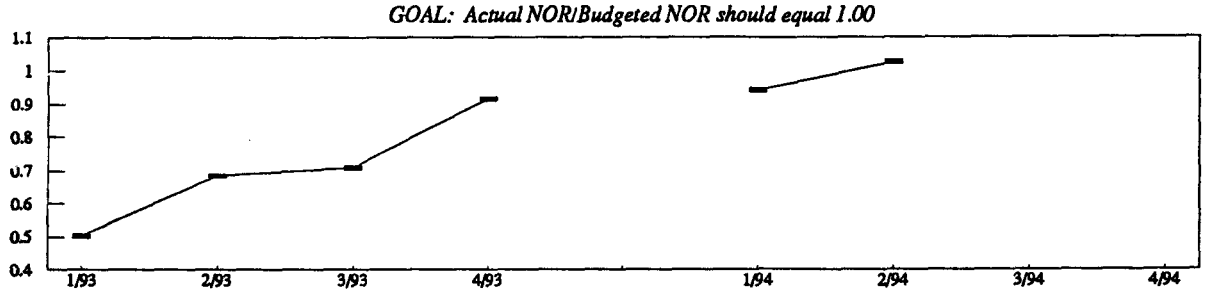
GOAL: Process Days Should show Continual Reduction



Due to the variety of machines repaired and rebuilt, process days can vary greatly from one reporting period to the next. The number of items and the process days required depends on the size, condition and required work to bring the machine to condition code A.

NET OPERATING RESULTS

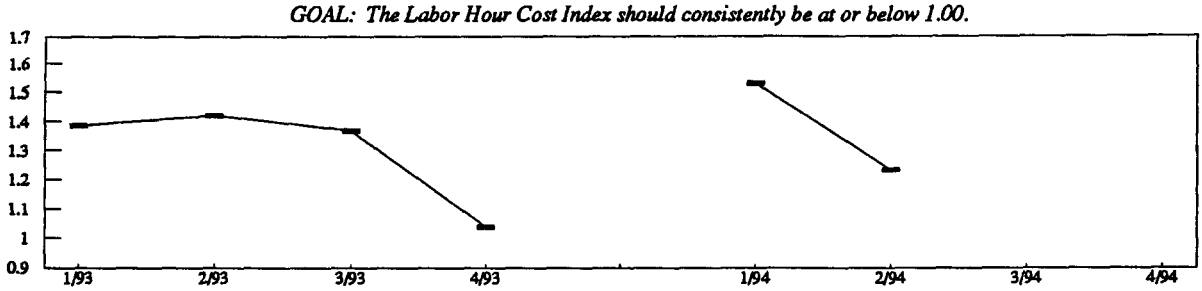
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Our goal is for revenue to exceed cost resulting in a positive NOR. The billable hourly rate is established to recover the cost of operating the maintenance facility as well as HQ indirect and G&A costs. There has been a steady trend of improvement since FY 93, however, we are still below our NOR goal.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The budgeted labor hour cost is computed on the total recoverable budget cost and projected billable hours. YTD, workload has not been at the level projected resulting in a higher actual labor hour cost. The trend is for the cost to decrease as the year progresses.

DIRECTORATE OF IPE OPS, MECHANICSBURG PA

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	1716000	2790000	3108000	3568000	1535346	2269358		
Total Cost ($)	3401000	3173000	4151000	1477000	1628488	2078796		
Direct Materials ($)	460000	508000	843000	950000	184518	216623		
Throughput ($)	1256000	2282000	2265000	2618000	1350828	2052735		
Operating Expense ($)	2941000	2665000	3308000	527000	1443970	1862173		

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	1256000	2282000	2265000	2618000	1350828	2052735		
Longterm Inventory ($)	0	0	0	0	0	0		
INDEX								

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Repair Scheduled	33	20	19	36	11	21		
Repair Completed	30	18	17	35	11	21		
INDEX	0.91	0.90	0.89	0.97	1.00	1.00		
Rebuild Scheduled	22	33	35	25	16	10		
Rebuild Completed	14	19	26	22	13	8		
INDEX	0.64	0.58	0.74	0.88	0.81	0.80		

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Repair Process Days	2845	1365	2143	2345	1253	3043		
Number of Items	23	8	10	13	11	21		
AVG PROCESS DAYS	123.70	170.63	214.30	180.38	113.91	144.90		
Rebuild Process Days	13486	12395	11636	5446	5879	2586		
Number of Items	33	30	31	17	16	10		
AVG PROCESS DAYS	408.67	413.17	375.35	320.35	367.44	258.60		

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	3578000	7156000	10735133	14717385	2466506	4218218		
Cum Budg Cost ($)	3578000	7156000	10735133	14717385	2466506	4218218		
Budgeted NOR INDEX	1.00	1.00	1.00	1.00	1.00	1.00		
Cum Actual Revenue ($)	1715000	4505000	7611000	11179000	1535346	3804704		
Cum Actual Cost ($)	3401000	6574000	10725000	12202000	1628488	3707284		
Actual NOR INDEX	0.50	0.69	0.71	0.92	0.94	1.03		
NOR INDEX	0.50	0.69	0.71	0.92	0.94	1.03		

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	3109000	6218000	9327000	12638000	2701740	5360016		
Budgeted Total DLH	41000	82000	123000	167000	31640	62771		
Bud Labor Hour Cost	$75.83	$75.83	$75.83	$75.68	$85.39	$85.39		
Total Actual Cost ($)	2941000	5606000	8914000	9441000	1443970	3306143		
Actual Total DLH	28000	52000	86000	120000	11034	31388		
Actual Labor Hour Cost	$105.04	$107.81	$103.65	$78.68	$130.87	$105.33		
Labor Hour Cost INDEX	1.39	1.42	1.37	1.04	1.53	1.23		

APPENDIX A

DMOIS REPORTING SERVICE DEPOT MAINTENANCE ACTIVITIES

ARMY

Anniston Army Depot
Corpus Christi Army Depot
Letterkenny Army Depot
Red River Army Depot
Tobyhanna Army Depot

NAVAIR

Naval Aviation Depot Cherry Point
Naval Aviation Depot Jacksonville
Naval Aviation Depot North Island

NAVSEA

Long Beach Naval Shipyard
Norfolk Naval Shipyard
Pearl Harbor Naval Shipyard
Portsmouth Naval Shipyard
Puget Sound Naval Shipyard

AIR FORCE

Aerospace Guidance and Metrology Center
Aerospace Maintenance and Regeneration Center
Ogden Air Logistics Center
Oklahoma City Air Logistics Center
Sacramento Air Logistics Center
San Antonio Air Logistics Center
Warner Robins Air Logistics Center

MARINE CORPS

Marine Corps Logistics Base Albany
Marine Corps Logistics Base Barstow

APPENDIX A (Cont.)

DMOIS REPORTING SERVICE DEPOT MAINTENANCE ACTIVITIES

DEFENSE LOGISTICS AGENCY

Directorate of Industrial Plant Equipment Operations Mechanicsburg

APPENDIX B

SERVICE/DLA POINTS OF CONTACT FOR DEPOT MAINTENANCE OPERATIONS INDICATOR REPORT DATA

ARMY

Mr John Metz

Address: Commander
US Army Depot System Command
Attn: AMSDS-RM-A (Mr John Metz)
Chambersburg, PA 17201-4170

Phone: DSN 570-9034 Commercial (717) 267-9034

NAVAIR

Ms Carol Gaines

Address: Commanding Officer
Naval Aviation Depot North Island
P.O. Box 357058
Attn: Code 521 (Ms Carol Gaines)
San Diego, CA 92135-7058

Phone: DSN 735-3027 Commercial (619) 545-3027

NAVSEA

Mr Jim Jeter

Address: Commander
Naval Sea Systems Command
Attn: SEA-07221 (Mr Jim Jeter)
2531 Jefferson David Highway
Arlington, VA 22242-5160

Phone: DSN 332-3859 Commercial (703) 602-3859

AIR FORCE

Ms Sandra Wimberly

Address: Headquarters
Air Force Materiel Command
Attn: LGPP (Ms Sandra Wimberly)
4375 Chidlaw Road Suite 6
Wright-Patterson AFB, OH 45433-5001

Phone: DSN 787-4307 Commercial (513) 257 -4307

APPENDIX B (Cont.)

SERVICE/DLA POINTS OF CONTACT FOR DEPOT MAINTENANCE PERFORMANCE MEASUREMENT SYSTEM DATA

MARINE CORPS

Mr Harold Eidson

Address: Commander Marine Corps Logistics Bases
Code 88-2 (Mr Harold Eidson)
814 Radford Blvd
Albany, GA 31704-5000

Phone: DSN 567-6803 Commercial (912) 439-6803

DEFENSE LOGISTICS AGENCY

Ms Mary Kay Cyrus

Address: Commander
Defense General Supply Center
Office of Planning and Resource Management
DGSC-RR (Ms Mary Kay Cyrus)
Richmond, VA 23297-5226

Phone: DSN 695-4522 Commercial (804) 279-4841

APPENDIX C

GLOSSARY

A1	Overhaul
A2	Crash Damage
ACP	Aircraft Component Program
AFMC	Air Force Materiel Command
AGM	Air to Ground Missile
AGMC	Aerospace Guidance and Metrology Center
ALC	Air Logistics Center
AMC	Army Materiel Command
AMC	Air Mobility Command
AMREP	Aircraft and Missile Maintenance, Production Compression Report
ANAD	Anniston Army Depot
ATACMS	Army Tactical Missile System
AVLB	Armored Vehicle Launched Bridge
AWP	Awaiting Parts
BO	Progressive Maintenance
BRAC	Base Closure and Realignment Commission
CCAD	Corpus Christi Army Depot
CECOM	US Army Communications Electronics Command
CHYPT	Naval Aviation Depot Cherry Point
CIE	Capital Investment Effectiveness
CNC	Computerized Numerically Controlled
DBOF	Defense Business Operating Fund
DDMC	Defense Depot Maintenance Council
DESCOM	US Army Depot Systems Command
DLA	Defense Logistics Agency
DLH	Direct Labor Hours
DMBA	Depot Maintenance Business Area
DMINS	Dual Miniature Inertial Navigation System
DMPMS	Depot Maintenance Performance Measurement System
DMRD	Defense Management Report Decision
DOD	Department of Defense
DPAH	Direct Product Actual Hour
ESGN	Electrically Suspended Gyro Navigator
HARM	High Speed Anti-Radiation Missile

APPENDIX C (Cont.)

GLOSSARY

IMU	Inertial Measurement Unit
INU	Inertial Navigation Unit
IO	Repair
IPE	Industrial Plant Equipment
JAX	Naval Aviation Depot Jacksonville
JCALS	Joint Computer Aided Logistics System
JDEMICS	Joint Engineering Drawing Management Information Control System
JPCG-DM	Joint Policy Coordinating Group on Depot Maintenance
JPMG	Joint Performance Measurement Group
LBNSY	Long Beach Naval Shipyard
LEAD	Letterkenny Army Depot
LGM	Land Based Guided Missile
MGCS	Missile Guidance and Control System
MCLBA	Marine Corps Logistics Base Albany
MCLBB	Marine Corps Logistics Base Barstow
MLRS	Multiple Launch Rocket System
MPS	Maritime Prepositioned Ships
NADEP	Naval Aviation Depot
NADOC	Naval Aviation Depot Operations Center
NAVAIR	Naval Air Systems Command
NAVSEA	Naval Sea Systems Command
NNSY	Norfolk Naval Shipyard
NOR	Net Operating Results
NORIS	Naval Aviation Depot North Island
OC-ALC	Oklahoma City Air Logistics Center
OE	Operating Expense
EOH	Engineered Overhaul
OO-ALC	Ogden Air Logistics Center
OSD	Office of the Secretary of Defense
PADS	Position Azimuth Determining System
PCM	Pulse Code Modulation
PHNSY	Pearl Harbor Naval Shipyard
PNCLA	Naval Aviation Depot Pensacola
PSNSY	Puget Sound Naval Shipyard
PTNSY	Portsmouth Naval Shipyard

APPENDIX C (Cont.)

GLOSSARY

RCIRON	Reliability Centered Inspect and Repair Only as Necessary
RRAD	Red River Army Depot
RSD	Reparable Support Division
RT-524	Receiver Transmitter
SIP	Standard Inspection Procedure
SM-ALC	Sacramento Air Logistics Center
SOF	Special Operations Forces
SPN-GEANS	Standard Precision Navigator-Gimbaled Electrically Suspended Gyro Aircraft Navigation System
SSD	Supply Support Division
TEAD	Tooele Army Depot
TMDE	Test Measurement and Diagnostic Equipment
TOAD	Tobyhanna Army Depot
TOW	Tube Launched, Optically Tracked, Wire Guided Missile
VERA	Voluntary Early Retirement Authority
VRC-12	Vehicle Radio Communication
VSIP	Voluntary Separation Incentive Pay
WIP	Work In Process
WR-ALC	Warner-Robins Air Logistics Center
YTD	Year to Date

DON NICKLES
OKLAHOMA

COMMITTEES
FINANCE
ENERGY AND NATURAL RESOURCES
BUDGET
INDIAN AFFAIRS
RULES AND ADMINISTRATION

United States Senate

WASHIINGTON, DC 20510

March 27, 1995

Frank Cirillo
Air Force Team Leader
Defense Base Closure & Realignment Commission
1700 N. Moore St.
Suite 1425
Arlington, VA 22209

Dear Mr. Cirillo:

As you work through issues pertaining to depot maintenance, I thought the Depot Operations Indicators Report prepared by the Department of Defense would be of use to you in your analysis of the depots. Therefore, I have enclosed the Air Force section of the latest copy of this report for your review.

For each depot an introductory page provides supplementary data and an executive summary. The supplemental data includes: depot name, depot location, major workload, personnel levels and current year budget.

The following pages for each depot reflect a graphic portrayal of all the indicators for that depot with analyses, when appropriate. The fourth page shows that data, the formula for each indicator and the goal for that indicator.

I hope you find this report useful in your analysis of Air Force Air Logistics Centers.

Sincerely,

Don Nickles
U.S. Senator

1820 LIBERTY TOWER
100 NORTH BROADWAY
OKLAHOMA CITY, OK 73102
(405) 231-4941

3310 MID-CONTINENT TOWER
409 SOUTH BOSTON
TULSA, OK 74103-4007
(918) 581-7651

NATIONAL BANK BUILDING
601 D AVENUE, SUITE 201
LAWTON, OK 73501
(405) 357-9878

1916 LAKE ROAD
PONCA CITY, OK 74604
(405) 767-1270

DEPOT

MAINTENANCE

OPERATIONS

INDICATORS

REPORT

1st Quarter FY93 Through 4th Quarter FY94

FOREWORD

This report presents joint Service and DLA organic maintenance depot performance data reflected in the Depot Maintenance Operational Indicators System (DMOIS). It is the result of an evolutionary process of developing and ennancing depot performance indicator data.

The latest stage in this process began in early 1992, when the Joint Policy Coordinating Group on Depot Maintenance (JPCG-DM) directed the Joint Performance Measurement Group (JPMG) to develop indicators relating to the Theory of Constraints. At that time, there was a view among the Services that the existing Performance Measurement System Report had achieved commonality, but lacked comparability. As a result, the JPCG-DM directed the JPMG to look at other measures. The JPMG reviewed several sources for measurements including Competitive Edges, the Theory of Constraints, and the measures required by the Chief Financial Officers Act. The DMOIS Report is the result of the effort to revise the DMPMS. The JPMG is also developing additional indicators for quality and inventory.

The joint effort to identify and report depot performance data was first begun in response to a 1990 tasking by the Defense Depot Maintenance Council (DDMC). The DDMC commissioned a Performance Measurement Task Force whose report of 26 November 1990 recommended establishment of a Depot Maintenance Performance Measurement System (DMPMS). Subsequently, the JPCG-DM established the Joint Performance Measurement Group (JPMG) to implement and maintain the DMPMS.

The DMOIS reports are publishec semi-annually. The data presented covers two fiscal years by quarter, current fiscal year and past fiscal year. Since the first submission of the fiscal year is a mid-year submission (1st and 2nd quarters), there are six quarters of data displayed. The last submission for the fiscal year (3rd and 4th quarters) will display eight quarters of data.

The JPMG will continue to review and enhance the DMOIS to ensure that its indicators provide significant management information.

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INTRODUCTION

1.1 Description of the Key Areas and Their Indicators

The Depot Maintenance Operations Indicators System (DMOIS) Report is comprised of three key areas: Theory of Constraints, Timeliness, and Financial. Each key area has one or more indicators that are described below. The formulas employed by each Service and DLA in computing the indicators are documented in the DMOIS Handbook.

1.1.1 Theory of Constraints Indicators

The Theory of Constraints (TOC) represents a philosophy of global system improvement designed to assist organizations in achieving their goals. The TOC indicators are:

a. Throughput. Throughput is defined as the rate at which the system generates money through sales. The formula used to determine Throughput is revenue minus direct material. Revenue is defined as the realized result from the sale of a product or service. Direct material is defined as the material specifically required for the performance of depot maintenance as specified by a work authorization document. Throughput and Operating Expense are displayed on the same chart.

b. Operating Expense. Operating Expense is defined as all the money the system spends in turning inventory into Throughput. The formula used to determine Operating Expense is total actual cost minus direct material. Total actual cost is defined as amounts determined on the basis of costs incurred as distinguished from forecasted costs. Operating Expense and Throughput are displayed on the same chart.

c. Capital Investment Effectiveness. Capital Investment Effectiveness is the ratio of throughput to long term inventory. Long term inventory is defined as the total depreciated value of all capital assets (equipment, buildings, software), excluding land and fixed assets not in use, owned by the depot maintenance activity.

1.1.2 Timeliness

Timeliness Indicators provide information regarding a depot's ability to complete the workload in the agreed upon time. The timeliness indicators are:

a. Schedule Indicator. The Schedule Indicator is a ratio of the units completed on time to the units scheduled. Schedule is defined as the most current schedule for completion of planned or programmed work. Completion is defined as the date when a product is physically completed. On time is defined as completing the workload at the time promised. The Schedule Indicator is reported only by NAVAIR, Air Force and DLA.

b. Process Days. Process Days is calculated as an average for varying commodities. The formula used to calculate Process Days (except by NAVSEA) is the number of days (date completed minus date inducted) divided by the number of items. The formula used by NAVSEA to compute Process Days is scheduled flow days divided by actual flow days.

1.1.3 Financial Indicators

Financial indicators provide information about a depot's ability to manage to its budget. The financial indicators are:

a. Net Operating Results. Net Operating Results are calculated and displayed as two separate indexes, cumulative budgeted and cumulative actual. The cumulative budgeted is a ratio of the cumulative budgeted revenue to the cumulative budgeted cost. The cumulative actual is a ratio of the cumulative actual revenue to the cumulative actual cost.

b. Labor Hour Cost. Labor Hour Cost is a ratio of budgeted labor hour cost to actual labor hour cost. Budgeted labor hour cost is calculated as the total budgeted cost divided by the budgeted total direct labor hours. Actual labor hour cost is calculated as the total actual cost divided by the actual total direct labor hours.

2.1 Structure of the Report

This report portrays data for each Service, or Service Activity Group, and DLA. The depots are presented alphabetically within each Service and DLA grouping. The report presents the Service and DLA data in the following order:

Army
Naval Air Systems Command (NAVAIR)
Naval Sea Systems Command (NAVSEA) Shipyards
Air Force
Marine Corps
Defense Logistics Agency.

The operations indicators for each depot are in the following order for each reporting depot:

Throughput & Operating Expense
Capital Investment Effectiveness
Schedule Indicator
Process Days
Net Operating Results
Labor Hour Cost

2.2 Data Portrayal

For each depot, an introductory page provides supplementary data and an executive summary. The supplementary data includes: depot name, depot location, major workload, personnel levels, and current year budget. The following two pages for each depot reflect a graphic portrayal of all the indicators for that depot with analyses, when appropriate. The fourth page shows the data, the formula for each indicator, and the goal for that indicator.

The data presented covers two fiscal years by quarter, current fiscal year and past fiscal year. Since the first submission of the fiscal year is a mid year submission (1st and 2nd quarters), there are six quarters of data displayed. The last submission for the fiscal year (3rd and 4th quarters) will display eight quarters of data.

3.1 Reporting Activities

The depot maintenance activities that will report to the DMOIS are noted in Appendix A of this report. Depots that the Defense Base Closure and Realignment Commission have voted to close are not required to report.

4.1 Points of Contact

Any inquiries regarding data presented in this report should be referred to the respective Service or DLA representative to the JPMG. These individuals are identified in Appendix B.

5.1 Glossary

A glossary of acronyms used in this report is provided in Appendix C.

AIR FORCE AIR LOGISTICS CENTERS AND SPECIALIZED CENTERS

AEROSPACE GUIDANCE AND METROLOGY CENTER
NEWARK AFB, OH

MAJOR WORKLOAD ACCOMPLISHED:

Minuteman III MGS	Peacekeeper MGCS	B-1B INU	F-15 IMU	F-16 INU
F-117 IMU	KC-135 INU	PADs IMU	DMINS IMU	TMDE
Carousel IMU	SPN-GEANS IMU	ESGN IMU	Displacement Gyro	

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	828
Military:	5

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

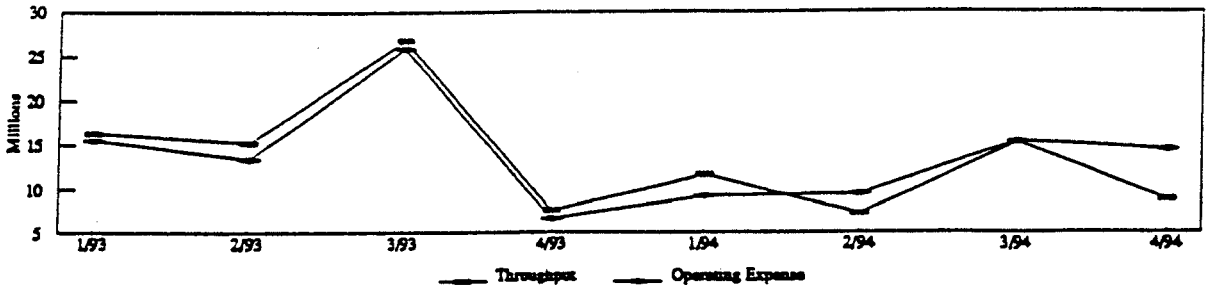
$81,600,000

Aerospace Guidance and Metrology Center 3rd and 4th quarter operations indicators were adversely affected by higher than anticipated Reparable Support Division (RSD) material costs and a planned FY94 budgeted loss of $7.5 million. Our Direct Product Labor Hours (DPAH) were also less than budgeted due to decreased customer requirements in the following workloads: LN-39, Carousel, CN1375, 7901A, PADS, and software development. These three factors have reduced our revenue, increased total cost, affected our schedule indicator and increased our labor hour costs.

AEROSPACE GUIDANCE AND METROLOGY CENTER

THROUGHPUT & OPERATING EXPENSE

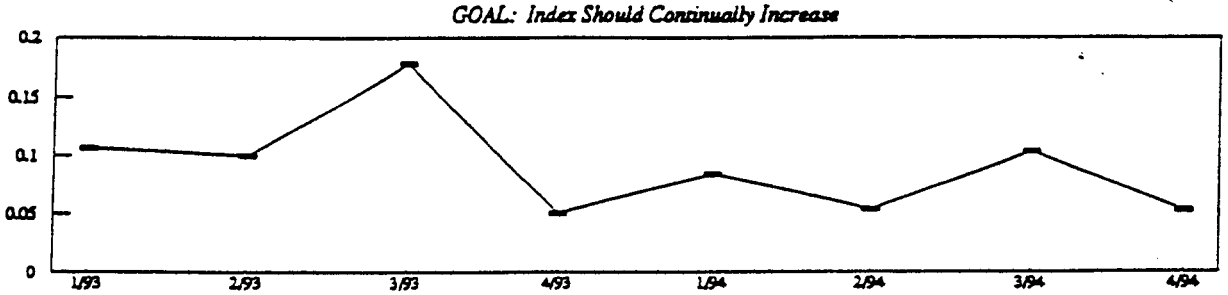
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



A decrease in 3rd & 4th quarter customer requirements, causing reduced revenue, coupled with increased material and RSD charges has resulted in decreased throughput and an increase in our operating expenses.

CAPITAL INVESTMENT EFFECTIVENESS

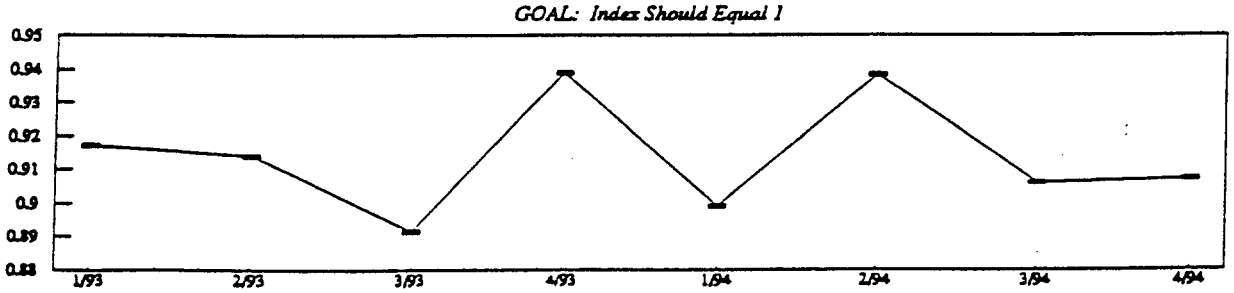
GOAL: Index Should Continually Increase



An increase of $20 million in funded/unfunded equipment has increased our long term inventory value. This increase was driven by the purchase of 11 Automatic Depot Inertial Navigation Test Stations (ADINTS) in support of the B-1B, F-16, and Advanced Cruise Missile (ACM) workloads. The reduction in throughput and this increase in long term inventory value has resulted in a decrease in our capital investment effectiveness.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

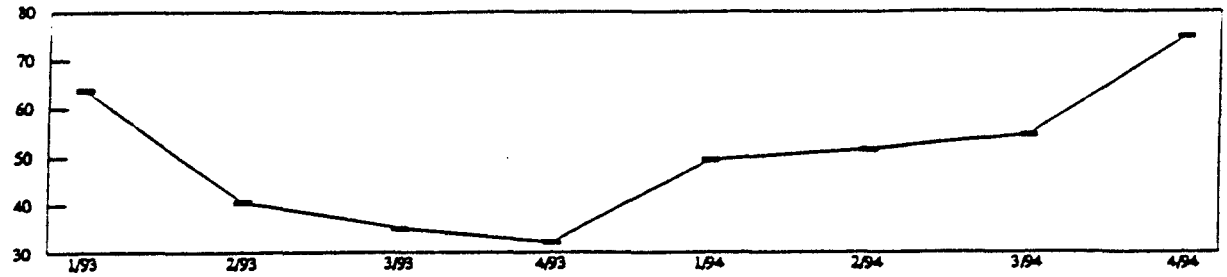


The main driver for our 3rd quarter schedule indicator was a result of a late start of our new Ring Laser Gyro workload. The 4th quarter schedule indicator was caused by the lack of parts used in the repair of our Carousel module workload.

AEROSPACE GUIDANCE AND METROLOGY CENTER

PROCESS DAYS

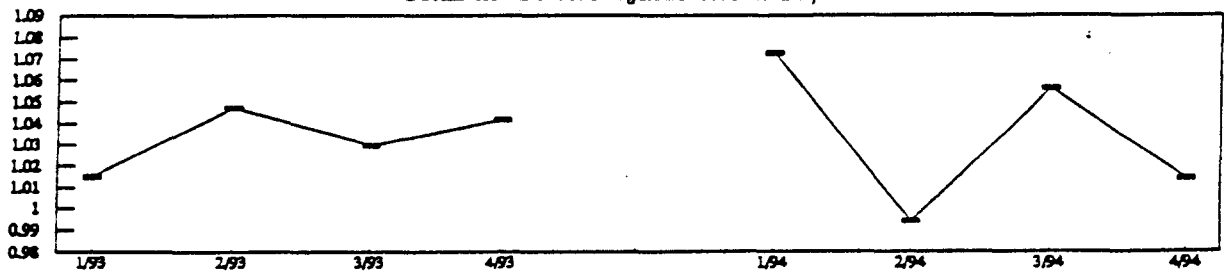
GOAL: Process Days Should show Continual Reduction



AGMC uses 7 workloads as "pacing items" (3 IMU/INU, 2 Gyro, 1 Velocity Meter and the Minuteman III Missile Guidance Set). Two of our pacing workloads, 7901 Gyro and Carousel IMU, had significantly longer turn around times. These two workloads produced units with longer than average time awaiting parts. These units coupled with reduced receipts increased our overall process days indicator.

NET OPERATING RESULTS

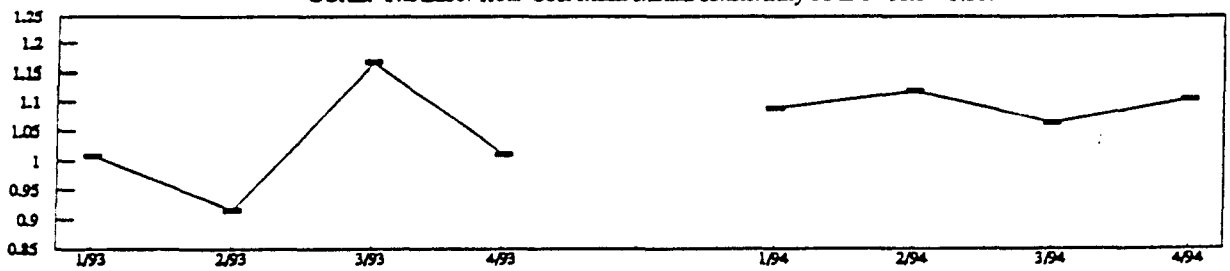
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The FY94 2nd quarter actual costs were higher as a result of an erroneous RSD charge of $1.[illegible] million for 20 Fuel Saver computers. This error was corrected in the 3rd quarter, causing our cumulative actual cost to be artificially higher in the 2nd quarter and lower in the 3rd quarter.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Reduced customer requirements in the following workloads have caused a decrease in our total direct labor hours: LN-39, Carousel, CN 1375 Gyro, 7901A Gyro, PADS and software development. These 6 workloads account for 107 thousand production hours that were budgeted but did not generate.

AEROSPACE GUIDANCE AND METROLOGY CENTER

Quarter Fiscal Year	1.93	2.93	3.93	4.93	1.94	2.94	3.94	4.94
THROUGHPUT & OPERATING EXPENSE								
REVENUE-DIRECT MATERIAL = THROUGHPUT								
TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE								
Revenue($)	20,300,000	19,800,000	32,200,000	10,000,000	19,506,000	18,381,000	18,735,000	16,244,000
Total Cost ($)	19,466,000	17,929,000	31,255,000	9,054,000	17,122,000	20,675,000	18,859,000	21,789,000
Direct Materials ($)	3,957,000	4,575,000	5,333,000	2,485,000	7,888,000	11,196,000	3,584,000	7,447,000
Throughput ($)	16,343,000	15,225,000	26,867,000	7,515,000	11,618,000	7,185,000	15,151,000	8,797,000
Operating Expense ($)	15,509,000	13,354,000	25,922,000	6,569,000	9,234,000	9,479,000	10,275,000	14,342,000
CAPITAL INVESTMENT EFFECTIVENESS								
THROUGHPUT/LONGTERM INVENTORY								
Throughput ($)	16,343,000	15,225,000	26,867,000	7,515,000	11,618,000	7,185,000	15,151,000	8,797,000
Longterm Inventory ($)	153,627,378	152,125,269	151,005,859	147,948,833	137,182,205	133,719,085	146,014,132	166,225,597
INDEX	0.11	0.10	0.18	0.05	0.08	0.05	0.10	0.05
SCHEDULE INDICATOR								
UNITS COMPLETED ON TIME/UNITS SCHEDULED								
Components Scheduled	3,379	2,941	2,855	2,995	2,985	2,903	2,938	2,680
Components Completed	3,099	2,688	2,545	2,812	2,684	2,724	2,662	2,431
INDEX	0.92	0.91	0.89	0.94	0.90	0.94	0.91	0.91
PROCESS DAYS								
DATE INDUCTED - DATE COMPLETED = PROCESS DAYS								
Components Process Days	57,895	33,371	29,210	31,109	51,010	53,913	54,557	48,266
Number of Items	907	824	833	966	1,034	1,048	1,004	645
AVG PROCESS DAYS	63.83	40.50	35.07	32.20	49.33	51.44	54.34	74.83
NET OPERATING RESULTS								
(CUM ACTUAL REVENUE/CUM ACTUAL COST) /								
(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX								
Cum Budg Revenue ($)	20,678,000	45,381,000	70,655,000	95,217,000	19,569,000	40,779,000	61,423,000	81,754,000
Cum Budg Cost ($)	20,091,000	44,372,000	69,082,000	93,717,000	18,432,000	40,437,000	64,916,000	89,283,000
Budgeted NOR INDEX	1.03	1.02	1.02	1.02	1.06	1.01	0.95	0.92
Cum Actual Revenue ($)	20,339,000	40,059,000	72,288,000	82,272,000	19,506,000	37,887,000	56,622,000	72,866,000
Cum Actual Cost ($)	19,466,000	37,395,000	68,650,000	77,704,000	17,122,000	37,797,000	56,656,000	78,445,000
Actual NOR INDEX	1.04	1.07	1.05	1.06	1.14	1.00	1.00	0.93
NOR INDEX	1.02	1.05	1.03	1.04	1.07	0.99	1.06	1.01
LABOR HOUR COST								
(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /								
(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX								
Total Budgeted Cost ($)	20,091,000	44,372,000	69,082,000	93,717,000	18,432,000	40,437,000	64,916,000	89,283,000
Budgeted Total DLH	279,802	573,612	873,642	1,165,012	241,126	505,517	765,146	1,019,722
Bud Labor Hour Cost	$71.80	$77.36	$79.07	$80.44	$76.44	$79.99	$84.84	$87.56
Total Actual Cost ($)	19,466,000	37,395,000	68,650,000	77,704,000	17,122,000	37,797,000	56,656,000	78,445,000
Actual Total DLH	268,532	527,816	744,189	954,954	205,779	422,747	628,270	811,675
Actual Labor Hour Cost	$72.49	$70.85	$92.25	$81.37	$83.21	$89.41	$90.18	$96.65
Labor Hour Cost INDEX	1.01	0.92	1.17	1.01	1.09	1.12	1.06	1.10

AEROSPACE MAINT AND REGENERATION CENTER
DAVIS-MONTHAN AFB, AZ

MAJOR WORKLOAD ACCOMPLISHED:

Prepare A/C for long/short term storage, represerve A/C in storage and maintain A/C in storage. Withdraw A/C from storage and prepare them for flyaway. Remove parts and assemblies from stored aircraft and cover overland deliveries. Deliver A/C to museums and transport of A/C to gunnery/bombing ranges. EPA clean-up on static display A/C and miscellaneous special projects. Also elimination site for B-52's under terms of Strategic Arms Reduction Treaty.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	576
Military:	

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$41,355,000

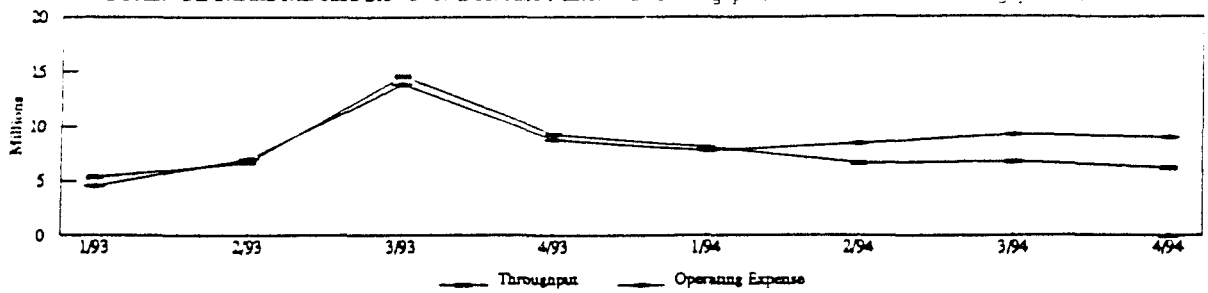
AMARC is a service organization that provides for storage, regeneration and disposal of aircraft and related aerospace items as well as selected non-aero-space, out-sized and specialized items. Encompassing 2,600 acres, AMARC currently has more than 4,950 aircraft in storage with an acquisition value of nearly $15.9B. Related aerospace items in storage include production tooling, engines, pylons, pylon load adapters and airframe components. In FY94, AMARC received 735 aircraft valued at $4B. In addition, nearly 3,000 line items of tooling were added to the inventory. In FY94, AMARC returned 197 aircraft and 28,612 parts and components valued at $994M. With an operating budget of $49M, this equates to a return of $20 in goods and services for every dollar spent. AMARC eliminated 57% of the 350 B-52 heavy bombers in accordance with the Strategic Arms Reduction Treaty and manages over 104,000 line items of aircraft production tooling, including equipment from the B-1, C-141 and A-10 production lines.

Performance of the indicators was affected by a requirement to meet a programmed loss of $7.7M for FY94, a change in the method of depreciation occurring in the 2nd and 3rd Qtr of FY93, the completion of the F-106 Full Scale Aerial Target Program, construction to primary facilities involved in the process-in activity and non-materialization of the jet engine intermediate maintenance (JEIM) workload.

AEROSPACE MAINT AND REGENERATION CENTER

THROUGHPUT & OPERATING EXPENSE

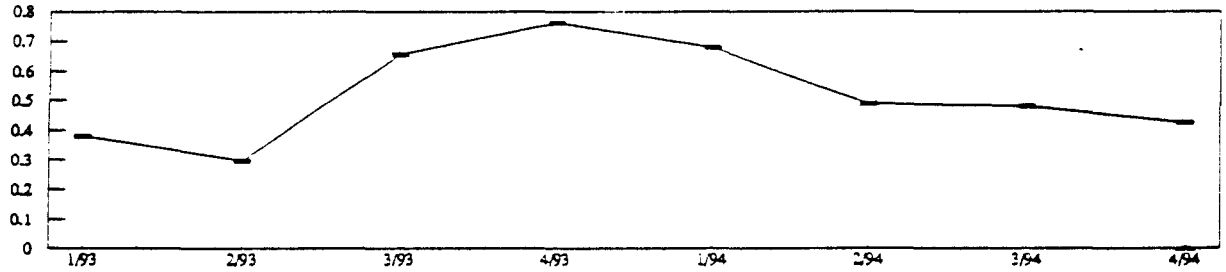
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Headquarters requirement mandating a $7.7M loss for FY94 and a reduction in revenue generated from existing project workloads caused expenses to be greater than throughput.

CAPITAL INVESTMENT EFFECTIVENESS

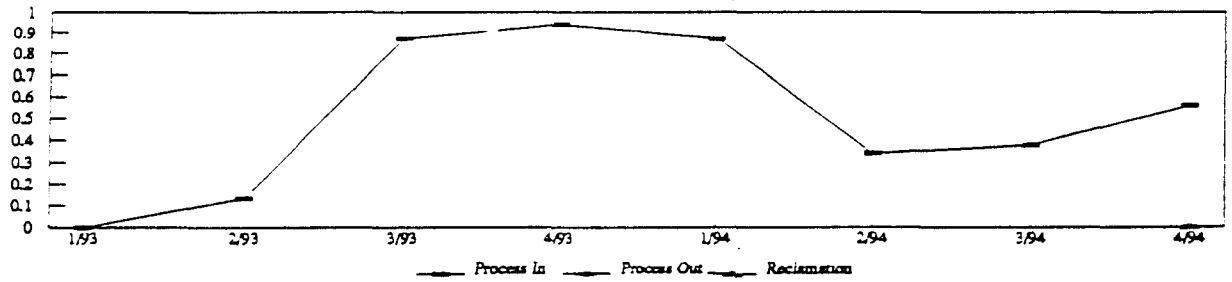
GOAL: Index Should Continually Increase



Downward movement resulted from audit finding leading to adjustments in depreciation accounts and inventory build-up in preparation for the F-4 drone program.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

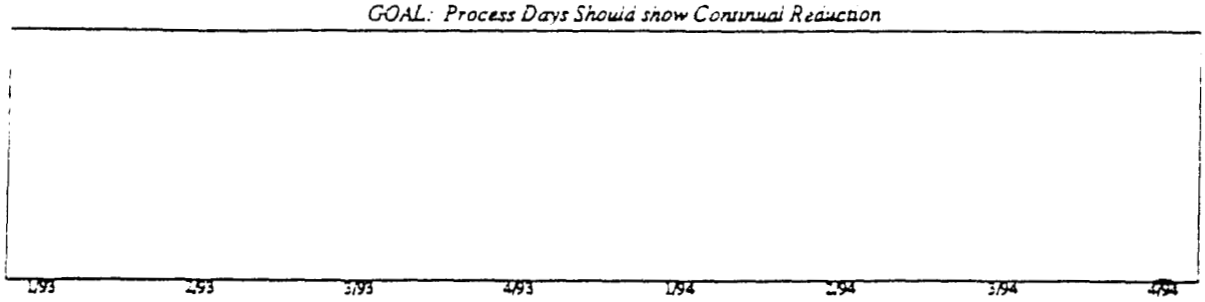


OUT: 1st half FY94 downturn due to end of F106 program & increase in parts and manhour requirements from earlier priority demands. 2nd half upturn due to end of F106 program and improvement in workload preplanning activity. OUT: FY94 trend impacted by large number of F16s needing det. cord removal. Small upturn result of A/C undergoing minimum preservation in per designated requirements. RECLAMATION: Procedures used to establish delivery date under 29% increase in demand for prioroty removal items led

AEROSPACE MAINT AND REGENERATION CENTER

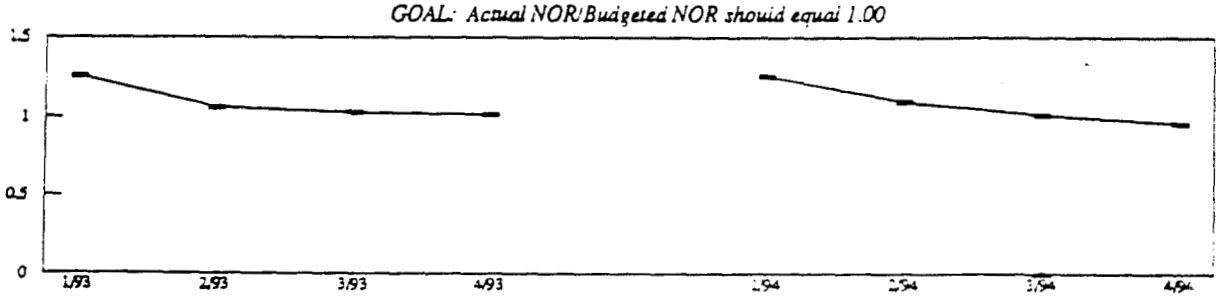
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



NET OPERATING RESULTS

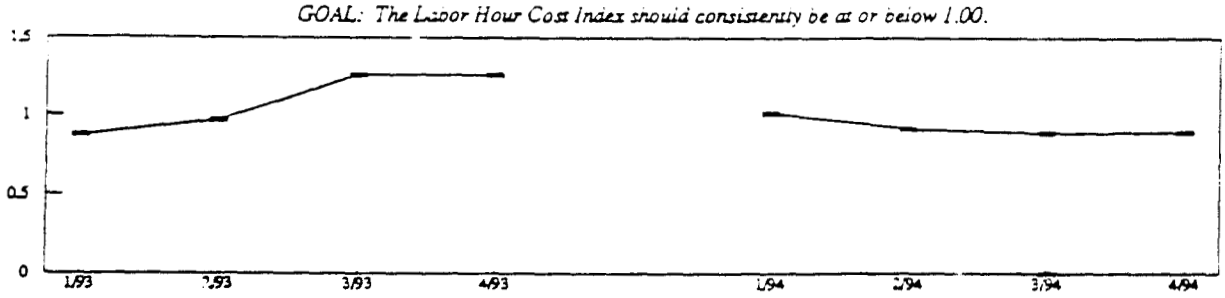
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Experience with prior drone programs contributed to AMARC's ability to more accurately forecast drone program costs.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Donor aircraft were identified to supply parts/components for drone program aircraft, thereby reducing RSD costs to the customer. Better resource utilization among AMARC's processes lowered costs.

AEROSPACE MAINT AND REGENERATION CENTER

Quarter/Fiscal Year	1.93	2.93	3.93	4.93	1.94	2.94	3.94	4.94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	8,065,290	8,771,277	17,392,903	12,076,475	11,186,659	7,756,327	7,251,886	8,128,640
Total Cost ($)	7,304,171	9,122,414	16,613,840	11,578,115	10,842,390	9,578,398	9,764,927	10,927,247
Direct Materials ($)	2,707,077	2,107,650	2,795,750	2,847,166	3,136,783	1,174,951	539,444	1,967,852
Throughput ($)	5,358,213	6,663,627	14,597,153	9,229,309	8,049,876	6,581,376	6,712,442	6,160,788
Operating Expense ($)	4,597,094	7,014,764	13,818,090	8,730,949	7,705,607	8,403,447	9,225,483	8,959,395

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	5,358,213	6,663,627	14,597,153	9,229,309	8,049,876	6,581,376	6,712,442	6,160,788
Longterm Inventory ($)	14,069,828	22,428,755	22,235,538	12,114,825	11,879,928	13,511,504	13,989,677	14,520,569
INDEX	0.38	0.30	0.66	0.76	0.68	0.49	0.48	0.42

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Process In Scheduled	103	45	78	208	93	85	95	75
Process In Completed	0	6	68	196	81	29	36	42
INDEX	0.00	0.13	0.87	0.94	0.87	0.34	0.38	0.56
Process Out Scheduled	13	20	29	22	16	16	15	6
Process Out Completed	10	13	26	20	6	6	7	6
INDEX	0.77	0.65	0.90	0.91	0.38	0.38	0.47	1.00
Reclamation Scheduled	903	906	865	758	847	772	1164	1577
Reclamation Completed	872	897	857	752	841	753	1093	1385
INDEX	0.97	0.99	0.99	0.99	0.99	0.98	0.94	0.88

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	7,672,000	16,843,000	26,295,000	35,702,000	10,050,000	19,860,000	30,523,000	41,355,000
Cum Budg Cost ($)	8,719,000	17,423,000	26,110,000	35,017,000	11,509,000	23,445,000	35,632,000	48,145,000
Budgeted NOR INDEX	0.88	0.97	1.01	1.02	0.87	0.85	0.86	0.86
Cum Actual Revenue ($)	8,065,290	16,836,567	34,229,470	46,305,945	11,866,659	18,942,590	26,194,872	34,323,512
Cum Actual Cost ($)	7,304,171	16,425,585	33,040,425	44,618,540	10,842,390	20,420,788	30,185,715	41,675,866
Actual NOR INDEX	1.10	1.03	1.04	1.04	1.09	0.93	0.87	0.82
NOR INDEX	1.25	1.06	1.03	1.02	1.25	1.10	1.01	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	8,719,000	17,423,000	26,110,000	35,017,000	11,509,000	23,445,000	35,632,000	48,145,000
Budgeted Total DLH	154,550	312,821	470,687	628,309	160,778	321,348	491,006	662,792
Bud Labor Hour Cost	$56.42	$55.70	$55.47	$55.73	$71.58	$72.96	$72.57	$72.64
Total Actual Cost ($)	7,304,171	16,425,585	33,040,425	44,618,540	10,842,390	20,420,788	30,185,715	41,112,962
Actual Total DLH	148,291	304,326	477,494	640,995	149,750	307,696	470,764	635,085
Actual Labor Hour Cost	$49.26	$53.97	$69.20	$69.61	$72.40	$66.37	$64.12	$64.74
Labor Hour Cost INDEX	0.87	0.97	1.25	1.25	1.01	0.91	0.88	0.89

OGDEN AIR LOGISTICS CENTER
HILL AFB, UT

MAJOR WORKLOAD ACCOMPLISHED:

F/RF-4 Phantom, F-16 Fighting Falcon, LGM-30 Minuteman Missile, LGM-118A Peacekeeper Missile, GBU-15 Laser Guided Bomb, Simulators/Training Devices, AGM-65 Maverick Missile, Cruise Missiles, Landing Gear, Wheels & Brakes, Air Munitions, Explosives, Photonics, Aircraft Instruments, and Aircraft Guns.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	4765
Military:	278

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$417,116,000

There are at least four items of interest that have had a significant impact on the performance of these indicators. During the 1st Qtr FY93, DMRD 904 became effective, which required the costs of Reparable Support Division (RSD) material be added to the data systems that track production costs and revenue. RSD material is used to repair an item that belongs to an organization other than the depot (such as Air Combat Command). The costs associated with this material are then considered in the profit and loss aspect of depot performance, which makes those costs more accurate when considering the total cost of doing business. When the data systems were reprogrammed to address RSD material, the systems did not consistently recognize the costs in the debit and credit accounting format. Most of these problems have been resolved; there are a few, however, which are being dealt with on a case by case basis. The second item was a change in the accounting procedures called "Revenue Recognition." In the past some of the costs and most of the revenues were counted in the data system once the end product was completed. Under revenue recognition, costs and revenues are counted as the product moves through the WIP phase. This new procedure became effective during the 3rd Qtr FY93, at which time costs and revenues accumulated to date for those items in the WIP were added to the system in a "lump sum" entry. This caused the costs to be artifically high for the Qtr. Both of these items will have a short term impact on these performance measures. The third item is anticipated workload did not materialize as planned. Fourth, materials for the F/A-18 workload were not available in a timely manner causing the schedule and flowdays indicators for aircraft to show an undesirable trend.

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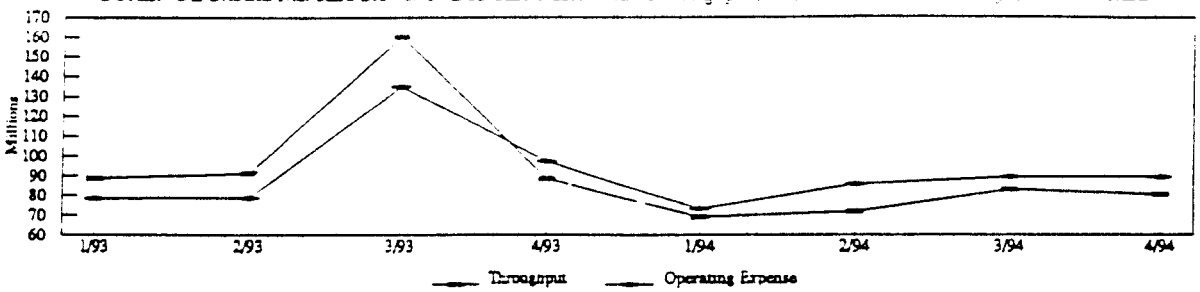
THROUGHPUT & OPERATING EXPENSE

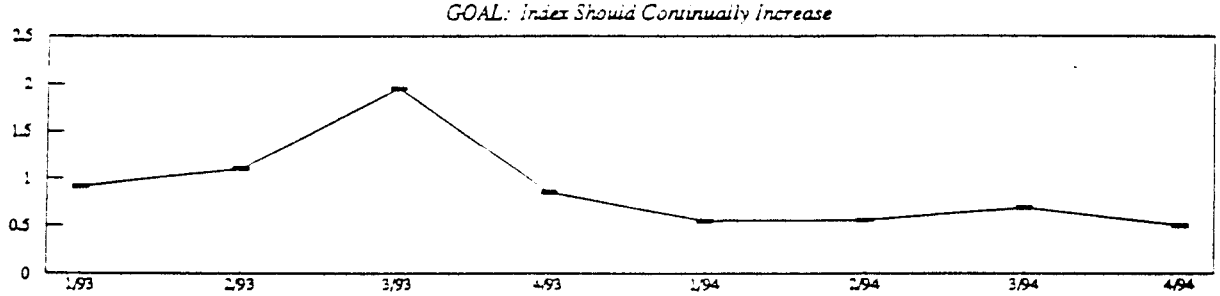
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



At the beginning of FY93, data system problems resulted from the implementation of DMRD 904. The data system was prevented from recognizing all of the costs and revenues accumulated during the Qtr. The large increase in total cost and revenue during 3rd Qtr FY93 was due to the change in revenue recognition. T has been lower than OE since 4th Qtr FY93 because workload has not materialized at the anticipated rate. In the 4th Qtr FY94, T was down because fewer hours were sold than in the previous quarter.

CAPITAL INVESTMENT EFFECTIVENESS

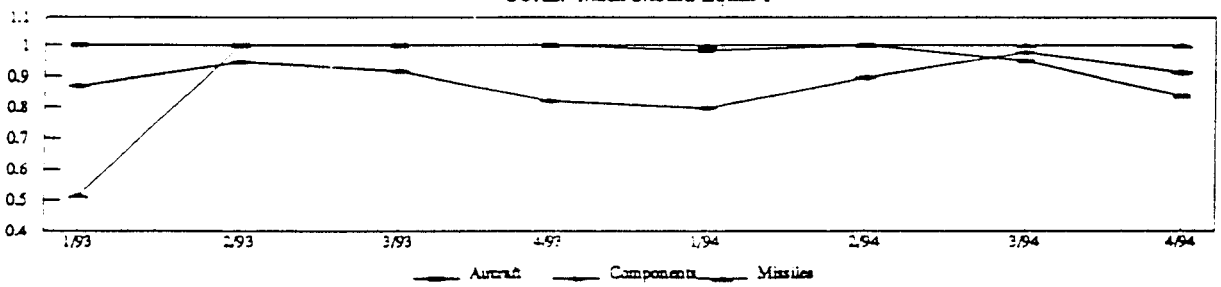
GOAL: Index Should Continually Increase



The inception of DMRD 904 resulted in data system problems that caused the system to show costs and sales to be lower than they actually were during 1st Qtr FY93. The accounting procedure change in revenue recognition (costs and sales) has caused throughput to be artificially high in 3rd Qtr FY93. The trend from 4th Qtr FY93 through 4th Qtr FY94 is the result of a "wall to wall" inventory of capital equipment as well as significant adjustments to the G017 System to correct programming problems.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



Components dropped during 4th Qtr FY93, 1st Qtr FY94 and 4th Qtr FY94 due to carryover of workload. Second Qtr FY94 data improved once these assets began to produce. This is an annual cycle due to the manner in which workload is inducted. Aircraft dropped during 3rd and 4th Qtr FY94 due to non-availibility of kit components and other aircraft material specifically related to the F/A-18 workload. F-16 aircraft were on time 100% for all of FY94, and C-130 aircraft were on time 96% for all of FY94.

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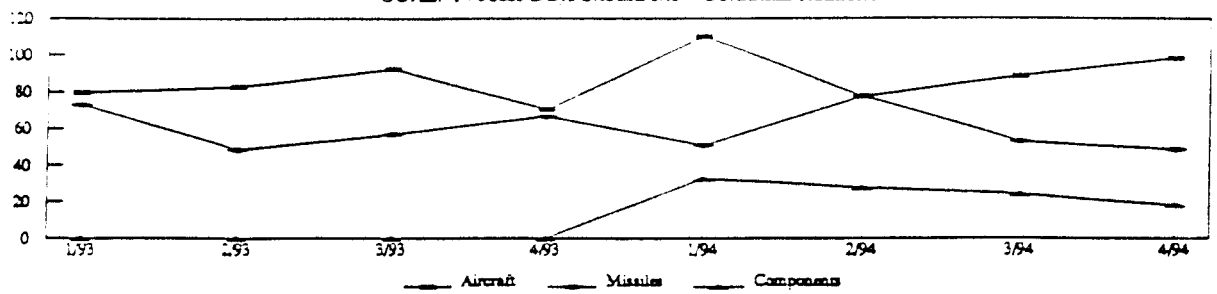
PROCESS DAYS

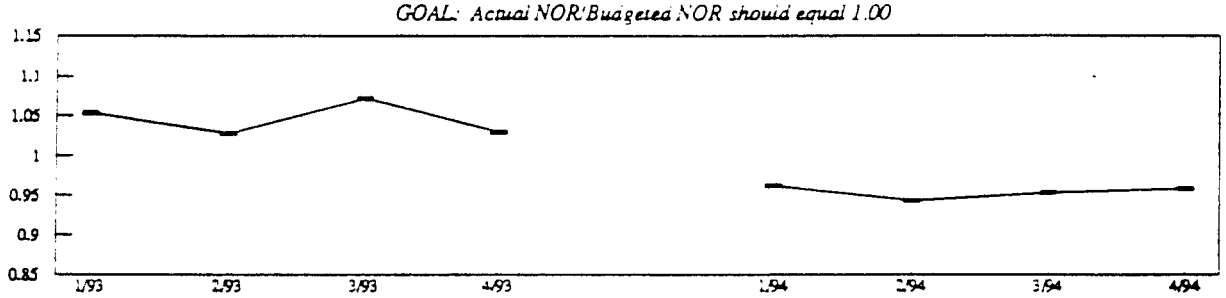
GOAL: Process Days Should show Continual Reduction



The component data represents the average number of process days per item of the 20 unique stock numbered items tracked. Changes to the sample population may be required to make this indicator as meaningful as possible. The increasing trend in aircraft flowdays during 2nd Qtr through 4th Qtr FY94 is due to an increase of modification work packages, contract workload, and parts/material problems associated with the F/A-18 aircraft.

NET OPERATING RESULTS

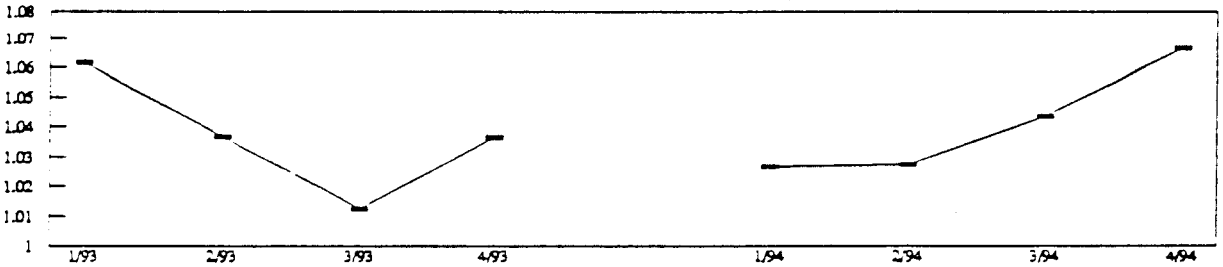
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The downward movement in NOR from 1st Qtr FY93 to 2nd Qtr FY94 was due to workload not materializing at the expected level. In 4th Qtr FY94 a loss occured in aircraft due to overhead and G&A costs being spread across a smaller workload base. Production hours in aircraft were 12% below target. Additional losses occurred in depreciation, RSD material and labor.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



LHC continues to be above 1.0 for several reasons. Large credits in RSD material were recognized in FY93, but the offsetting debits were recorded in FY94. There was little history when the RSD targets were being developed which hindered our budgeting accuracy. Other reasons for the trend in FY94 were: operational TDY continued to be higher than targeted due to unplanned FMS TDY, increased missile transportation by truck rather than by aircraft, a change in missile storage sites, and excess manpower.

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Quarter Fiscal Year	1.93	2.93	3.93	4.93	1.94	2.94	3.94	4.94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	94,469,584	118,478,007	173,399,132	102,308,869	89,526,439	89,689,031	102,929,530	102,154,277
Total Cost ($)	84,290,145	105,944,813	148,133,848	111,076,294	93,560,121	103,617,908	109,317,971	111,097,879
Direct Materials ($)	5,727,736	27,109,843	13,187,951	13,866,514	20,410,394	17,953,619	19,757,987	21,798,124
Throughput ($)	88,741,848	91,368,164	160,211,181	88,442,355	69,116,045	71,735,412	83,171,543	80,356,153
Operating Expense ($)	78,562,409	78,834,970	134,945,897	97,209,780	73,149,727	85,664,289	89,559,984	89,299,755

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	88,741,848	91,368,164	160,211,181	88,442,355	69,116,045	71,735,412	83,171,543	80,356,153
Longterm Inventory ($)	96,481,634	82,873,535	82,067,497	103,667,859	124,885,068	127,771,046	119,710,432	160,112,844
INDEX	0.92	1.10	1.95	0.85	0.55	0.56	0.69	0.50

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	86	84	74	66	55	65	78	74
Aircraft Completed	86	84	74	66	54	65	74	62
INDEX	1.00	1.00	1.00	1.00	0.98	1.00	0.95	0.84
Components Scheduled	20,845	20,650	19,967	23,524	22,432	19,902	18,678	17,177
Components Completed	18,153	19,523	18,293	19,292	17,873	17,855	18,243	15,665
INDEX	0.87	0.95	0.92	0.82	0.80	0.90	0.98	0.91
Missiles Scheduled	70	36	41	39	54	39	52	43
Missiles Completed	36	36	41	39	54	39	52	43
INDEX	0.51	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	6,837	6,955	6,823	4,620	6,050	5,018	6,897	6,286
Number of Items	86	84	74	66	55	65	78	64
AVG PROCESS DAYS	79.50	82.80	92.20	70.00	110.00	77.20	88.42	98.22
Missiles Process Days	2,521	1,746	2,324	2,582	2,737	3,019	2,742	2,067
Number of Items	36	36	41	39	54	39	52	43
AVG PROCESS DAYS	72.81	48.50	56.68	66.21	50.69	77.41	52.73	48.53
Components Process Days					3,658	1,882	481	503
Number of Items					112	68	20	28
AVG PROCESS DAYS					32.66	27.68	24.05	17.96

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	94,469,000	228,316,000	336,991,000	450,223,000	80,270,000	189,780,000	294,902,000	407,240,000
Cum Budg Cost ($)	88,785,000	209,724,000	316,290,000	426,665,000	80,662,000	196,913,000	305,419,000	424,153,000
Budgeted NOR INDEX	1.06	1.09	1.07	1.06	1.00	0.96	0.97	0.96
Cum Actual Revenue ($)	94,469,584	212,947,591	386,346,723	488,655,592	89,526,439	179,215,470	282,145,000	384,299,000
Cum Actual Cost ($)	84,290,145	190,234,958	338,368,806	449,445,100	93,560,121	197,178,029	306,496,000	417,594,000
Actual NOR INDEX	1.12	1.12	1.14	1.09	0.96	0.91	0.92	0.92
NOR INDEX	1.05	1.03	1.07	1.03	0.96	0.94	0.95	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	90175215	203138000	311596000	420453000	101466000	206047000	312865000	417116000
Budgeted Total DLH	1703164	3354717	5032074	6735238	1393723	2824704	4326000	5786350
Bud Labor Hour Cost	$52.95	$60.55	$61.92	$62.43	$72.80	$72.94	$72.32	$72.09
Total Actual Cost ($)	90175218	202190348	298836564	407467689	104447446	212470714	314991000	422144000
Actual Total DLH	1604374	3220679	4765986	6296586	1397284	2834744	4174000	5491000
Actual Labor Hour Cost	$56.21	$62.78	$62.70	$64.71	$74.75	$74.95	$75.47	$76.88
Labor Hour Cost INDEX	1.06	1.04	1.01	1.04	1.03	1.03	1.04	1.07

OKLAHOMA CITY AIR LOGISTICS CENTER
TINKER AFB, OK

MAJOR WORKLOAD ACCOMPLISHED:

Bombers (B-52 and B-1), tankers (KC-135), and other special purpose aircraft, (C/EC-135, E-3, and E-6), missile and aircraft engines, aircraft, engine, and exchangeable components (aircraft structural components, engine accessories, pneudraulics/hydraulics/pneumatics, oxygen/gas generating equipment, engine and flight instruments, unique avionics and software).

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6174
Military:	62

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$926,007,000

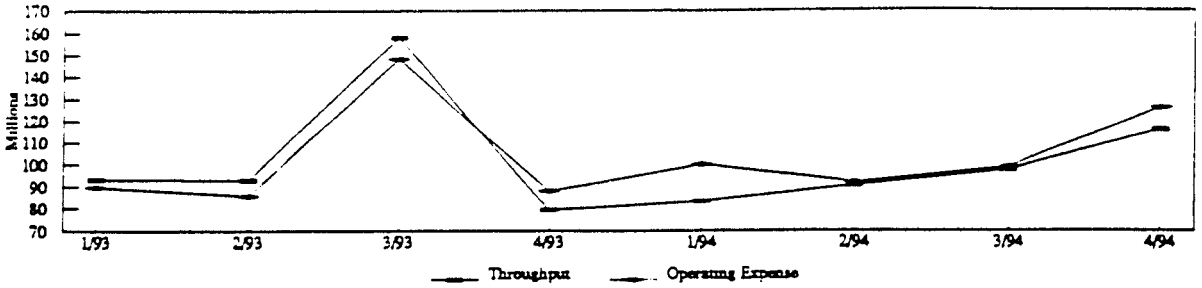
Oklahoma City ALC has successfully delivered ahead of schedule or on-time all aircraft, engines, and exchangeables for third and fourth quarter of FY94. Throughput has increased $36.6M during FY94. The Capital Investment Index continued to improve in FY94 for a total increase of 65% with a reduction in inventory value of $40.5M. The overall trend in Process Days continues in a positive direction with a total decrease of 58 days for aircraft, engines, and exchangeables in the fourth quarter of FY94. Actual Labor Hour Cost has continued to be lower than Budgeted Labor Hour Cost for the past eight quarters by an average of $12.00.

Innovations to improve C/KC-135 inspection processes, aggressive parts procurement, and establishment of C/KC-135 work center structural repair team had a positive effect on Throughput, Scheduling, and Process Days indicators. The work center team,comprised of highly trained structural repair mechanics; has expedited aircraft structural repair processes. The team is activated when the aircraft has completed the normal repair process and is then moved to the task team area to accomplish identified repairs. Their goal is to meet customer schedules, reduce cost, and improve production flow.

OKLAHOMA CITY AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

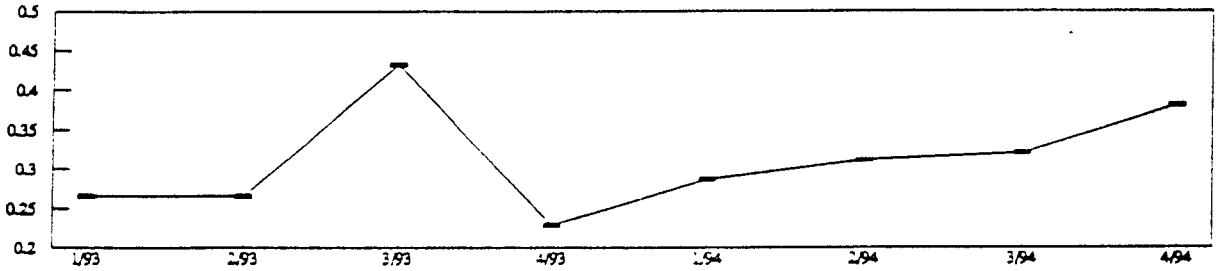
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



FY94 Operating Expense exceeds Throughput due to Program Budget Decisions (PBDs) which included the return of FY92 profits. Increased training to develop a multi-skilled work force has resulted in an Operating Expense increase of only 1.2% and will result in cost avoidance for the future.

CAPITAL INVESTMENT EFFECTIVENESS

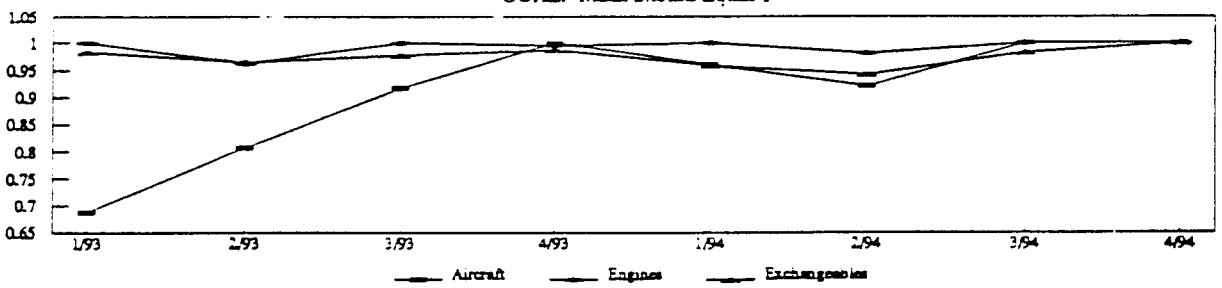
GOAL: Index Should Continually Increase



The index continues to improve in FY94 for a total increase of 65% from FY93. Long Term Inventory shows a positive trend with a decrease of $40.5M from FY93 to FY94.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

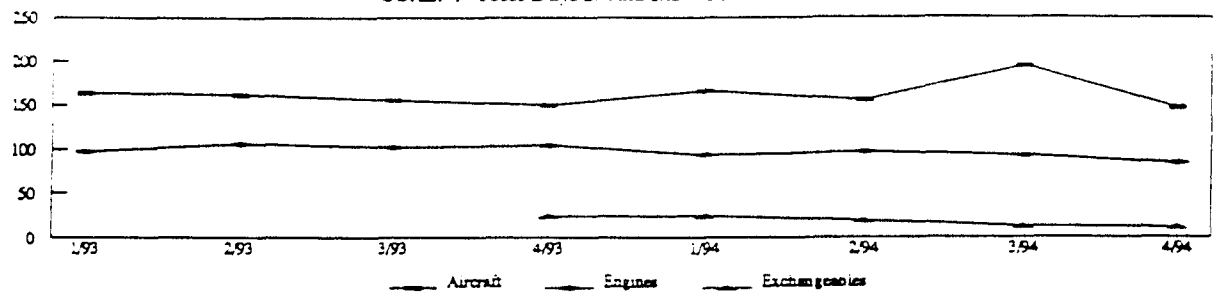


Acft: New inspection processes, specialty repair teams, and improved parts availability are showing positive results for all aircraft. Eng: Increased emphasis on "just in time" scheduling of manpower, equipment, and facilities has improved scheduling function. Exch: Production percentage increase can be attributed to a team effort identifying manpower, capacity, parts, and dollars, earlier in the repair process.

OKLAHOMA CITY AIR LOGISTICS CENTER

PROCESS DAYS

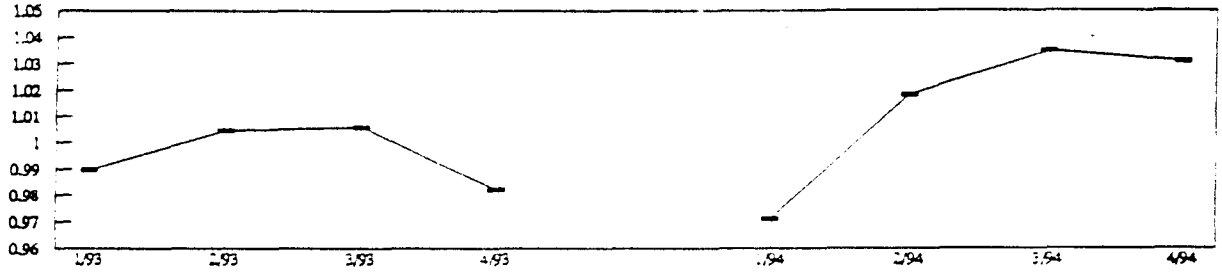
GOAL: Process Days Should show Continual Reduction



Acft: The positive trend during FY93 and FY94 is driven by improved inspection and repair processes. The perturbation in FY94 is resultant of E-3 and C-135 corrosion control and structural repair process changes. Eng: Improved training, management emphasis, and process improvement have resulted in decreased flow days on all engines. Exch: The decrease can be attributed to a process improvement which allows for a "just in time" induction of assets to the overhaul shop.

NET OPERATING RESULTS

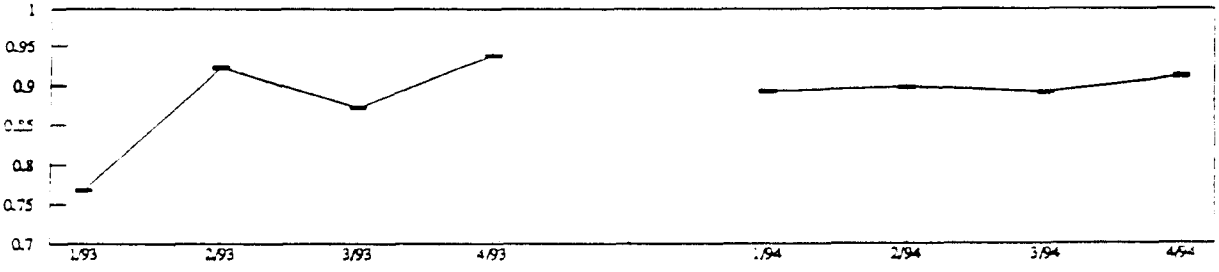
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Budgeted Operating results for FY94 reflect a $60.9M loss driven by Program Budget Decisions (PBDs) which directed the return of profits for FY92. Actual loss was reduced to $29.5M by cost reduction initiatives. The cost reduction initiatives resulted in the actual NOR Index exceeding the budgeted NOR Index by 1.5%.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



During the past eight quarters actual labor hour cost averaged $12.00 less than the budgeted labor hour cost. The total labor hour cost for 4/93 and 4/94 is $91.99 and $106.20, respectively. This includes material, which is much higher at an engine repair center. Without material, the labor hour cost for 4/94 is $59.44.

OKLAHOMA CITY AIR LOGISTICS CENTER

Quarter Fiscal Year	1.93	2.93	3.93	4.93	1.94	2.94	3.94	4.94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	117,502,000	138,627,163	233,208,862	153,290,905	147,566,860	176,519,491	189,718,187	196,948,197
Total Cost ($)	113,852,000	131,353,149	223,252,393	162,147,819	164,401,016	177,851,233	191,028,734	206,942,939
Direct Materials ($)	23,895,981	45,511,616	75,000,527	73,942,834	64,263,796	85,740,413	92,004,387	80,929,679
Throughput ($)	93,606,019	93,115,547	158,208,335	79,348,071	83,303,064	90,779,078	97,713,800	116,018,518
Operating Expense ($)	89,956,019	85,841,533	148,251,866	88,204,985	100,137,220	92,110,820	99,024,347	126,013,260

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	93,606,019	93,115,547	158,208,335	79,348,071	83,303,064	90,779,078	97,713,800	116,018,518
Longterm Inventory ($)	351,988,721	350,285,649	365,792,000	345,470,647	290,375,902	291,461,574	304,710,727	304,935,946
INDEX	0.27	0.27	0.43	0.23	0.29	0.31	0.32	0.38

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	16	26	24	23	25	25	19	23
Aircraft Completed	11	21	22	23	24	23	19	23
INDEX	0.69	0.81	0.92	1.00	0.96	0.92	1.00	1.00
Engines Scheduled	240	240	205	201	184	196	179	169
Engines Completed	240	231	205	200	184	194	179	169
INDEX	1.00	0.96	1.00	1.00	1.00	0.98	1.00	1.00
Exchangeables Scheduled	26,859	28,365	21,800	22,241	22,048	23,620	22,129	22,795
Exchangeables Completed	26,393	27,363	21,300	21,936	21,133	22,254	21,729	22,795
INDEX	0.98	0.96	0.98	0.99	0.96	0.94	0.98	1.00

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	2,617	4,198	3,731	3,432	4,312	3,720	3,689	3,356
Number of Items	16	26	24	23	26	24	19	23
AVG PROCESS DAYS	163.56	161.46	155.46	149.22	165.85	155.00	194.16	145.91
Engines Process Days	5,062	4,250	3,074	3,125	3,522	5,046	3,792	3,702
Number of Items	52	40	30	30	28	52	41	44
AVG PROCESS DAYS	97.35	106.25	102.47	104.17	93.64	97.04	92.49	84.14
Exchangeables Process Days				248	249	193	128	117.9
Number of Items				10	10	10	10	10
AVG PROCESS DAYS				24.80	24.90	19.30	12.80	11.79

NET OPERATING RESULTS

CUM ACTUAL REVENUE/CUM ACTUAL COST) /

CUM BUDGETED REVENUE/CUM BUDGETED COST) = NOR INDEX

Cum Budg Revenue ($)	148,801,000	335,215,000	516,948,000	7[illegible]5,069,000	175,038,000	386,774,000	606,292,000	828,635,000
Cum Budg Cost ($)	142,705,000	322,365,000	497,760,000	689,315,000	189,402,000	415,968,000	651,124,000	889,566,000
Budgeted NOR INDEX	1.04	1.04	1.04	1.04	0.92	0.93	0.93	0.93
Cum Actual Revenue ($)	117,502,000	256,129,163	489,338,025	642,628,930	147,566,860	324,086,351	513,804,538	710,752,735
Cum Actual Cost ($)	113,852,000	245,205,149	468,457,542	630,605,361	164,401,016	342,252,250	533,280,985	740,223,924
Actual NOR INDEX	1.03	1.04	1.04	1.02	0.90	0.95	0.96	0.96
NOR INDEX	0.99	1.00	1.01	0.98	0.97	1.02	1.03	1.03

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	171443000	340932000	519857000	699902000	198873000	415781000	638238000	859844000
Budgeted Total DLH	1814193	3508224	5293716	7131928	1732095	3567953	5455344	7375334
Bud Labor Hour Cost	$94.50	$97.18	$98.20	$98.14	$114.82	$116.53	$116.99	$116.58
Total Actual Cost ($)	112839126	287826316	416035753	599381670	167559503	354234453	534060387	733053440
Actual Total DLH	1554166	3212236	4855629	6515892	1634596	3384351	5120934	6902258
Actual Labor Hour Cost	$72.60	$89.60	$85.68	$91.99	$102.51	$104.67	$104.29	$106.20
Labor Hour Cost INDEX	0.77	0.92	0.87	0.94	0.89	0.90	0.89	0.91

SACRAMENTO AIR LOGISTICS CENTER
McCLELLAN AFB, CA

MAJOR WORKLOAD ACCOMPLISHED:

F-111, F-15, A-10, KC-135, Communications-Electronics, Space Systems, Ground Power Generators

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	5386
Military:	213

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

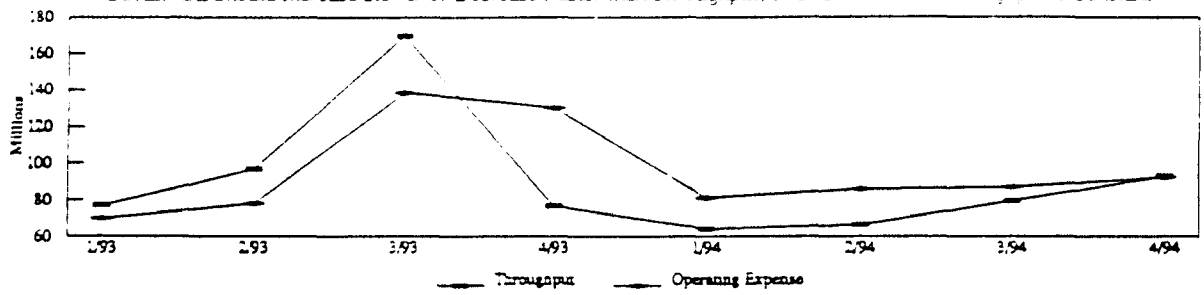
$509,000,000

External factors, of which we have limited control, affecting all centers, influenced Throughput and increased Operating Expense. To compensate for these and other drivers, all Directorates met in March 94 to identify ideas and areas that could reduce targeted losses. Through the targeted $20M to reduce loss was not met, varied efforts resulted in a $5M loss savings. Labor Hour Costs were negatively affected due to workloads not generating. The steady trend of increase in Capital Investment Effectiveness was a result of the turn in of excess and outdated industrial plant equipment. Total Inventory was reduced by $30M since October 1993. This trend is expected to continue. The negative trend in Net Operating Results is due to KC-135 structural problems and learning curves associated with KC-135 PDM. Process Days Indicator reduction was due to unplanned repair work on the KC-135s during the quarters that these aircraft were originally scheduled to produce (3rd Qtr FY93 to 3rd Qtr FY94), and an increase for the quarters that they are adjusted to (4th Qtr FY94). The A-10s, F-15s, and F-111s were on or ahead of schedule. The Schedule Indicator downward direction was due to manpower shortages, facility constraints, and outgoing fuel leaks.

SACRAMENTO AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

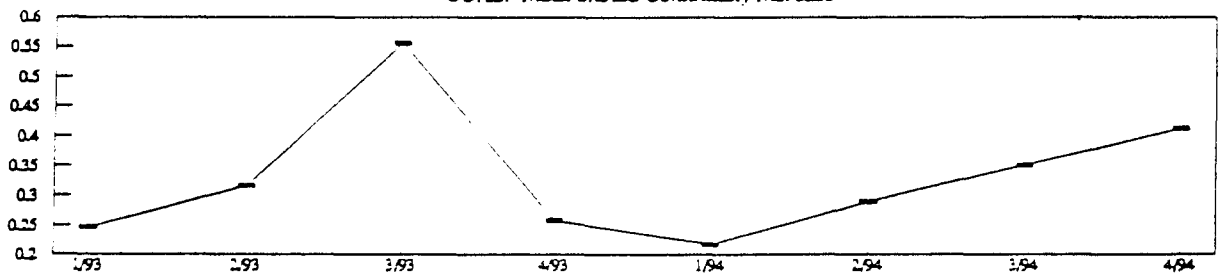
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Though final operating expenses were greatly reduced through cost cutting initiatives, Throughput was still exceeded. This was due to reduced revenue rates which were established to return past year profitable operating results.

CAPITAL INVESTMENT EFFECTIVENESS

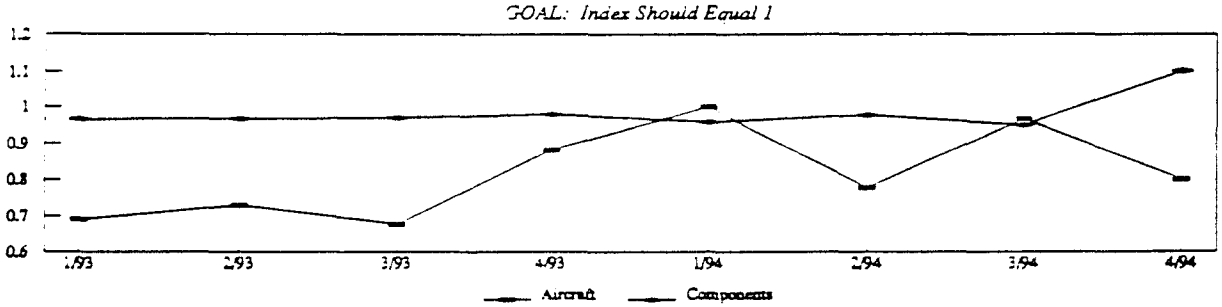
GOAL: Index Should Continually Increase



The capital equipment inventory has decreased by 110 line items since 1 Oct 93. This was driven by efforts to turn in excess and out-dated industrial plant equipment. The total inventory value was reduced by $30M since 1 Oct 93. Additionally, the Capital Purchases Program allocation has been reduced in FY95, significantly affecting the acquisition of additional capital equipment items.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

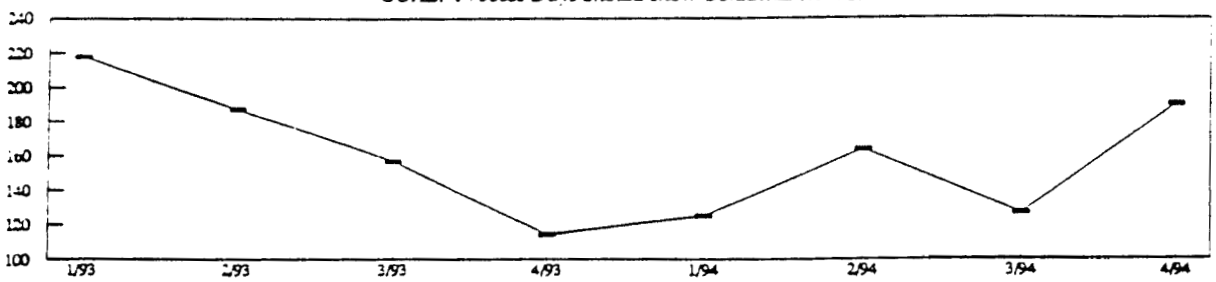


Five KC-135s and one A-10 missed their Aircraft and Missile Maintenance, Production Compression Report (AMREP) dates. Manpower shortages, facility constraints and outgoing fuel leaks were primary causes of the downward direction of the indicator in 4th Qtr FY94. Implementation of Programmed Depot Maintenance Standard System (PDMSS), modification of facilities, and fuel process review are being accomplished to reduce these problems.

SACRAMENTO AIR LOGISTICS CENTER

PROCESS DAYS

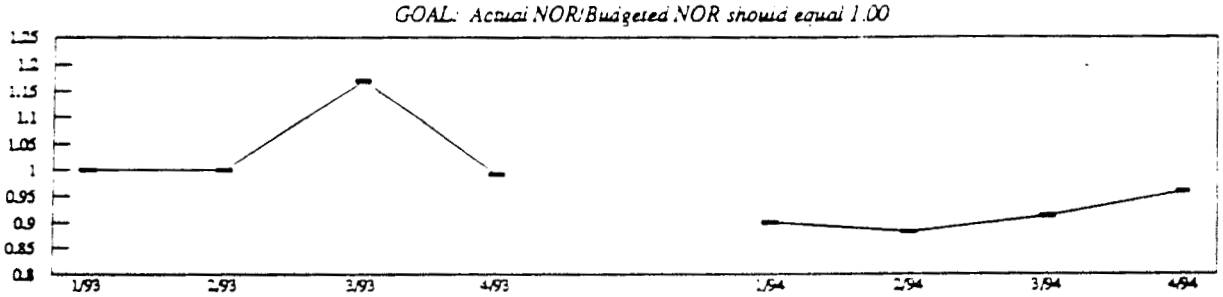
GOAL: Process Days Should show Continual Reduction



Average process days increased in 4th Qtr FY94 due to production of 10 long flow aircraft. 8 F-111s exceeded 260 flow days & two KC-135s exceeded 250 flow days. Major unplanned repair work on KC-135s (wing attach fitting replacement) caused reduction of Process Days indicator during the Qtrs that these aircraft were first scheduled to produce (3/93 to 3/94), an increase for the Qtrs that they are adjusted to (4/94). The KC-135 increases were approved by the SPD.

NET OPERATING RESULTS

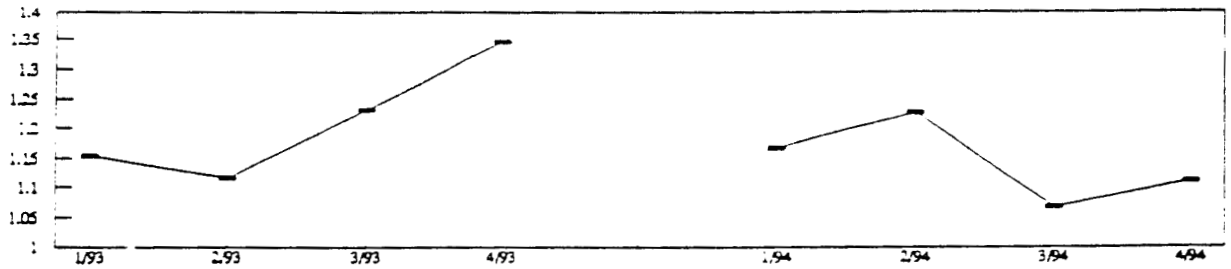
GOAL: Actual NOR/Budgeted NOR should equal 1.00



There we continued inefficiencies as a result of higher than budgeted indirect costs and lower than projected yields. Higher than the Budgeted Repairable Support Division (RSD) material costs associated with PDM of F-15s and F-111s were contributors. KC-135 structural problems and the learning curve associated with KC-135 PDM were major influences in the loss position.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The actual labor cost index exceeds the 1% criteria due strictly to budgeted versus actual total DLH. Total actual DLH was 716K below budget. The 716K variance in DLH directly caused the actual labor hour cost rate to be substantially higher than originally projected. Projected total DLH was not met due to workloads not generating, inefficiency, and overly ambitious projection. Total actual versus projected cost variance was only $4.3M or 0.8% below budget.

SACRAMENTO AIR LOGISTICS CENTER

Quarter Fiscal Year	1.93	2.93	3.93	4.93	1.94	2.94	3.94	4.94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	77,812,754	109,303,513	202,402,302	115,396,797	97,751,519	114,967,486	117,521,936	117,037,805
Total Cost ($)	70,670,158	90,604,249	170,958,547	168,706,901	114,925,022	134,649,095	125,043,649	116,426,076
Direct Materials ($)	671,414	12,363,222	32,592,933	38,531,454	33,664,149	48,410,631	37,732,565	23,874,837
Throughput ($)	77,141,340	96,940,291	169,809,369	76,865,343	64,087,370	66,556,855	79,789,371	93,162,968
Operating Expense ($)	69,998,744	78,241,027	138,365,614	130,175,447	81,260,873	86,238,464	87,311,084	92,551,239

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	77,141,340	96,940,291	169,809,369	76,865,343	64,087,370	66,556,855	79,789,371	93,162,968
Longterm Inventory ($)	311,521,589	306,441,546	304,879,562	297,006,083	294,640,723	229,188,312	226,867,766	225,770,092
INDEX	0.25	0.32	0.56	0.26	0.22	0.29	0.35	0.41

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	42	52	34	34	27	27	31	30
Aircraft Completed	29	38	23	30	27	21	30	24
INDEX	0.69	0.73	0.68	0.88	1.00	0.78	0.97	0.80
Components Scheduled	26,148	24,706	24,344	25,290	24,541	23,889	24,684	21,263
Components Completed	25,266	23,889	23,598	24,756	23,514	23,334	23,446	23,420
INDEX	0.97	0.97	0.97	0.98	0.96	0.98	0.95	1.10

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days					3,375	3,931	4,055	5,330
Number of Items					27	24	32	28
AVG PROCESS DAYS	218.00	197.00	157.00	114.00	125.00	163.79	126.72	190.36

NET OPERATING RESULTS

CUM ACTUAL REVENUE/CUM ACTUAL COST) /

CUM BUDGETED REVENUE/CUM BUDGETED COST = NOR INDEX

Cum Budg Revenue ($)	77,812,754	187,116,267	296,792,267	412,040,267	103,616,338	219,975,338	346,740,338	470,503,338
Cum Budg Cost ($)	70,670,157	161,274,406	296,280,406	405,847,406	109,832,179	228,018,179	358,887,179	495,397,179
Budgeted NOR INDEX	1.10	1.16	1.00	1.02	0.94	0.96	0.97	0.95
Cum Actual Revenue ($)	77,812,754	187,116,267	389,518,569	504,915,366	97,751,519	212,719,005	330,240,941	447,278,746
Cum Actual Cost ($)	70,670,158	161,274,407	332,232,954	500,939,855	114,925,052	249,574,147	374,617,796	491,043,872
Actual NOR INDEX	1.10	1.16	1.17	1.01	0.85	0.85	0.88	0.91
NOR INDEX	1.00	1.00	1.17	0.99	0.90	0.88	0.91	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	70670157	161274406	296280406	405847406	109832179	228018179	358887179	495397179
Budgeted Total DLH	1694134	3415386	5044557	6659180	1579848	3281620	4947550	6589975
Bud Labor Hour Cost	$41.71	$47.22	$55.73	$60.95	$69.52	$69.48	$72.54	$75.17
Total Actual Cost ($)	70670158	161274407	332232954	500939855	114925052	249574147	374617796	491043872
Actual Total DLH	1467067	3057101	4592907	6106839	1415762	2927025	4844446	5873794
Actual Labor Hour Cost	$48.17	$52.75	$72.34	$82.03	$81.18	$85.27	$77.33	$83.60
Labor Hour Cost INDEX	1.15	1.12	1.23	1.35	1.17	1.23	1.07	1.11

SAN ANTONIO AIR LOGISTICS CENTER
KELLY AFB, TX

MAJOR WORKLOAD ACCOMPLISHED:

C-5 Cargo Aircraft, TF39 Engine (C-5 Aircraft), F100 Engine (F-15 & F-16 Aircraft), T56 Engine (C-130 Aircraft) and related exchangeables. Gas turbine engines, secondary power systems, auxiliary power units, starters and related exchangeables. Manual and automatic test equipment exchangeables, fuel accessories and nuclear components.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6041
Military:	69

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$759,700,000

Both the depot maintenance personnel level and current year industrial fund budget numbers above have increased since the last submission of this report. Both increases are the result of increased workload at this center. SA-ALC has been instrumental in attaining local manufacturing workload from the Navy depot at Pensacola as well as T56 engine workload from Alameda. SA-ALC also acquired T-38 and F-5 gearbox workload from the Navy. All of these efforts are the result of base closures and pursuit of consolidations of like workloads to achieve both economies of scale in production as well as to preclude the cost of establishing another organic repair source.

In addition to the above, SA-ALC was instrumental in the early completion of a modification to the large aircraft paint hanger. This early completion allowed SA-ALC to terminate a contract to paint C-5 aircraft at a contractor's facility. This resulted in both dollar and flow day savings to the customer.

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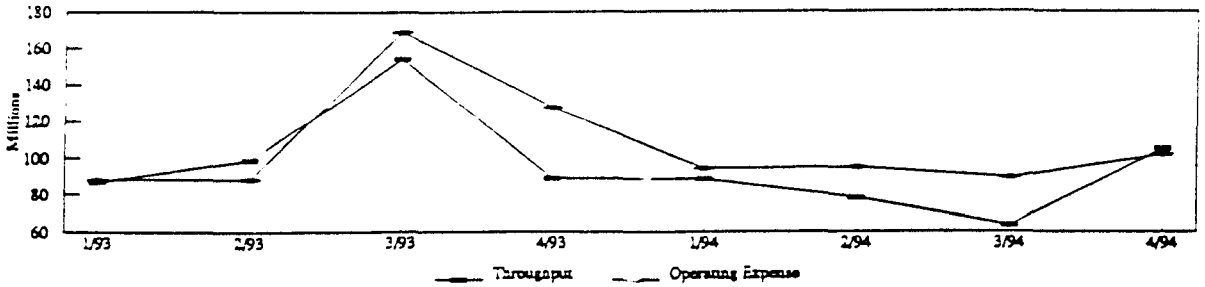
THROUGHPUT & OPERATING EXPENSE

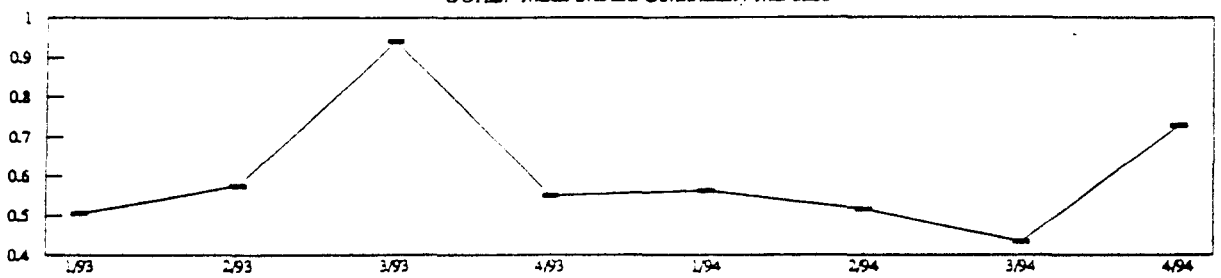
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



A 3rd Qtr FY94 reversal of credit returns accumulated over a period of time and resulted in a higher than normal direct material expense. This caused an inflated reduction to Throughput for that time period.

CAPITAL INVESTMENT EFFECTIVENESS

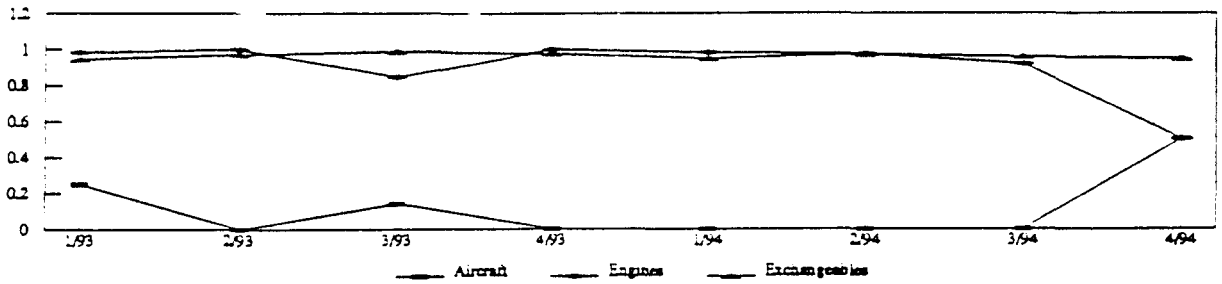
GOAL: Index Should Continually Increase



The fluctuation in the 3rd and 4th Qtr FY94 time period is due to a 3rd Qtr FY94 recapture of improper credit returns coupled with historically higher revenue in the 4th Qtr.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



The reduction to Schedule Conformance for engines is caused by the early completion of five F100 engines. The engines were produced in 3rd Qtr FY93, but the close-out project directive verifying a schedule change is not available.

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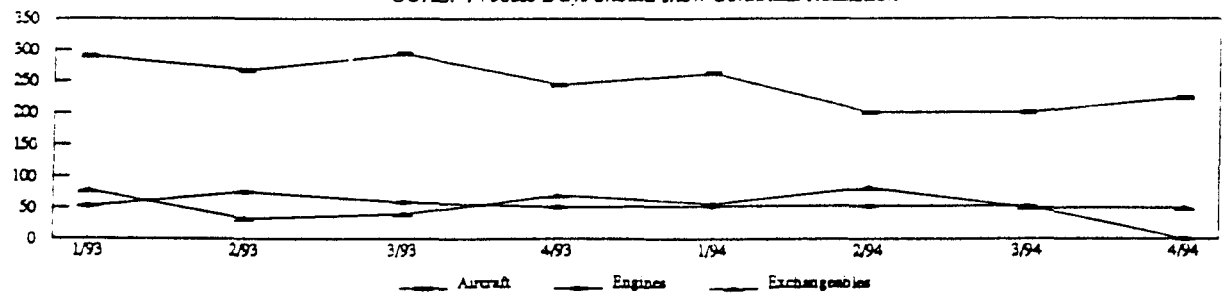
PROCESS DAYS

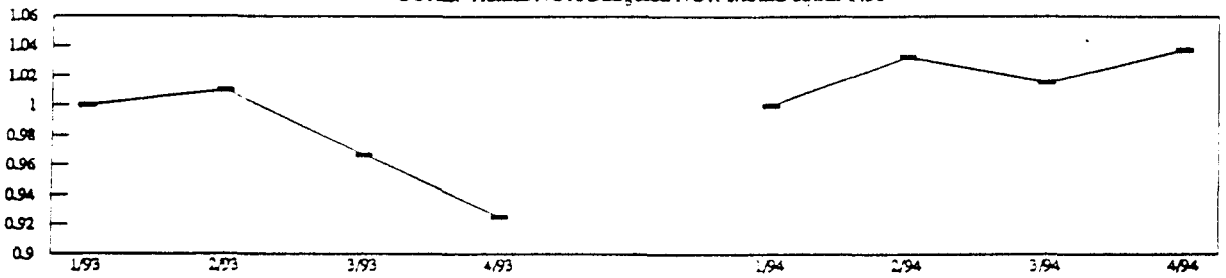
GOAL: Process Days Should show Continual Reduction



The engine reported for this measure has changed. SA-ALC previously reported on the TF39 engine. This engine is no longer produced as a "whole up" engine, but is totally under the two levels of maintenance concept. We have revised the input to reflect F100-PW-220E overhaul.

NET OPERATING RESULTS

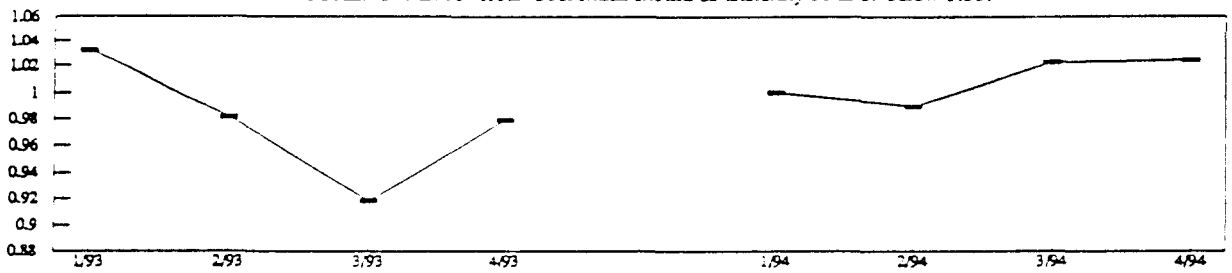
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The relative stability of this indicator is the result of increased management emphasis on maintaining cost to budget tolerances.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Increased emphasis on forecasting costs has contributed to the low relative variance in this indicator.

SAN ANTONIO AIR LOGISTICS CENTER

Quarter Fiscal Year	1.93	2.93	3.93	4.93	1.94	2.94	3.94	4.94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	114,906,000	143,451,000	204,073,000	155,321,000	144,866,000	144,650,000	179,375,000	196,236,000
Total Cost ($)	116,225,000	132,863,000	219,247,000	193,463,000	150,582,000	161,380,000	205,497,000	195,184,000
Direct Materials ($)	27,907,000	44,251,000	50,121,000	66,367,000	56,483,000	66,550,000	116,148,000	93,355,000
Throughput ($)	86,999,000	99,200,000	153,952,000	88,954,000	88,383,000	78,100,000	63,227,000	104,881,000
Operating Expense ($)	88,318,000	88,612,000	169,126,000	127,096,000	94,099,000	94,830,000	89,349,000	101,829,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	86,999,000	99,200,000	153,952,000	88,954,000	88,383,000	78,100,000	63,227,000	104,881,000
Longterm Inventory ($)	171,710,000	172,233,000	163,443,000	161,160,000	156,722,000	151,086,000	145,897,000	143,670,000
INDEX	0.51	0.58	0.94	0.55	0.56	0.52	0.43	0.73

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	8	9	7	2	5	6	5	4
Aircraft Completed	2	0	1	0	0	0	0	2
INDEX	0.25	0.00	0.14	0.00	0.00	0.00	0.00	0.50
Engines Scheduled	62	69	56	46	51	37	25	22
Engines Completed	61	69	50	46	50	36	23	11
INDEX	0.98	1.00	0.85	1.00	0.98	0.97	0.92	0.50
Exchangeables Scheduled	28,179	32,303	28,211	25,581	20,179	20,162	22,513	19,435
Exchangeables Completed	26,713	31,394	27,883	24,969	19,146	19,562	21,557	18,421
INDEX	0.95	0.97	0.99	0.98	0.95	0.97	0.96	0.95

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	1,452	1,604	2,354	1,220	1,311	1,003	1,005	1,119
Number of Items	5	6	8	5	6	5	5	5
AVG PROCESS DAYS	290.40	267.33	294.25	244.00	262.20	200.60	201.00	223.80
Engines Process Days	1,537	1,824	1,475	1,479	1,007	371	265	0
Number of Items	29	24	25	29	19	7	5	0
AVG PROCESS DAYS	53.00	76.00	59.00	51.00	53.00	53.00	53.00	
Exchangeables Process Days	2,345	1,461	4,793	23,070	9,909	15,492	12,288	11,446
Number of Items	30	45	119	330	174	187	243	229
AVG PROCESS DAYS	78.17	32.47	40.28	69.91	56.95	82.79	50.57	49.98

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

CUM BUDGETED REVENUE/CUM BUDGETED COST = NOR INDEX

Cum Budg Revenue ($)	114,906,000	296,249,000	470,991,000	647,599,000	144,886,000	322,738,000	537,410,000	722,299,999
Cum Budg Cost ($)	116,225,000	288,525,000	461,219,000	642,011,000	150,582,000	359,152,000	602,207,000	800,879,000
Budgeted NOR INDEX	0.99	1.03	1.02	1.01	0.96	0.90	0.89	0.90
Cum Actual Revenue ($)	114,906,000	255,357,000	462,430,000	617,751,000	144,886,000	289,536,000	468,911,000	667,147,000
Cum Actual Cost ($)	116,225,000	249,088,000	468,335,000	661,798,000	150,582,000	311,962,000	517,458,000	712,642,000
Actual NOR INDEX	0.99	1.04	0.99	0.93	0.96	0.93	0.91	0.94
NOR INDEX	1.00	1.01	0.97	0.93	1.00	1.03	1.02	1.04

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	98280000	309663000	490755000	664822000	158308000	391014000	610342000	802803000
Budgeted Total DLH	1862000	3849000	5842000	7857000	1580000	3356000	5227000	6838000
Bud Labor Hour Cost	$52.75	$80.45	$84.00	$84.62	$100.19	$116.51	$116.77	$117.40
Total Actual Cost ($)	98280000	291955000	428855000	616493000	158308000	363025000	544104000	735401000
Actual Total DLH	1804000	3696000	5560000	7437000	1580000	3149000	4557000	6116000
Actual Labor Hour Cost	$54.48	$78.99	$77.13	$82.93	$100.19	$115.25	$119.40	$120.24
Labor Hour Cost INDEX	1.03	0.98	0.92	0.98	1.00	0.99	1.02	1.02

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ROBINS AFB, GA

MAJOR WORKLOAD ACCOMPLISHED:

F-15, C-130 & C-141, various missiles, Electronic Warfare Systems and Avionics Systems, Vehicles & Special Operations Forces (SOF) aircraft.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6142
Military:	80

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$605,265,000

In addition to the major workload previously described, the WR-ALC Team manages approximately 190,000 items that range from gunnery equipment to aerospace comm/nav equipment, including Global Positioning Systems. WR-ALC is the only organic source for the F-15 Multi-Stage Improvement Program modification which averages approximately 64 process days over and above the typical PDM aircraft. The F-15 production effort here continues to show a reduction in process days. Aircraft process days in the C-141 area showed an increase in 4th Qtr FY94 due to a parts supportability problem for the lower wing panel replacement on one particular aircraft. This as well as inside facility constraints caused delays in the PDM area as well. Decreasing unprogrammed C-141 aircraft inputs will also help to concentrate resources in critical areas. Additional work package requirements added by our customers caused the C-130 production area to increase its process days. There are improvement initiatives in C-130 production, like the purchase of a wiring analyzer to check flowdays. The devastating flood which occurred at the beginning of the 4th Qtr provided an opportunity of service to surrounding communities; however, it had an adverse impact on operations. This can be seen in the area of Operating Expense which exceeded Throughput. Wr-ALC would have experienced a higher Throughput for 4th Qtr if not for the flood which brought about a $6.3M loss of revenue. Even so, Throughput has managed to increase slightly for 3rd to 4th Qtr. This resulted in a positive effect on Capital Investment Effectiveness. NOR remains above the index because of end-of-year adjustments to labor material. Despite all turmoil of the flood and the challenge of downsizing, Team Robins is continuing to strive for continuous improvement.

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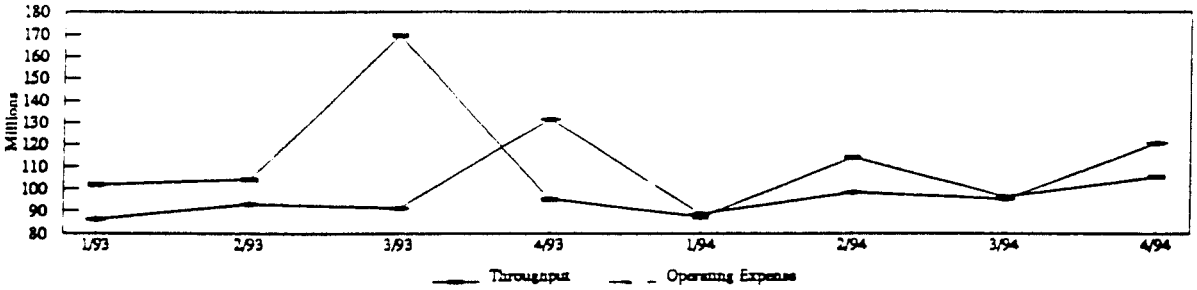
THROUGHPUT & OPERATING EXPENSE

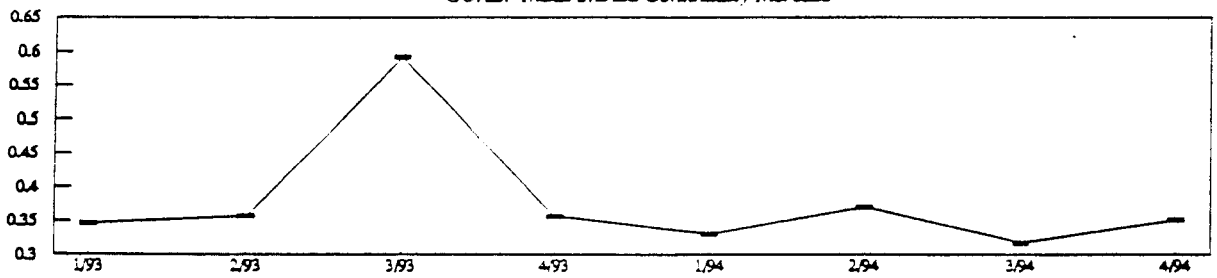
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



$13M in unallocated direct material expenses were captured as production overhead in 4th Qtr FY94. This overstated both Throughput and Operating Expenses by this amount. Additionally, $12M in expenses were captured in the last quarter (versus throughout the first 3 quarters), further overstating 4th Qtr FY94 Operating Expenses. Major drivers were labor acceleration factor ($8M), hazardous waste disposal ($1.3M), equipment/maintenance ($.6M), HQ & DFAS costs ($2.2M), and backorder cancellation ($.3M).

CAPITAL INVESTMENT EFFECTIVENESS

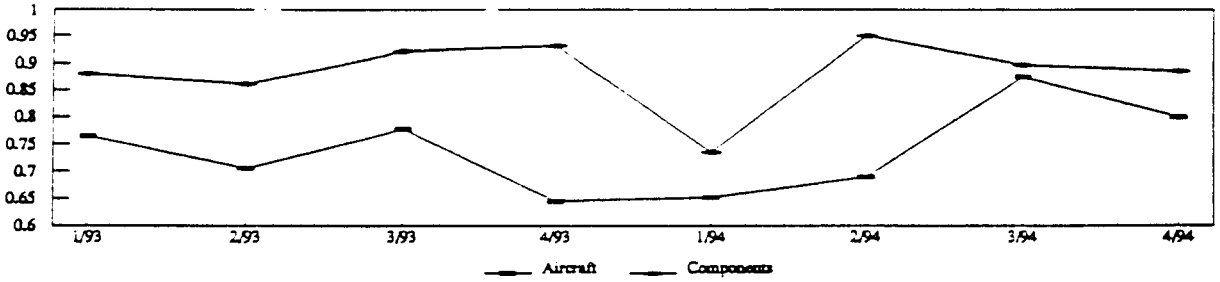
GOAL: Index Should Continually Increase



Long term inventory continues a steady decline due to increased focus on capacity utilization. Throughput has increased over 3rd Qtr FY93 because of accelerated end-of-year sales.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



As with process days, parts supportability problems with the C-141 wing panel replacement have resulted in aircraft not making their scheduled completion dates. Facility constraints are also a major factor particularly when panel replacements are unscheduled. C-130 had one late aircraft in 3rd Qtr FY94. This aircraft was the first to receive a PDM in conjunction with the Special Operations Forces Improvement and Night Vision Imaging System. F-15s were at 93% for 3rd Qtr FY94 and 100% for the 4th Qtr.

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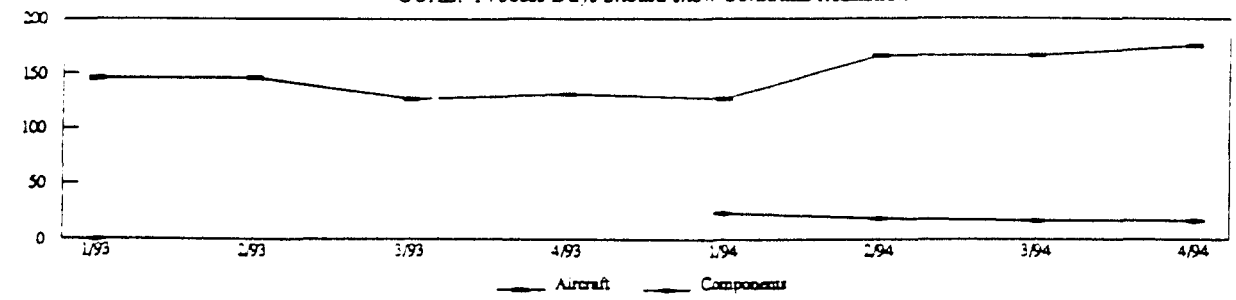
PROCESS DAYS

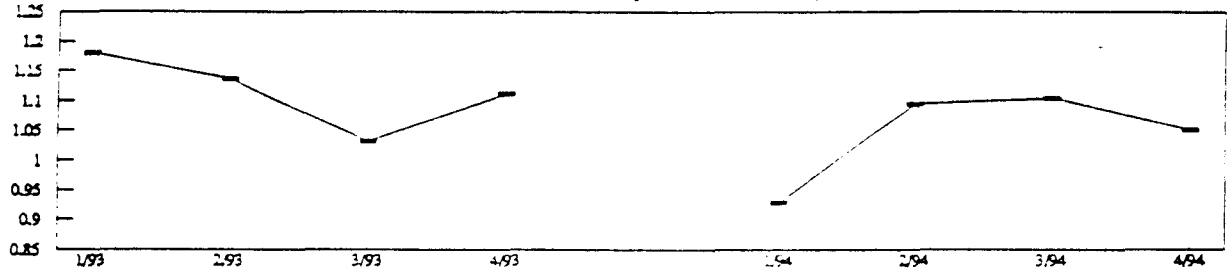
GOAL: Process Days Should show Continual Reduction



C-130 flow days increased due to additional work requirements added to the aircraft by the customer after the aircraft was put in work. C-141 flow days increased in 4th Qtr FY94 due to one aircraft which spent 183 days in storage awaiting parts for lower wing panel replacement. C-141 flow days would be 18 less, excluding this aircraft. F-15 flow days (PDM, PDM/MSIP, ACI) remained constant throughout the year.

NET OPERATING RESULTS

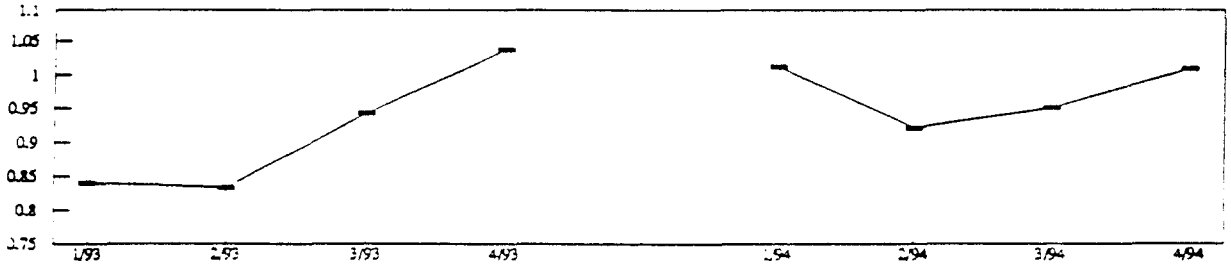
GOAL: Actual NOR/Budgeted NOR should equal 1.00



NOR is above the 1.0 goal due to efforts to reduce overhead costs which were $11.5M less than planned for 4th Qtr FY94. This is the result of lowered expenses in utilities ($1.1M), depreciation ($4.4M), and JLSC ($6.0M).

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Normal trend is for end-of-year cost to be higher due to end-of-year accounting adjustments in labor and material. Adjustments typically include posting actual expenses versus estimated expenses and capturing any unallocated expenses before the end of the year.

WARNER ROBINS AIR LOGISTICS CENTER

Quarter Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	120,016,000	118,443,000	224,659,000	132,683,000	127,708,000	163,946,000	140,619,000	151,838,000
Total Cost ($)	104,296,000	107,109,000	146,352,000	168,816,000	129,196,000	148,223,000	139,506,000	166,818,000
Direct Materials ($)	18,127,000	13,982,000	55,132,000	37,302,000	40,509,000	49,793,000	44,125,000	46,108,000
Throughput ($)	101,889,000	104,461,000	169,527,000	95,381,000	87,199,000	114,153,000	96,494,000	105,730,000
Operating Expense ($)	86,169,000	93,127,000	91,220,000	131,514,000	88,687,000	98,430,000	95,381,000	120,710,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	101,889,000	104,461,000	169,527,000	95,381,000	87,199,000	114,153,000	96,494,000	105,730,000
Longterm Inventory ($)	294,130,000	292,109,000	286,146,000	267,119,000	263,830,000	307,216,000	304,157,000	300,929,000
INDEX	0.35	0.36	0.59	0.36	0.33	0.37	0.32	0.35

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	34	34	36	31	23	29	24	35
Aircraft Completed	26	24	28	20	15	20	21	28
INDEX	0.76	0.71	0.78	0.65	0.65	0.69	0.88	0.80
Components Scheduled	27,116	26,126	25,650	25,846	30,220,000	31,389,000	26,031	22,747
Components Completed	23,856	22,498	24,564	24,076	22,225,000	29,814,000	23,363	20,148
INDEX	0.88	0.86	0.92	0.93	0.74	0.95	0.90	0.89

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days								
Number of Items								
AVG PROCESS DAYS	146.00	146.00	127.00	131.00	127.00	166.00	166.00	175.00
Components Process Days								
Number of Items								
AVG PROCESS DAYS					24.00	19.00	17.00	17.00

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	115,562,000	244,490,000	378,739,000	510,124,000	127,702,000	289,398,000	433,209,000	575,642,000
Cum Budg Cost ($)	118,477,000	246,185,000	378,052,000	501,699,000	119,964,000	301,309,000	452,038,000	605,673,000
Budgeted NOR INDEX	0.98	0.99	1.00	1.02	1.06	0.96	0.96	0.95
Cum Actual Revenue ($)	120,015,000	238,459,000	369,707,000	595,800,000	127,708,000	291,653,000	432,471,000	582,910,000
Cum Actual Cost ($)	104,296,000	211,405,000	357,757,000	526,573,000	129,196,000	277,418,000	408,458,000	583,362,000
Actual NOR INDEX	1.15	1.13	1.03	1.13	0.99	1.05	1.06	1.00
NOR INDEX	1.18	1.14	1.03	1.11	0.93	1.09	1.10	1.05

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	120386000	245015000	369707000	494646000	129186000	300894000	451623000	605258000
Budgeted Total DLH	1776000	3610000	5510000	7402000	1867000	3853000	5687000	7888000
Bud Labor Hour Cost	$67.78	$67.87	$67.10	$66.83	$69.19	$78.09	$76.72	$76.73
Total Actual Cost ($)	104296000	211405000	357757000	526573000	129196000	277418000	416926000	583743000
Actual Total DLH	1832000	3737000	5655000	7595000	1844000	3854000	5713000	7533000
Actual Labor Hour Cost	$56.93	$56.57	$63.26	$69.33	$70.06	$71.96	$72.98	$77.49
Labor Hour Cost INDEX	0.84	0.83	0.94	1.04	1.01	0.92	0.95	1.01

John Evans
DBOF
697-2191

DEPOT MAINTENANCE OPERATIONS INDICATORS REPORT

1st Quarter FY93 Through 4th Quarter FY94

FOREWORD

This report presents joint Service and DLA organic maintenance depot performance data reflected in the Depot Maintenance Operational Indicators System (DMOIS). It is the result of an evolutionary process of developing and enhancing depot performance indicator data.

The latest stage in this process began in early 1992, when the Joint Policy Coordinating Group on Depot Maintenance (JPCG-DM) directed the Joint Performance Measurement Group (JPMG) to develop indicators relating to the Theory of Constraints. At that time, there was a view among the Services that the existing Performance Measurement System Report had achieved commonality, but lacked comparability. As a result, the JPCG-DM directed the JPMG to look at other measures. The JPMG reviewed several sources for measurements including Competitive Edges, the Theory of Constraints, and the measures required by the Chief Financial Officers Act. The DMOIS Report is the result of the effort to revise the DMPMS. The JPMG is also developing additional indicators for quality and inventory.

The joint effort to identify and report depot performance data was first begun in response to a 1990 tasking by the Defense Depot Maintenance Council (DDMC). The DDMC commissioned a Performance Measurement Task Force whose report of 26 November 1990 recommended establishment of a Depot Maintenance Performance Measurement System (DMPMS). Subsequently, the JPCG-DM established the Joint Performance Measurement Group (JPMG) to implement and maintain the DMPMS.

The DMOIS reports are published semi-annually. The data presented covers two fiscal years by quarter, current fiscal year and past fiscal year. Since the first submission of the fiscal year is a mid-year submission (1st and 2nd quarters), there are six quarters of data displayed. The last submission for the fiscal year (3rd and 4th quarters) will display eight quarters of data.

The JPMG will continue to review and enhance the DMOIS to ensure that its indicators provide significant management information.

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INTRODUCTION

1.1 Description of the Key Areas and Their Indicators

The Depot Maintenance Operations Indicators System (DMOIS) Report is comprised of three key areas: Theory of Constraints, Timeliness, and Financial. Each key area has one or more indicators that are described below. The formulas employed by each Service and DLA in computing the indicators are documented in the DMOIS Handbook.

1.1.1 Theory of Constraints Indicators

The Theory of Constraints (TOC) represents a philosophy of global system improvement designed to assist organizations in achieving their goals The TOC indicators are:

a. Throughput. Throughput is defined as the rate at which the system generates money through sales. The formula used to determine Throughput is revenue minus direct material. Revenue is defined as the realized result from the sale of a product or service. Direct material is defined as the material specifically required for the performance of depot maintenance as specified by a work authorization document. Throughput and Operating Expense are displayed on the same chart.

b. Operating Expense. Operating Expense is defined as all the money the system spends in turning inventory into Throughput. The formula used to determine Operating Expense is total actual cost minus direct material. Total actual cost is defined as amounts determined on the basis of costs incurred as distinguished from forecasted costs. Operating Expense and Throughput are displayed on the same chart.

c. Capital Investment Effectiveness. Capital Investment Effectiveness is the ratio of throughput to long term inventory. Long term inventory is defined as the total depreciated value of all capital assets (equipment, buildings, software), excluding land and fixed assets not in use, owned by the depot maintenance activity.

1.1.2 Timeliness

Timeliness Indicators provide information regarding a depot's ability to complete the workload in the agreed upon time. The timeliness indicators are:

a. Schedule Indicator. The Schedule Indicator is a ratio of the units completed on time to the units scheduled. Schedule is defined as the most current schedule for completion of planned or programmed work. Completion is defined as the date when a product is physically completed. On time is defined as completing the workload at the time promised. The Schedule Indicator is reported only by NAVAIR, Air Force and DLA.

b. Process Days. Process Days is calculated as an average for varying commodities. The formula used to calculate Process Days (except by NAVSEA) is the number of days (date completed minus date inducted) divided by the number of items. The formula used by NAVSEA to compute Process Days is scheduled flow days divided by actual flow days.

1.1.3 Financial Indicators

Financial indicators provide information about a depot's ability to manage to its budget. The financial indicators are:

a. Net Operating Results. Net Operating Results are calculated and displayed as two separate indexes, cumulative budgeted and cumulative actual. The cumulative budgeted is a ratio of the cumulative budgeted revenue to the cumulative budgeted cost. The cumulative actual is a ratio of the cumulative actual revenue to the cumulative actual cost.

b. Labor Hour Cost. Labor Hour Cost is a ratio of budgeted labor hour cost to actual labor hour cost. Budgeted labor hour cost is calculated as the total budgeted cost divided by the budgeted total direct labor hours. Actual labor hour cost is calculated as the total actual cost divided by the actual total direct labor hours.

2.1 Structure of the Report

This report portrays data for each Service, or Service Activity Group, and DLA. The depots are presented alphabetically within each Service and DLA grouping. The report presents the Service and DLA data in the following order:

Army
Naval Air Systems Command (NAVAIR)
Naval Sea Systems Command (NAVSEA) Shipyards
Air Force
Marine Corps
Defense Logistics Agency.

The operations indicators for each depot are in the following order for each reporting depot:

Throughput & Operating Expense
Capital Investment Effectiveness
Schedule Indicator
Process Days
Net Operating Results
Labor Hour Cost

2.2 Data Portrayal

For each depot, an introductory page provides supplementary data and an executive summary. The supplementary data includes: depot name, depot location, major workload, personnel levels, and current year budget. The following two pages for each depot reflect a graphic portrayal of all the indicators for that depot with analyses, when appropriate. The fourth page shows the data, the formula for each indicator, and the goal for that indicator.

The data presented covers two fiscal years by quarter, current fiscal year and past fiscal year. Since the first submission of the fiscal year is a mid year submission (1st and 2nd quarters), there are six quarters of data displayed. The last submission for the fiscal year (3rd and 4th quarters) will display eight quarters of data.

3.1 Reporting Activities

The depot maintenance activities that will report to the DMOIS are noted in Appendix A of this report. Depots that the Defense Base Closure and Realignment Commission have voted to close are not required to report.

4.1 Points of Contact

Any inquiries regarding data presented in this report should be referred to the respective Service or DLA representative to the JPMG. These individuals are identified in Appendix B.

5.1 Glossary

A glossary of acronyms used in this report is provided in Appendix C.

AIR FORCE AIR LOGISTICS CENTERS AND SPECIALIZED CENTERS

AEROSPACE GUIDANCE AND METROLOGY CENTER
NEWARK AFB, OH

MAJOR WORKLOAD ACCOMPLISHED:

Minuteman III MGS	Peacekeeper MGCS	B-1B INU	F-15 IMU	F-16 INU
F-117 IMU	KC-135 INU	PADs IMU	DMINS IMU	TMDE
Carousel IMU	SPN-GEANS IMU	ESGN IMU	Displacement Gyro	

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	828
Military:	5

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

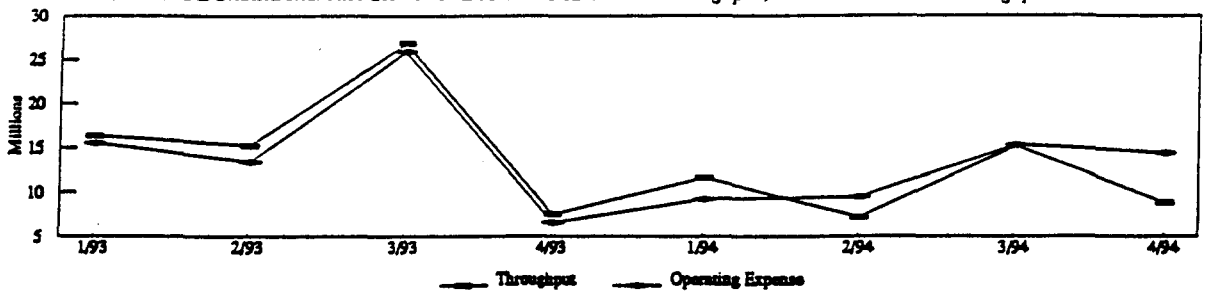
$81,600,000

Aerospace Guidance and Metrology Center 3rd and 4th quarter operations indicators were adversely affected by higher than anticipated Reparable Support Division (RSD) material costs and a planned FY94 budgeted loss of $7.5 million. Our Direct Product Labor Hours (DPAH) were also less than budgeted due to decreased customer requirements in the following workloads: LN-39, Carousel, CN1375, 7901A, PADS, and software development. These three factors have reduced our revenue, increased total cost, affected our schedule indicator and increased our labor hour costs.

AEROSPACE GUIDANCE AND METROLOGY CENTER

THROUGHPUT & OPERATING EXPENSE

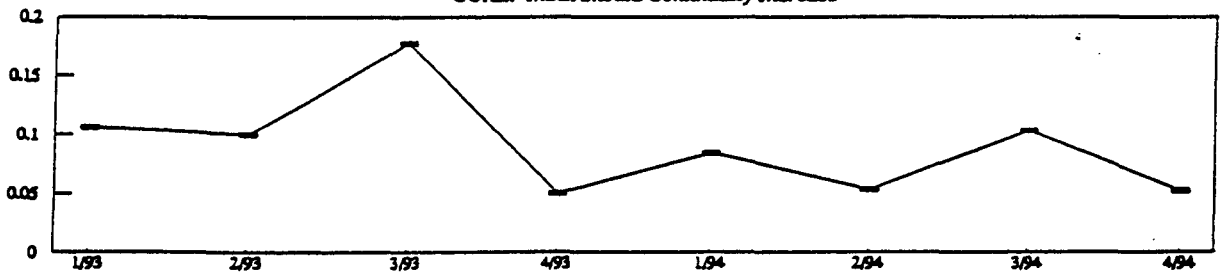
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



A decrease in 3rd & 4th quarter customer requirements, causing reduced revenue, coupled with increased material and RSD charges has resulted in decreased throughput and an increase in our operating expenses.

CAPITAL INVESTMENT EFFECTIVENESS

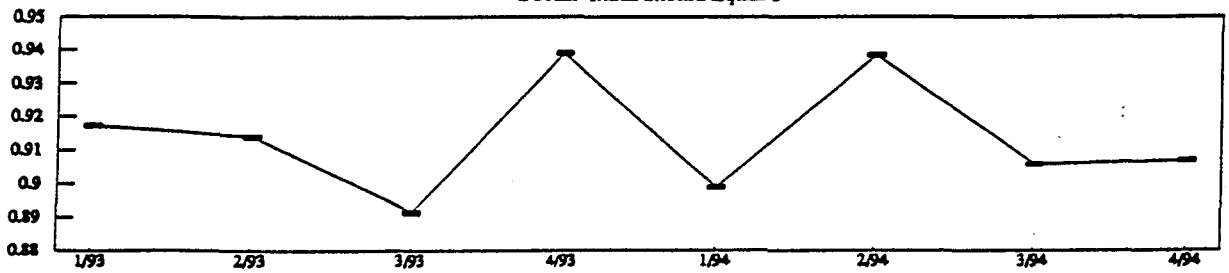
GOAL: Index Should Continually Increase



An increase of $20 million in funded/unfunded equipment has increased our long term inventory value. This increase was driven by the purchase of 11 Automatic Depot Inertial Navigation Test Stations (ADINTS) in support of the B-1B, F-16, and Advanced Cruise Missile (ACM) workloads. The reduction in throughput and this increase in long term inventory value has resulted in a decrease in our capital investment effectiveness.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

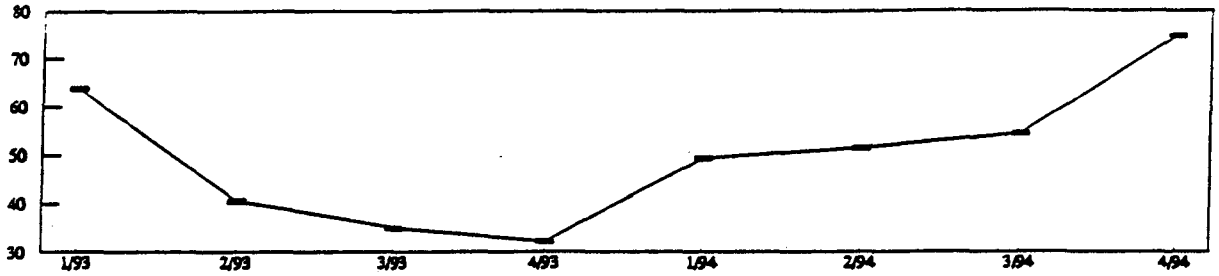


The main driver for our 3rd quarter schedule indicator was a result of a late start of our new Ring Laser Gyro workload. The 4th quarter schedule indicator was caused by the lack of parts used in the repair of our Carousel module workload.

AEROSPACE GUIDANCE AND METROLOGY CENTER

PROCESS DAYS

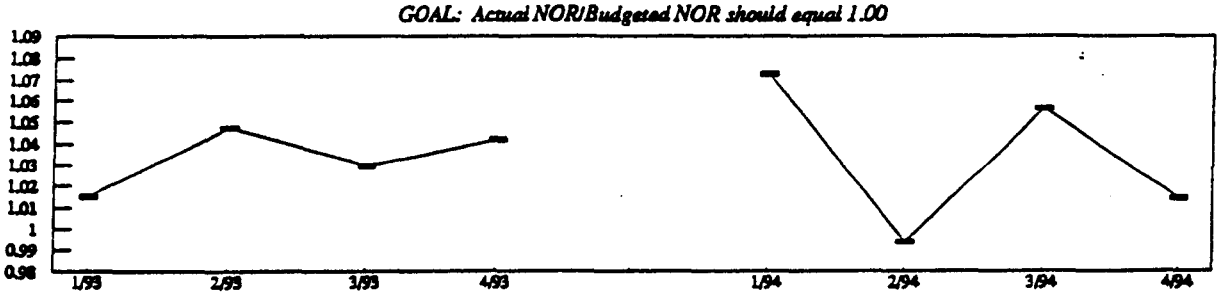
GOAL: Process Days Should show Continual Reduction



AGMC uses 7 workloads as "pacing items" (3 IMU/INU, 2 Gyro, 1 Velocity Meter and the Minuteman III Missile Guidance Set). Two of our pacing workloads, 7901 Gyro and Carousel IMU, had significantly longer turn around times. These two workloads produced units with longer than average time awaiting parts. These units coupled with reduced receipts increased our overall process days indicator.

NET OPERATING RESULTS

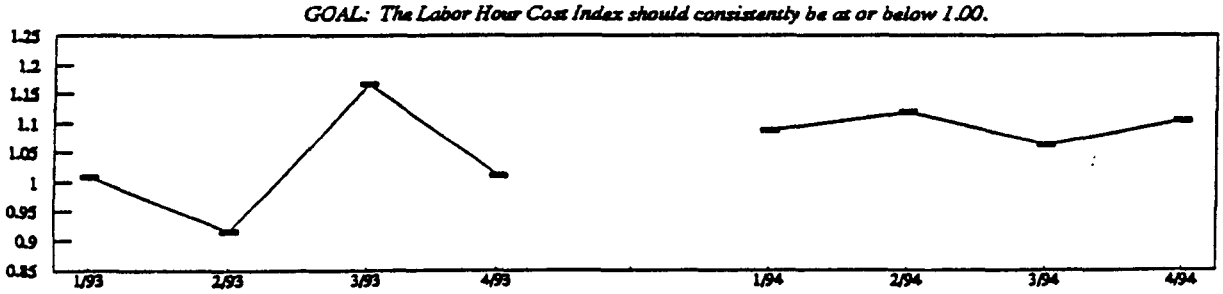
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The FY94 2nd quarter actual costs were higher as a result of an erroneous RSD charge of $1.3 million for 20 Fuel Saver computers. This error was corrected in the 3rd quarter, causing our cumulative actual cost to be artificially higher in the 2nd quarter and lower in the 3rd quarter.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Reduced customer requirements in the following workloads have caused a decrease in our total direct labor hours: LN-39, Carousel, CN 1375 Gyro, 7901A Gyro, PADS and software development. These 6 workloads account for 107 thousand production hours that were budgeted but did not generate.

AEROSPACE GUIDANCE AND METROLOGY CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	20,300,000	19,800,000	32,200,000	10,000,000	19,506,000	18,381,000	18,735,000	16,244,000
Total Cost ($)	19,466,000	17,929,000	31,255,000	9,054,000	17,122,000	20,675,000	18,859,000	21,789,000
Direct Materials ($)	3,957,000	4,575,000	5,333,000	2,485,000	7,888,000	11,196,000	3,584,000	7,447,000
Throughput ($)	16,343,000	15,225,000	26,867,000	7,515,000	11,618,000	7,185,000	15,151,000	8,797,000
Operating Expense ($)	15,509,000	13,354,000	25,922,000	6,569,000	9,234,000	9,479,000	10,275,000	14,342,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	16,343,000	15,225,000	26,867,000	7,515,000	11,618,000	7,185,000	15,151,000	8,797,000
Longterm Inventory ($)	153,627,378	152,125,269	151,005,859	147,948,833	137,182,208	133,719,085	146,014,132	166,225,597
INDEX	0.11	0.10	0.18	0.05	0.08	0.05	0.10	0.05

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Components Scheduled	3,379	2,941	2,855	2,995	2,985	2,903	2,938	2,680
Components Completed	3,099	2,688	2,545	2,812	2,684	2,724	2,662	2,431
INDEX	0.92	0.91	0.89	0.94	0.90	0.94	0.91	0.91

PROCESS DAYS

DATE INDUCTED - DATE COMPLETED = PROCESS DAYS

Components Process Days	57,895	33,371	29,210	31,109	51,010	53,913	54,557	48,266
Number of Items	907	824	833	966	1,034	1,048	1,004	645
AVG PROCESS DAYS	63.83	40.50	35.07	32.20	49.33	51.44	54.34	74.83

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	20,678,000	45,381,000	70,655,000	95,217,000	19,569,000	40,779,000	61,423,000	81,754,000
Cum Budg Cost ($)	20,091,000	44,372,000	69,082,000	93,717,000	18,432,000	40,437,000	64,916,000	89,283,000
Budgeted NOR INDEX	1.03	1.02	1.02	1.02	1.06	1.01	0.95	0.92
Cum Actual Revenue ($)	20,339,000	40,059,000	72,288,000	82,272,000	19,506,000	37,887,000	56,622,000	72,866,000
Cum Actual Cost ($)	19,466,000	37,395,000	68,650,000	77,704,000	17,122,000	37,797,000	56,656,000	78,445,000
Actual NOR INDEX	1.04	1.07	1.05	1.06	1.14	1.00	1.00	0.93
NOR INDEX	1.02	1.05	1.03	1.04	1.07	0.99	1.06	1.01

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	20,091,000	44,372,000	69,082,000	93,717,000	18,432,000	40,437,000	64,916,000	89,283,000
Budgeted Total DLH	279,802	573,612	873,642	1,165,012	241,126	505,517	765,146	1,019,722
Bud Labor Hour Cost	$71.80	$77.36	$79.07	$80.44	$76.44	$79.99	$84.84	$87.56
Total Actual Cost ($)	19,466,000	37,395,000	68,650,000	77,704,000	17,122,000	37,797,000	56,656,000	78,445,000
Actual Total DLH	268,532	527,816	744,189	954,954	205,779	422,747	628,270	811,675
Actual Labor Hour Cost	$72.49	$70.85	$92.25	$81.37	$83.21	$89.41	$90.18	$96.65
Labor Hour Cost INDEX	1.01	0.92	1.17	1.01	1.09	1.12	1.06	1.10

AEROSPACE MAINT AND REGENERATION CENTER
DAVIS-MONTHAN AFB, AZ

MAJOR WORKLOAD ACCOMPLISHED:

Prepare A/C for long/short term storage, represerve A/C in storage and maintain A/C in storage. Withdraw A/C from storage and prepare them for flyaway. Remove parts and assemblies from stored aircraft and cover overland deliveries. Deliver A/C to museums and transport of A/C to gunnery/bombing ranges. EPA clean-up on static display A/C and miscellaneous special projects. Also elimination site for B-52's under terms of Strategic Arms Reduction Treaty.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	576
Military:	

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$41,355,000

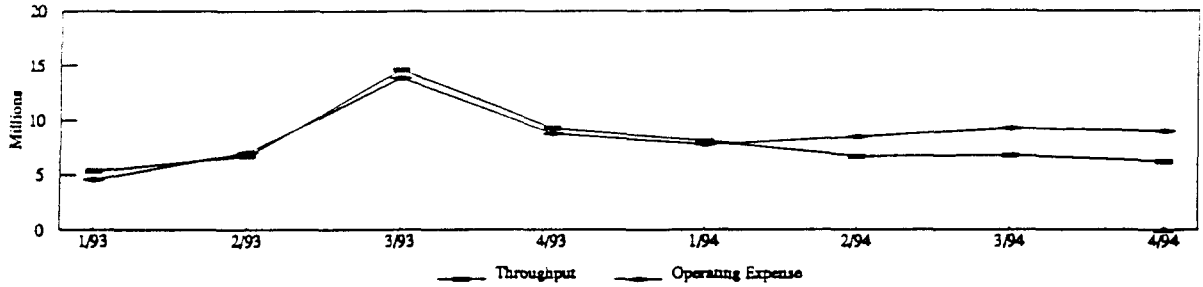
AMARC is a service organization that provides for storage, regeneration and disposal of aircraft and related aerospace items as well as selected non-aero-space, out-sized and specialized items. Encompassing 2,600 acres, AMARC currently has more than 4,950 aircraft in storage with an acquisition value of nearly $15.9B. Related aerospace items in storage include production tooling, engines, pylons, pylon load adapters and airframe components. In FY94, AMARC received 735 aircraft valued at $4B. In addition, nearly 3,000 line items of tooling were added to the inventory. In FY94, AMARC returned 197 aircraft and 28,612 parts and components valued at $994M. With an operating budget of $49M, this equates to a return of $20 in goods and services for every dollar spent. AMARC eliminated 57% of the 350 B-52 heavy bombers in accordance with the Strategic Arms Reduction Treaty and manages over 104,000 line items of aircraft production tooling, including equipment from the B-1, C-141 and A-10 production lines.

Performance of the indicators was affected by a requirement to meet a programmed loss of $7.7M for FY94, a change in the method of depreciation occurring in the 2nd and 3rd Qtr of FY93, the completion of the F-106 Full Scale Aerial Target Program, construction to primary facilities involved in the process-in activity and non-materialization of the jet engine intermediate maintenance (JEIM) workload.

AEROSPACE MAINT AND REGENERATION CENTER

THROUGHPUT & OPERATING EXPENSE

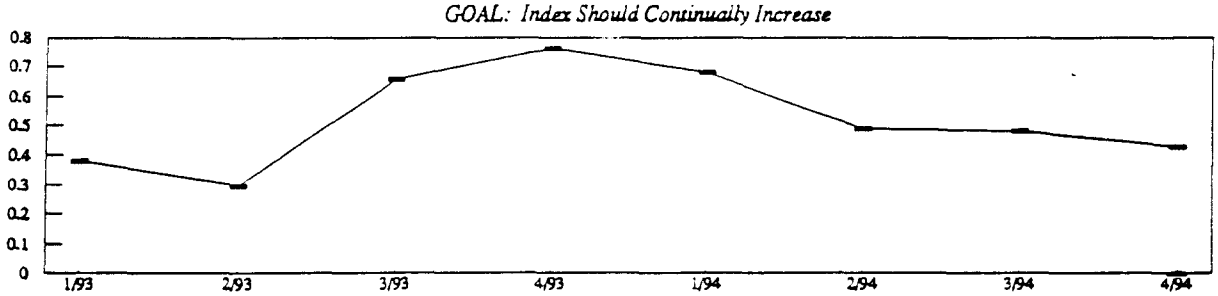
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Headquarters requirement mandating a $7.7M loss for FY94 and a reduction in revenue generated from existing project workloads caused expenses to be greater than throughput.

CAPITAL INVESTMENT EFFECTIVENESS

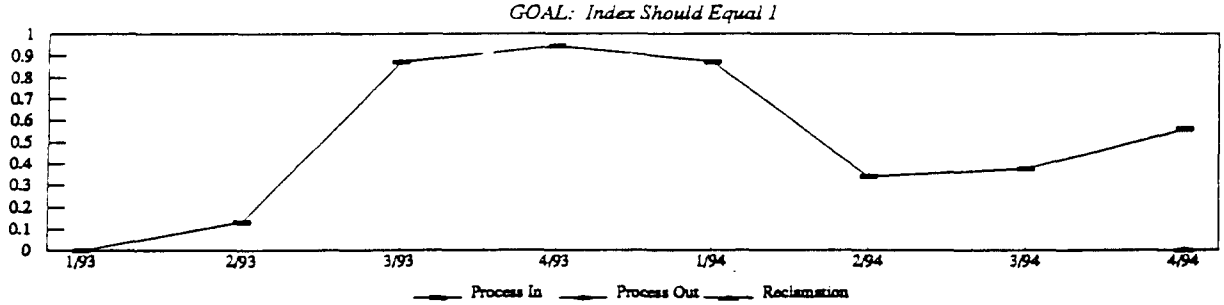
GOAL: Index Should Continually Increase



Downward movement resulted from audit finding leading to adjustments in depreciation accounts and inventory build-up in preparation for the F-4 drone program.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

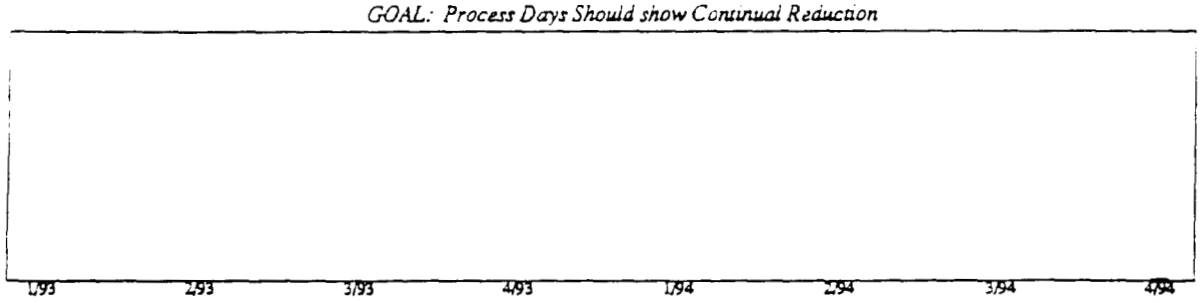


OUT: 1st half FY94 downturn due to end of F106 program & increase in parts and manhour requirements from earlier priority demands. 2nd half upturn due to end of F106 program and improvement in workload preplanning activity. OUT: FY94 trend impacted by large number of F16s needing det. cord removal. Small upturn result of A/C undergoing minimum preservation in per designated requirements. RECLAMATION: Procedures used to establish delivery date under 29% increase in demand for prioroty removal items led

AEROSPACE MAINT AND REGENERATION CENTER

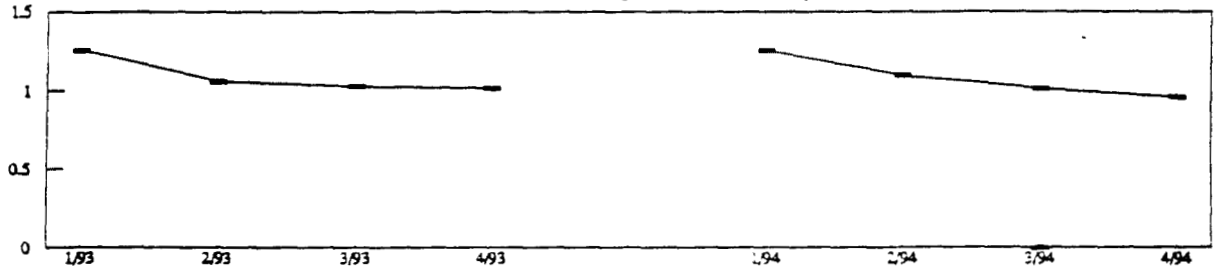
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



NET OPERATING RESULTS

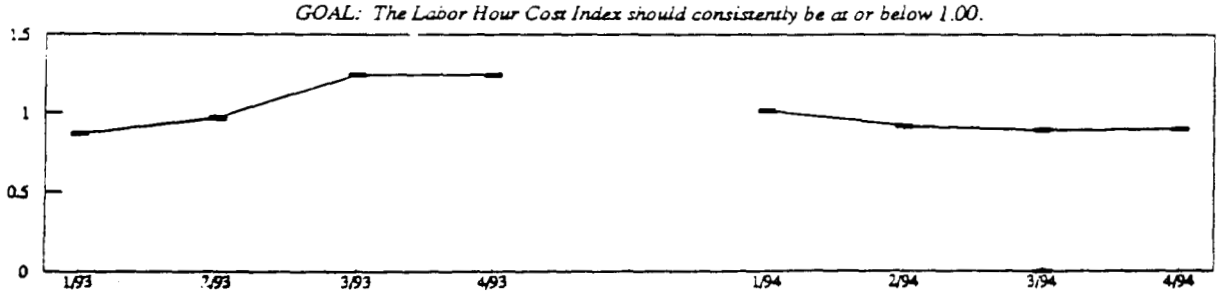
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Experience with prior drone programs contributed to AMARC's ability to more accurately forecast drone program costs.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Donor aircraft were identified to supply parts/components for drone program aircraft. thereby reducing RSD costs to the customer. Better resource utilization among AMARC's processes lowered costs.

AEROSPACE MAINT AND REGENERATION CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	8,065,290	8,771,277	17,392,903	12,076,475	11,186,659	7,756,327	7,251,886	8,128,640
Total Cost ($)	7,304,171	9,122,414	16,613,840	11,578,115	10,842,390	9,578,398	9,764,927	10,927,247
Direct Materials ($)	2,707,077	2,107,650	2,795,750	2,847,166	3,136,783	1,174,951	539,444	1,967,852
Throughput ($)	5,358,213	6,663,627	14,597,153	9,229,309	8,049,876	6,581,376	6,712,442	6,160,788
Operating Expense ($)	4,597,094	7,014,764	13,818,090	8,730,949	7,705,607	8,403,447	9,225,483	8,959,395

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	5,358,213	6,663,627	14,597,153	9,229,309	8,049,876	6,581,376	6,712,442	6,160,788
Longterm Inventory ($)	14,069,828	22,428,755	22,235,538	12,114,825	11,879,928	13,511,504	13,989,677	14,520,569
INDEX	0.38	0.30	0.66	0.76	0.68	0.49	0.48	0.42

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Process In Scheduled	103	45	78	208	93	85	95	75
Process In Completed	0	6	68	196	81	29	36	42
INDEX	0.00	0.13	0.87	0.94	0.87	0.34	0.38	0.56
Process Out Scheduled	13	20	29	22	16	16	15	6
Process Out Completed	10	13	26	20	6	6	7	6
INDEX	0.77	0.65	0.90	0.91	0.38	0.38	0.47	1.00
Reclamation Scheduled	903	906	865	758	847	772	1164	1577
Reclamation Completed	872	897	857	752	841	753	1093	1385
INDEX	0.97	0.99	0.99	0.99	0.99	0.98	0.94	0.88

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	7,672,000	16,843,000	26,295,000	35,702,000	10,050,000	19,860,000	30,523,000	41,355,000
Cum Budg Cost ($)	8,719,000	17,423,000	26,110,000	35,017,000	11,509,000	23,445,000	35,632,000	48,145,000
Budgeted NOR INDEX	0.88	0.97	1.01	1.02	0.87	0.85	0.86	0.86
Cum Actual Revenue ($)	8,065,290	16,836,567	34,229,470	46,305,945	11,866,659	18,942,590	26,194,872	34,323,512
Cum Actual Cost ($)	7,304,171	16,425,585	33,040,425	44,618,540	10,842,390	20,420,788	30,185,715	41,675,866
Actual NOR INDEX	1.10	1.03	1.04	1.04	1.09	0.93	0.87	0.82
NOR INDEX	1.25	1.06	1.03	1.02	1.25	1.10	1.01	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	8,719,000	17,423,000	26,110,000	35,017,000	11,509,000	23,445,000	35,632,000	48,145,000
Budgeted Total DLH	154,550	312,821	470,687	628,309	160,778	321,348	491,006	662,792
Bud Labor Hour Cost	$56.42	$55.70	$55.47	$55.73	$71.58	$72.96	$72.57	$72.64
Total Actual Cost ($)	7,304,171	16,425,585	33,040,425	44,618,540	10,842,390	20,420,788	30,185,715	41,112,962
Actual Total DLH	148,291	304,328	477,494	640,995	149,750	307,696	470,764	635,085
Actual Labor Hour Cost	$49.26	$53.97	$69.20	$69.61	$72.40	$66.37	$64.12	$64.74
Labor Hour Cost INDEX	0.87	0.97	1.25	1.25	1.01	0.91	0.88	0.89

OGDEN AIR LOGISTICS CENTER
HILL AFB, UT

MAJOR WORKLOAD ACCOMPLISHED:

F/RF-4 Phantom, F-16 Fighting Falcon, LGM-30 Minuteman Missile, LGM-118A Peacekeeper Missile, GBU-15 Laser Guided Bomb, Simulators/Training Devices, AGM-65 Maverick Missile, Cruise Missiles, Landing Gear, Wheels & Brakes, Air Munitions, Explosives, Photonics, Aircraft Instruments, and Aircraft Guns.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	4765
Military:	278

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

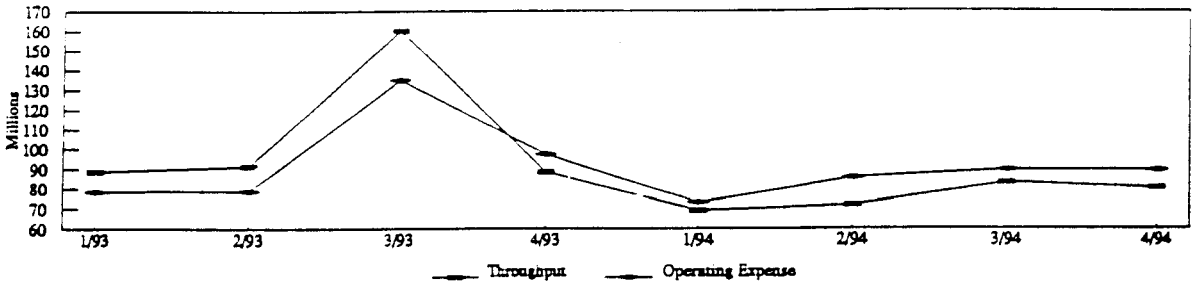
$417,116,000

There are at least four items of interest that have had a significant impact on the performance of these indicators. During the 1st Qtr FY93, DMRD 904 became effective, which required the costs of Reparable Support Division (RSD) material be added to the data systems that track production costs and revenue. RSD material is used to repair an item that belongs to an organization other than the depot (such as Air Combat Command). The costs associated with this material are then considered in the profit and loss aspect of depot performance, which makes those costs more accurate when considering the total cost of doing business. When the data systems were reprogrammed to address RSD material, the systems did not consistently recognize the costs in the debit and credit accounting format. Most of these problems have been resolved; there are a few, however, which are being dealt with on a case by case basis. The second item was a change in the accounting procedures called "Revenue Recognition." In the past some of the costs and most of the revenues were counted in the data system once the end product was completed. Under revenue recognition, costs and revenues are counted as the product moves through the WIP phase. This new procedure became effective during the 3rd Qtr FY93, at which time costs and revenues accumulated to date for those items in the WIP were added to the system in a "lump sum" entry. This caused the costs to be artifically high for the Qtr. Both of these items will have a short term impact on these performance measures. The third item is anticipated workload did not materialize as planned. Fourth, materials for the F/A-18 workload were not available in a timely manner causing the schedule and flowdays indicators for aircraft to show an undesirable trend.

OGDEN AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

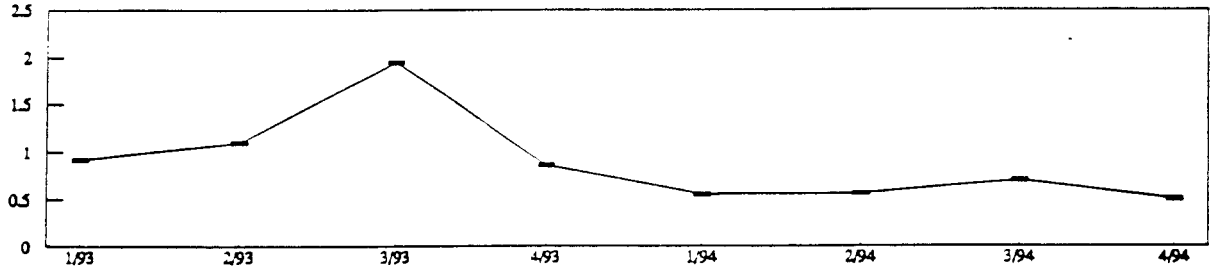
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



At the beginning of FY93, data system problems resulted from the implementation of DMRD 904. The data system was prevented from recognizing all of the costs and revenues accumulated during the Qtr. The large increase in total cost and revenue during 3rd Qtr FY93 was due to the change in revenue recognition. T has been lower than OE since 4th Qtr FY93 because workload has not materialized at the anticipated rate. In the 4th Qtr FY94, T was down because fewer hours were sold than in the previous quarter.

CAPITAL INVESTMENT EFFECTIVENESS

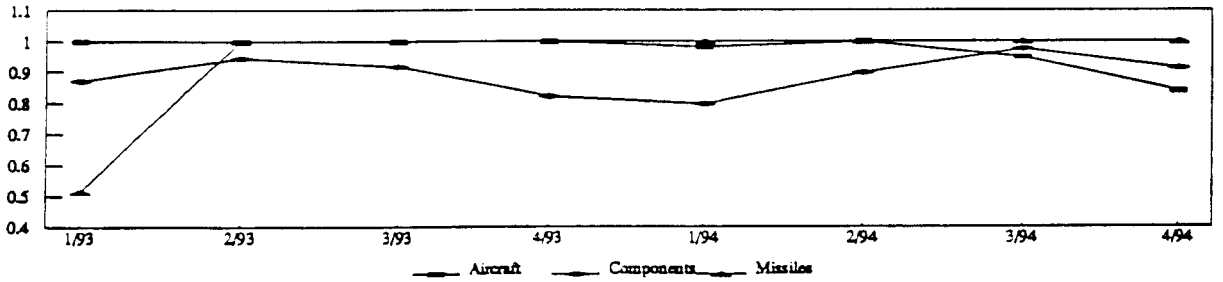
GOAL: Index Should Continually Increase



The inception of DMRD 904 resulted in data system problems that caused the system to show costs and sales to be lower than they actually were during 1st Qtr FY93. The accounting procedure change in revenue recognition (costs and sales) has caused throughput to be artificially high in 3rd Qtr FY93. The trend from 4th Qtr FY93 through 4th Qtr FY94 is the result of a "wall to wall" inventory of capital equipment as well as significant adjustments to the G017 System to correct programming problems.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

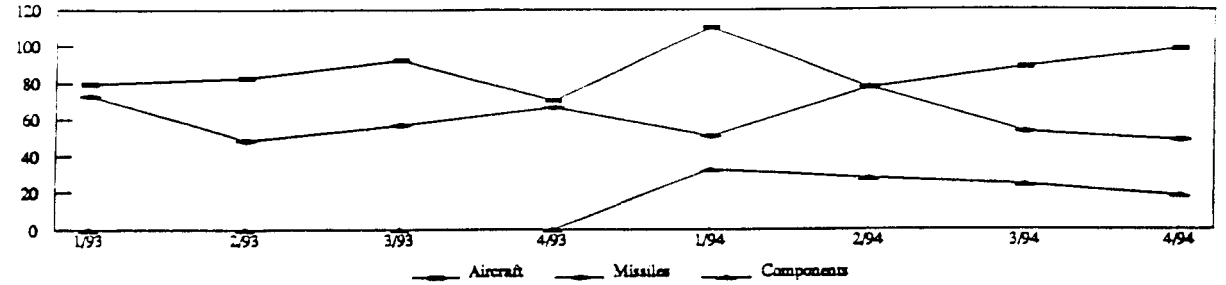


Components dropped during 4th Qtr FY93, 1st Qtr FY94 and 4th Qtr FY94 due to carryover of workload. Second Qtr FY94 data improved once these assets began to produce. This is an annual cycle due to the manner in which workload is inducted. Aircraft dropped during 3rd and 4th Qtr FY94 due to non-availibility of kit components and other aircraft material specifically related to the F/A-18 workload. F-16 aircraft were on time 100% for all of FY94, and C-130 aircraft were on time 96% for all of FY94.

OGDEN AIR LOGISTICS CENTER

PROCESS DAYS

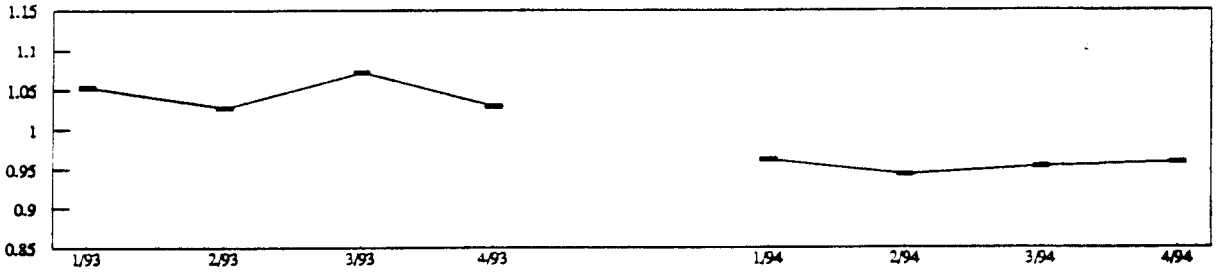
GOAL: Process Days Should show Continual Reduction



The component data represents the average number of process days per item of the 20 unique stock numbered items tracked. Changes to the sample population may be required to make this indicator as meaningful as possible. The increasing trend in aircraft flowdays during 2nd Qtr through 4th Qtr FY94 is due to an increase of modification work packages, contract workload, and parts/material problems associated with the F/A-18 aircraft.

NET OPERATING RESULTS

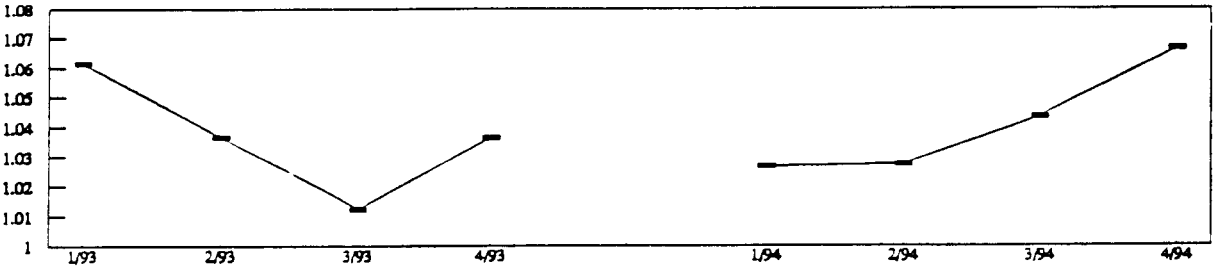
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The downward movement in NOR from 1st Qtr FY93 to 2nd Qtr FY94 was due to workload not materializing at the expected level. In 4th Qtr FY94 a loss occured in aircraft due to overhead and G&A costs being spread across a smaller workload base. Production hours in aircraft were 12% below target. Additional losses occurred in depreciation, RSD material and labor.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



LHC continues to be above 1.0 for several reasons. Large credits in RSD material were recognized in FY93, but the offsetting debits were recorded in FY94. There was little history when the RSD targets were being developed which hindered our budgeting accuracy. Other reasons for the trend in FY94 were: operational TDY continued to be higher than targeted due to unplanned FMS TDY, increased missile transportation by truck rather than by aircraft, a change in missile storage sites, and excess manpower.

OGDEN AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	94,469,584	118,478,007	173,399,132	102,308,869	89,526,439	89,689,031	102,929,530	102,154,277
Total Cost ($)	84,290,145	105,944,813	148,133,848	111,076,294	93,560,121	103,617,908	109,317,971	111,097,879
Direct Materials ($)	5,727,736	27,109,843	13,187,951	13,866,514	20,410,394	17,953,619	19,757,987	21,798,124
Throughput ($)	88,741,848	91,368,164	160,211,181	88,442,355	69,116,045	71,735,412	83,171,543	80,356,153
Operating Expense ($)	78,562,409	78,834,970	134,945,897	97,209,780	73,149,727	85,664,289	89,559,984	89,299,755

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	88,741,848	91,368,164	160,211,181	88,442,355	69,116,045	71,735,412	83,171,543	80,356,153
Longterm Inventory ($)	96,481,634	82,873,535	82,067,497	103,667,859	124,885,068	127,771,046	119,710,432	160,112,844
INDEX	0.92	1.10	1.95	0.85	0.55	0.56	0.69	0.50

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	86	84	74	66	55	65	78	74
Aircraft Completed	86	84	74	66	54	65	74	62
INDEX	1.00	1.00	1.00	1.00	0.98	1.00	0.95	0.84
Components Scheduled	20,845	20,650	19,967	23,524	22,432	19,902	18,678	17,177
Components Completed	18,153	19,523	18,293	19,292	17,873	17,855	18,243	15,665
INDEX	0.87	0.95	0.92	0.82	0.80	0.90	0.98	0.91
Missiles Scheduled	70	36	41	39	54	39	52	43
Missiles Completed	36	36	41	39	54	39	52	43
INDEX	0.51	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	6,837	6,955	6,823	4,620	6,050	5,018	6,897	6,286
Number of Items	86	84	74	66	55	65	78	64
AVG PROCESS DAYS	79.50	82.80	92.20	70.00	110.00	77.20	88.42	98.22
Missiles Process Days	2,621	1,746	2,324	2,582	2,737	3,019	2,742	2,087
Number of Items	36	36	41	39	54	39	52	43
AVG PROCESS DAYS	72.81	48.50	56.68	66.21	50.69	77.41	52.73	48.53
Components Process Days					3,658	1,882	481	503
Number of Items					112	68	20	28
AVG PROCESS DAYS					32.66	27.68	24.05	17.96

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	94,469,000	228,316,000	336,991,000	450,223,000	80,270,000	189,780,000	294,902,000	407,240,000
Cum Budg Cost ($)	88,785,000	209,724,000	316,290,000	426,665,000	80,662,000	196,913,000	305,419,000	424,153,000
Budgeted NOR INDEX	1.06	1.09	1.07	1.06	1.00	0.96	0.97	0.96
Cum Actual Revenue ($)	94,469,584	212,947,591	386,346,723	488,655,592	89,526,439	179,215,470	282,145,000	384,299,000
Cum Actual Cost ($)	84,290,145	190,234,958	338,368,806	449,445,100	93,560,121	197,178,029	306,496,000	417,594,000
Actual NOR INDEX	1.12	1.12	1.14	1.09	0.96	0.91	0.92	0.92
NOR INDEX	1.05	1.03	1.07	1.03	0.96	0.94	0.95	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	90175215	203138000	311596000	420453000	101466000	206047000	312865000	417116000
Budgeted Total DLH	1703164	3354717	5032074	6735238	1393723	2824704	4326000	5786350
Bud Labor Hour Cost	$52.95	$60.55	$61.92	$62.43	$72.80	$72.94	$72.32	$72.09
Total Actual Cost ($)	90175218	202190348	298836564	407467689	104447446	212470714	314991000	422144000
Actual Total DLH	1604374	3220679	4765986	6296586	1397284	2834744	4174000	5491000
Actual Labor Hour Cost	$56.21	$62.78	$62.70	$64.71	$74.75	$74.95	$75.47	$76.88
Labor Hour Cost INDEX	1.06	1.04	1.01	1.04	1.03	1.03	1.04	1.07

OKLAHOMA CITY AIR LOGISTICS CENTER
TINKER AFB, OK

MAJOR WORKLOAD ACCOMPLISHED:

Bombers (B-52 and B-1), tankers (KC-135), and other special purpose aircraft, (C/EC-135, E-3, and E-6), missile and aircraft engines, aircraft, engine, and exchangeable components (aircraft structural components, engine accessories, pneudraulics/hydraulics/pneumatics, oxygen/gas generating equipment, engine and flight instruments, unique avionics and software).

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6174
Military:	62

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$926,007,000

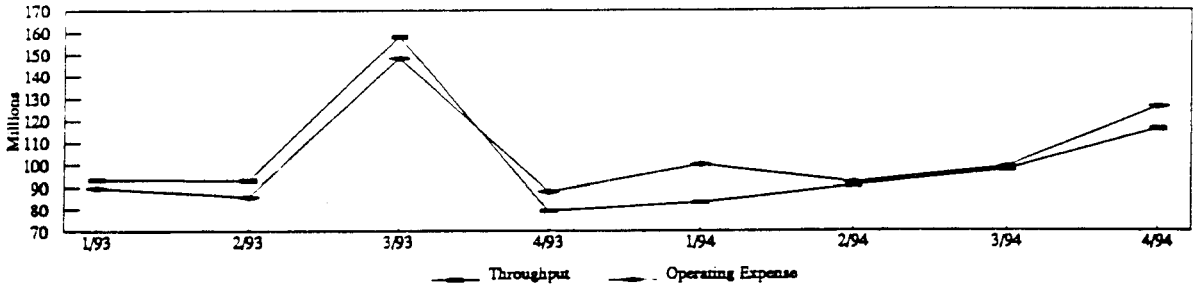
Oklahoma City ALC has successfully delivered ahead of schedule or on-time all aircraft, engines, and exchangeables for third and fourth quarter of FY94. Throughput has increased $36.6M during FY94. The Capital Investment Index continued to improve in FY94 for a total increase of 65% with a reduction in inventory value of $40.5M. The overall trend in Process Days continues in a positive direction with a total decrease of 58 days for aircraft, engines, and exchangeables in the fourth quarter of FY94. Actual Labor Hour Cost has continued to be lower than Budgeted Labor Hour Cost for the past eight quarters by an average of $12.00.

Innovations to improve C/KC-135 inspection processes, aggressive parts procurement, and establishment of C/KC-135 work center structural repair team had a positive effect on Throughput, Scheduling, and Process Days indicators. The work center team,comprised of highly trained structural repair mechanics; has expedited aircraft structural repair processes. The team is activated when the aircraft has completed the normal repair process and is then moved to the task team area to accomplish identified repairs. Their goal is to meet customer schedules, reduce cost, and improve production flow.

OKLAHOMA CITY AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

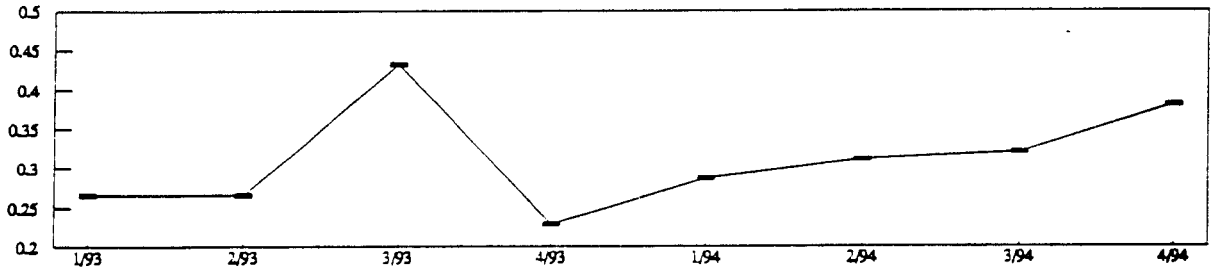
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



FY94 Operating Expense exceeds Throughput due to Program Budget Decisions (PBDs) which included the return of FY92 profits. Increased training to develop a multi-skilled work force has resulted in an Operating Expense increase of only 1.2% and will result in cost avoidance for the future.

CAPITAL INVESTMENT EFFECTIVENESS

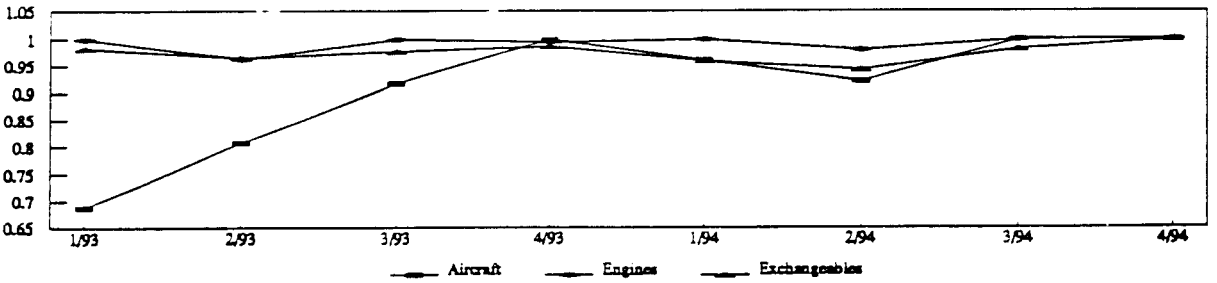
GOAL: Index Should Continually Increase



The index continues to improve in FY94 for a total increase of 65% from FY93. Long Term Inventory shows a positive trend with a decrease of $40.5M from FY93 to FY94.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

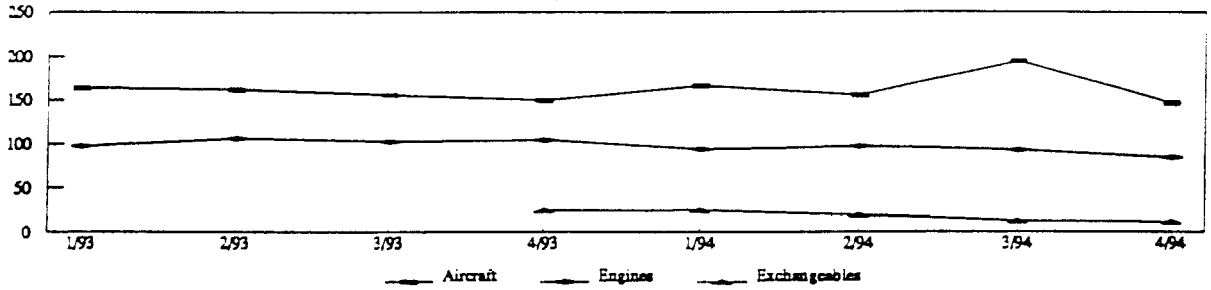


Acft: New inspection processes, specialty repair teams, and improved parts availability are showing positive results for all aircraft. Eng: Increased emphasis on "just in time" scheduling of manpower, equipment, and facilities has improved scheduling function. Exch: Production percentage increase can be attributed to a team effort identifying manpower, capacity, parts, and dollars, earlier in the repair process.

OKLAHOMA CITY AIR LOGISTICS CENTER

PROCESS DAYS

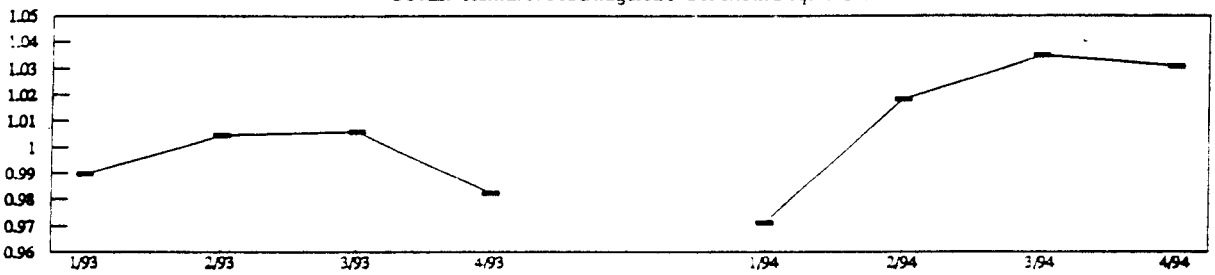
GOAL: Process Days Should show Continual Reduction



Acft: The positive trend during FY93 and FY94 is driven by improved inspection and repair processes. The perturbation in FY94 is resultant of E-3 and C-135 corrosion control and structural repair process changes. Eng: improved training, management emphasis, and process improvement have resulted in decreased flow days on all engines. Exch: The decrease can be attributed to a process improvement which allows for a "just in time" induction of assets to the overhaul shop.

NET OPERATING RESULTS

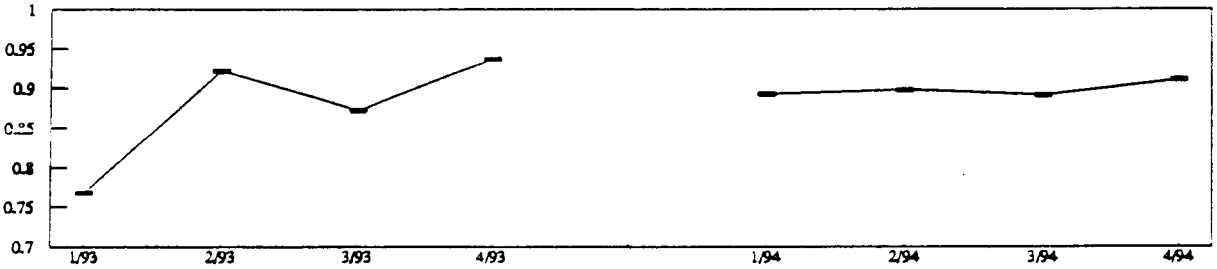
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Budgeted Operating results for FY94 reflect a $60.9M loss driven by Program Budget Decisions (PBDs) which directed the return of profits for FY92. Actual loss was reduced to $29.5M by cost reduction initiatives. The cost reduction initiatives resulted in the actual NOR Index exceeding the budgeted NOR Index by 1.5%.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



During the past eight quarters actual labor hour cost averaged $12.00 less than the budgeted labor hour cost. The total labor hour cost for 4/93 and 4/94 is $91.99 and $106.20, respectively. This includes material, which is much higher at an engine repair center. Without material, the labor hour cost for 4/94 is $59.44.

OKLAHOMA CITY AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	117,502,000	138,627,163	233,208,862	153,290,905	147,566,860	176,519,491	189,718,187	196,948,197
Total Cost ($)	113,852,000	131,353,149	223,252,393	162,147,819	164,401,016	177,851,233	191,028,734	206,942,939
Direct Materials ($)	23,895,981	45,511,616	75,000,527	73,942,834	64,263,796	85,740,413	92,004,387	80,929,679
Throughput ($)	93,606,019	93,115,547	158,208,335	79,348,071	83,303,064	90,779,078	97,713,800	116,018,518
Operating Expense ($)	89,956,019	85,841,533	148,251,866	88,204,985	100,137,220	92,110,820	99,024,347	126,013,260

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	93,606,019	93,115,547	158,208,335	79,348,071	83,303,064	90,779,078	97,713,800	116,018,518
Longterm Inventory ($)	351,988,721	350,285,649	365,792,000	345,470,647	290,375,902	291,461,574	304,710,727	304,935,946
INDEX	0.27	0.27	0.43	0.23	0.29	0.31	0.32	0.38

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	16	26	24	23	25	25	19	23
Aircraft Completed	11	21	22	23	24	23	19	23
INDEX	0.69	0.81	0.92	1.00	0.96	0.92	1.00	1.00
Engines Scheduled	240	240	205	201	184	198	179	169
Engines Completed	240	231	205	200	184	194	179	169
INDEX	1.00	0.96	1.00	1.00	1.00	0.98	1.00	1.00
Exchangeables Scheduled	26,859	28,365	21,800	22,241	22,048	23,620	22,129	22,795
Exchangeables Completed	26,393	27,363	21,300	21,936	21,133	22,254	21,729	22,795
INDEX	0.98	0.96	0.98	0.99	0.96	0.94	0.98	1.00

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	2,617	4,198	3,731	3,432	4,312	3,720	3,689	3,356
Number of Items	16	26	24	23	26	24	19	23
AVG PROCESS DAYS	163.56	161.46	155.46	149.22	165.85	155.00	194.16	145.91
Engines Process Days	5,062	4,250	3,074	3,125	2,622	5,046	3,792	3,702
Number of Items	52	40	30	30	28	52	41	44
AVG PROCESS DAYS	97.35	106.25	102.47	104.17	93.64	97.04	92.49	84.14
Exchangeables Process Days				248	249	193	128	117.9
Number of Items				10	10	10	10	10
AVG PROCESS DAYS				24.80	24.90	19.30	12.80	11.79

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	148,801,000	335,215,000	516,948,000	715,069,000	175,038,000	386,774,000	606,292,000	828,635,000
Cum Budg Cost ($)	142,705,000	322,365,000	497,760,000	689,315,000	189,402,000	415,968,000	651,124,000	889,566,000
Budgeted NOR INDEX	1.04	1.04	1.04	1.04	0.92	0.93	0.93	0.93
Cum Actual Revenue ($)	117,502,000	256,129,163	489,338,025	642,628,930	147,566,860	324,086,351	513,804,538	710,752,735
Cum Actual Cost ($)	113,852,000	245,205,149	468,457,542	630,605,361	164,401,016	342,252,250	533,280,985	740,223,924
Actual NOR INDEX	1.03	1.04	1.04	1.02	0.90	0.95	0.96	0.96
NOR INDEX	0.99	1.00	1.01	0.98	0.97	1.02	1.03	1.03

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	171443000	340932000	519857000	699902000	198873000	415781000	638238000	859844000
Budgeted Total DLH	1814193	3508224	5293716	7131928	1732095	3567953	5455344	7375334
Bud Labor Hour Cost	$94.50	$97.18	$98.20	$98.14	$114.82	$116.53	$116.99	$116.58
Total Actual Cost ($)	112839126	287826316	416035753	599381670	167559503	354234453	534060387	733053440
Actual Total DLH	1554166	3212236	4855629	6515892	1634596	3384351	5120934	6902256
Actual Labor Hour Cost	$72.60	$89.60	$85.68	$91.99	$102.51	$104.67	$104.29	$106.20
Labor Hour Cost INDEX	0.77	0.92	0.87	0.94	0.89	0.90	0.89	0.91

SACRAMENTO AIR LOGISTICS CENTER
McCLELLAN AFB, CA

MAJOR WORKLOAD ACCOMPLISHED:

F-111, F-15, A-10, KC-135, Communications-Electronics, Space Systems, Ground Power Generators

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	5386
Military:	213

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

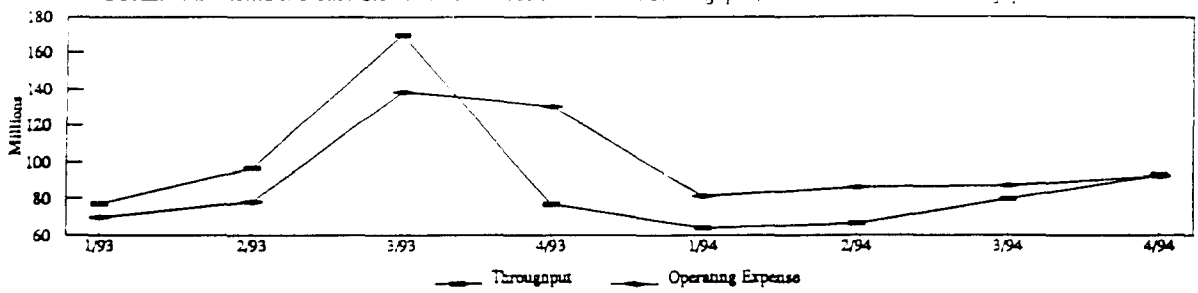
$509,000,000

External factors, of which we have limited control, affecting all centers, influenced Throughput and increased Operating Expense. To compensate for these and other drivers, all Directorates met in March 94 to identify ideas and areas that could reduce targeted losses. Through the targeted $20M to reduce loss was not met, varied efforts resulted in a $5M loss savings. Labor Hour Costs were negatively affected due to workloads not generating. The steady trend of increase in Capital Investment Effectiveness was a result of the turn in of excess and outdated industrial plant equipment. Total inventory was reduced by $30M since October 1993. This trend is expected to continue. The negative trend in Net Operating Results is due to KC-135 structural problems and learning curves associated with KC-135 PDM. Process Days Indicator reduction was due to unplanned repair work on the KC-135s during the quarters that these aircraft were originally scheduled to produce (3rd Qtr FY93 to 3rd Qtr FY94), and an increase for the quarters that they are adjusted to (4th Qtr FY94). The A-10s, F-15s, and F-111s were on or ahead of schedule. The Schedule Indicator downward direction was due to manpower shortages, facility constraints, and outgoing fuel leaks.

SACRAMENTO AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

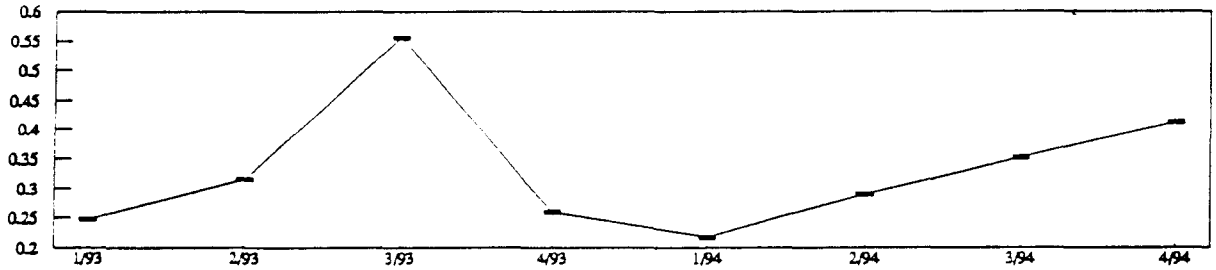
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Though final operating expenses were greatly reduced through cost cutting initiatives, Throughput was still exceeded. This was due to reduced revenue rates which were established to return past year profitable operating results.

CAPITAL INVESTMENT EFFECTIVENESS

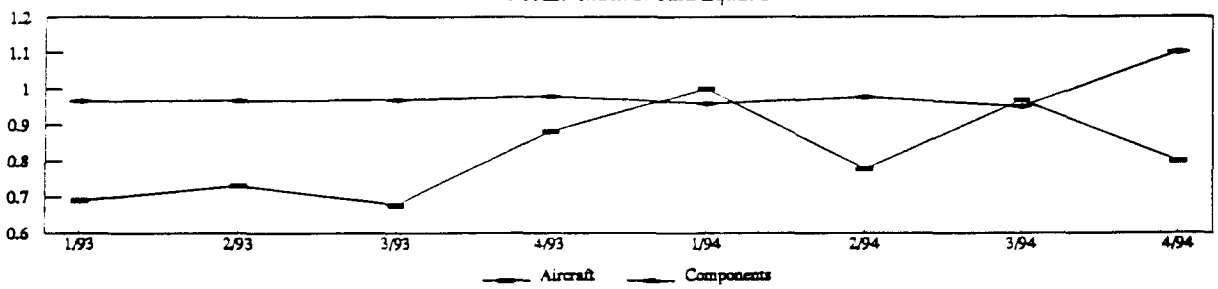
GOAL: Index Should Continually Increase



The capital equipment inventory has decreased by 110 line items since 1 Oct 93. This was driven by efforts to turn in excess and out-dated industrial plant equipment. The total inventory value was reduced by $30M since 1 Oct 93. Additionally, the Capital Purchases Program allocation has been reduced in FY95, significantly affecting the acquisition of additional capital equipment items.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

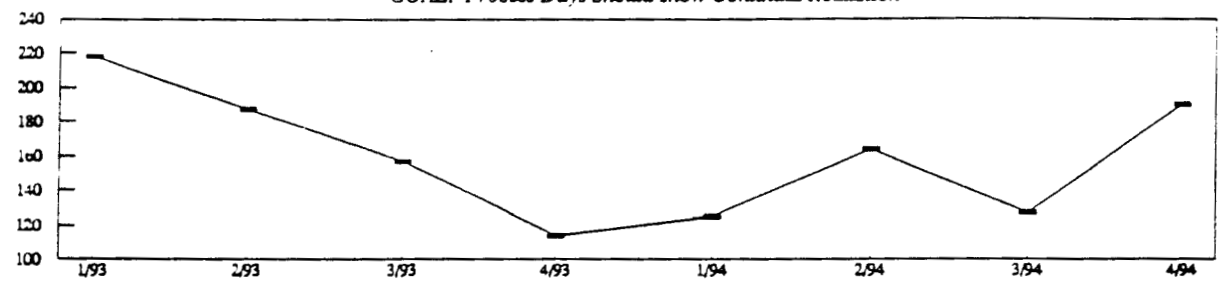


Five KC-135s and one A-10 missed their Aircraft and Missile Maintenance, Production Compression Report (AMREP) dates. Manpower shortages, facility constraints and outgoing fuel leaks were primary causes of the downward direction of the indicator in 4th Qtr FY94. Implementation of Programmed Depot Maintenance Standard System (PDMSS), modification of facilities, and fuel process review are being accomplished to reduce these problems.

SACRAMENTO AIR LOGISTICS CENTER

PROCESS DAYS

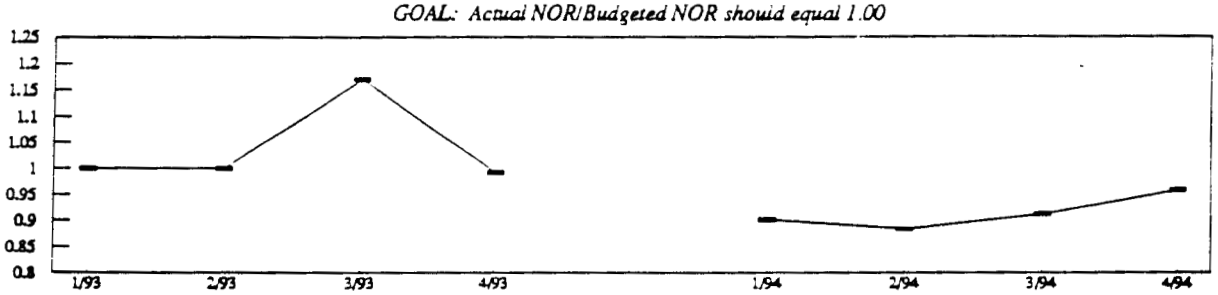
GOAL: Process Days Should show Continual Reduction



Average process days increased in 4th Qtr FY94 due to production of 10 long flow aircraft. 8 F-111s exceeded 260 flow days & two KC-135s exceeded 250 flow days. Major unplanned repair work on KC-135s (wing attach fitting replacement) caused reduction of Process Days indicator during the Qtrs that these aircraft were first scheduled to produce (3/93 to 3/94), an increase for the Qtrs that they are adjusted to (4/94). The KC-135 increases were approved by the SPD.

NET OPERATING RESULTS

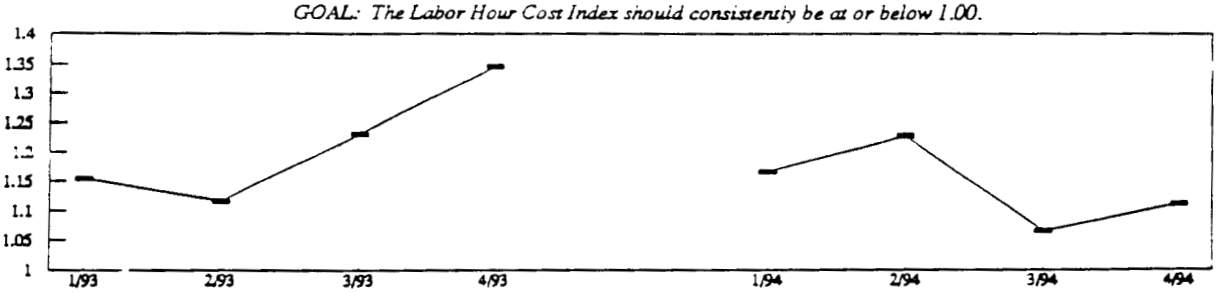
GOAL: Actual NOR/Budgeted NOR should equal 1.00



There we continued inefficiencies as a result of higher than budgeted indirect costs and lower than projected yields. Higher than the Budgeted Repairable Support Division (RSD) material costs associated with PDM of F-15s and F-111s were contributors. KC-135 structural problems and the learning curve associated with KC-135 PDM were major influences in the loss position.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The actual labor cost index exceeds the 1% criteria due strictly to budgeted versus actual total DLH. Total actual DLH was 716K below budget. The 716K variance in DLH directly caused the actual labor hour cost rate to be substantially higher than originally projected. Projected total DLH was not met due to workloads not generating, inefficiency, and overly ambitious projection. Total actual versus projected cost variance was only $4.3M or 0.8% below budget.

SACRAMENTO AIR LOGISTICS CENTER

Quarter/Fiscal Year	1.93	2.93	3.93	4.93	1.94	2.94	3.94	4.94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	77,812,754	109,303,513	202,402,302	115,396,797	97,751,519	114,967,486	117,521,936	117,037,805
Total Cost ($)	70,670,158	90,604,249	170,958,547	168,706,901	114,925,022	134,649,095	125,043,649	116,426,076
Direct Materials ($)	671,414	12,363,222	32,592,933	38,531,454	33,664,149	48,410,631	37,732,565	23,874,837
Throughput ($)	77,141,340	96,940,291	169,809,369	76,865,343	64,087,370	66,556,855	79,789,371	93,162,968
Operating Expense ($)	69,998,744	78,241,027	138,365,614	130,175,447	81,260,873	86,238,464	87,311,084	92,551,239

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	77,141,340	96,940,291	169,809,369	76,865,343	64,087,370	66,556,855	79,789,371	93,162,968
Longterm Inventory ($)	311,521,589	306,441,546	304,879,562	297,006,083	294,640,723	229,188,312	226,867,766	225,770,092
INDEX	0.25	0.32	0.56	0.26	0.22	0.29	0.35	0.41

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	42	52	34	34	27	27	31	30
Aircraft Completed	29	38	23	30	27	21	30	24
INDEX	0.69	0.73	0.68	0.88	1.00	0.78	0.97	0.80
Components Scheduled	26,148	24,706	24,344	25,290	24,541	23,889	24,684	21,263
Components Completed	25,266	23,889	23,598	24,756	23,514	23,334	23,446	23,420
INDEX	0.97	0.97	0.97	0.98	0.96	0.98	0.95	1.10

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days					3,375	3,931	4,055	5,330
Number of Items					27	24	32	28
AVG PROCESS DAYS	218.00	187.00	157.00	114.00	125.00	163.79	126.72	190.36

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	77,812,754	187,116,267	296,792,267	412,040,267	103,616,338	219,975,338	346,740,338	470,503,338
Cum Budg Cost ($)	70,670,157	161,274,406	296,280,406	405,847,406	109,832,179	228,018,179	358,887,179	495,397,179
Budgeted NOR INDEX	1.10	1.16	1.00	1.02	0.94	0.96	0.97	0.95
Cum Actual Revenue ($)	77,812,754	187,116,267	389,518,569	504,915,366	97,751,519	212,719,005	330,240,941	447,278,746
Cum Actual Cost ($)	70,670,158	161,274,407	332,232,954	500,939,855	114,925,052	249,574,147	374,617,796	491,043,872
Actual NOR INDEX	1.10	1.16	1.17	1.01	0.85	0.85	0.88	0.91
NOR INDEX	1.00	1.00	1.17	0.99	0.90	0.88	0.91	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	70670157	161274406	296280406	405847406	109832179	228018179	358887179	495397179
Budgeted Total DLH	1694134	3415386	5044557	6659180	1579848	3281620	4947550	6589975
Bud Labor Hour Cost	$41.71	$47.22	$58.73	$60.95	$69.52	$69.48	$72.54	$75.17
Total Actual Cost ($)	70670158	161274407	332232954	500939855	114925052	249574147	374617796	491043872
Actual Total DLH	1467067	3057101	4592907	6106839	1415762	2927025	4844446	5873794
Actual Labor Hour Cost	$48.17	$52.75	$72.34	$82.03	$81.18	$85.27	$77.33	$83.60
Labor Hour Cost INDEX	1.15	1.12	1.23	1.35	1.17	1.23	1.07	1.11

SAN ANTONIO AIR LOGISTICS CENTER
KELLY AFB, TX

MAJOR WORKLOAD ACCOMPLISHED:

C-5 Cargo Aircraft, TF39 Engine (C-5 Aircraft), F100 Engine (F-15 & F-16 Aircraft), T56 Engine (C-130 Aircraft) and related exchangeables. Gas turbine engines, secondary power systems, auxiliary power units, starters and related exchangeables. Manual and automatic test equipment exchangeables, fuel accessories and nuclear components.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6041
Military:	69

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$759,700,000

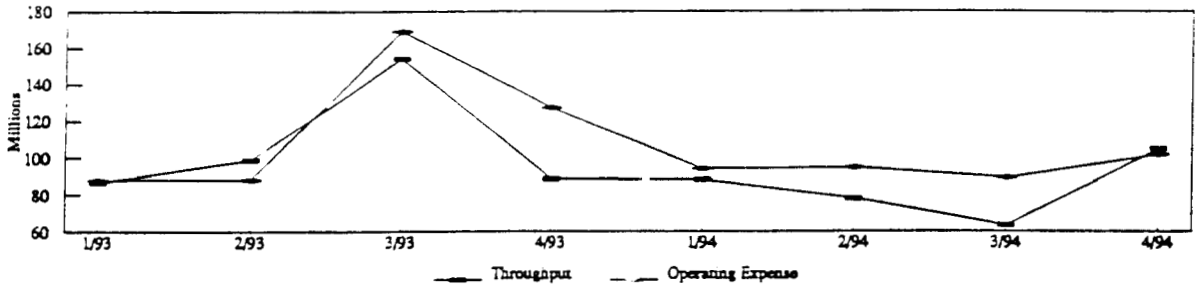
Both the depot maintenance personnel level and current year industrial fund budget numbers above have increased since the last submission of this report. Both increases are the result of increased workload at this center. SA-ALC has been instrumental in attaining local manufacturing workload from the Navy depot at Pensacola as well as T56 engine workload from Alameda. SA-ALC also acquired T-38 and F-5 gearbox workload from the Navy. All of these efforts are the result of base closures and pursuit of consolidations of like workloads to achieve both economies of scale in production as well as to preclude the cost of establishing another organic repair source.

In addition to the above, SA-ALC was instrumental in the early completion of a modification to the large aircraft paint hanger. This early completion allowed SA-ALC to terminate a contract to paint C-5 aircraft at a contractor's facility. This resulted in both dollar and flow day savings to the customer.

SAN ANTONIO AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

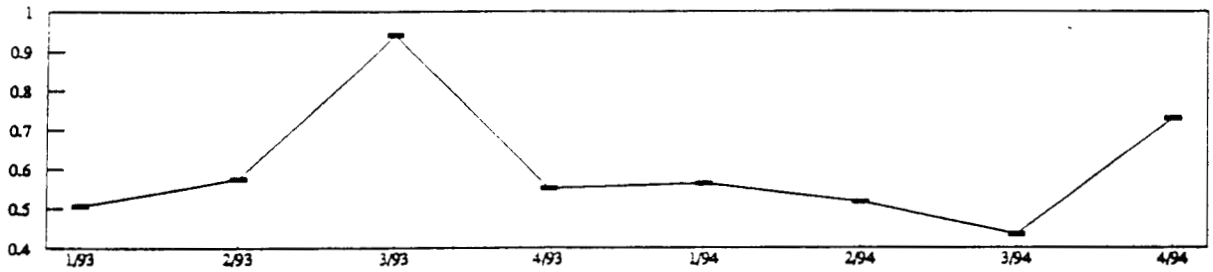
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



A 3rd Qtr FY94 reversal of credit returns accumulated over a period of time and resulted in a higher than normal direct material expense. This caused an inflated reduction to Throughput for that time period.

CAPITAL INVESTMENT EFFECTIVENESS

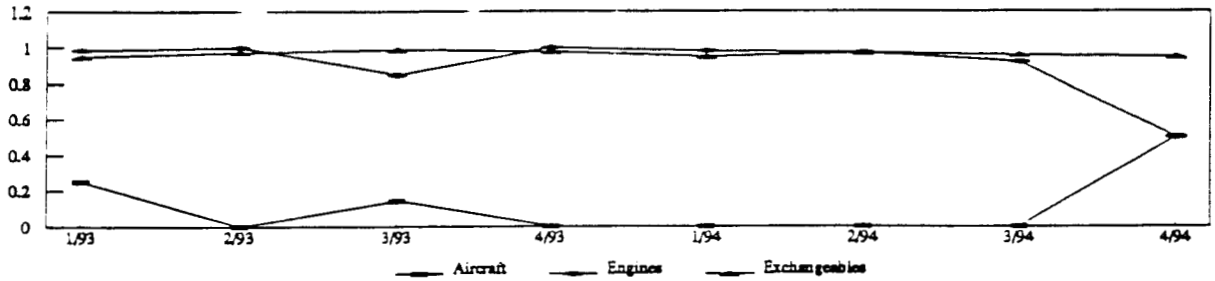
GOAL: Index Should Continually Increase



The fluctuation in the 3rd and 4th Qtr FY94 time period is due to a 3rd Qtr FY94 recapture of improper credit returns coupled with historically higher revenue in the 4th Qtr.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



The reduction to Schedule Conformance for engines is caused by the early completion of five F100 engines. The engines were produced in 3rd Qtr FY93, but the close-out project directive verifying a schedule change is not available.

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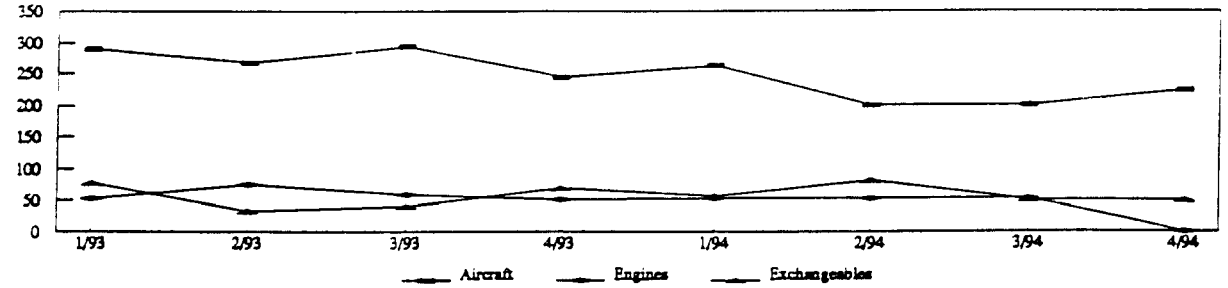
PROCESS DAYS

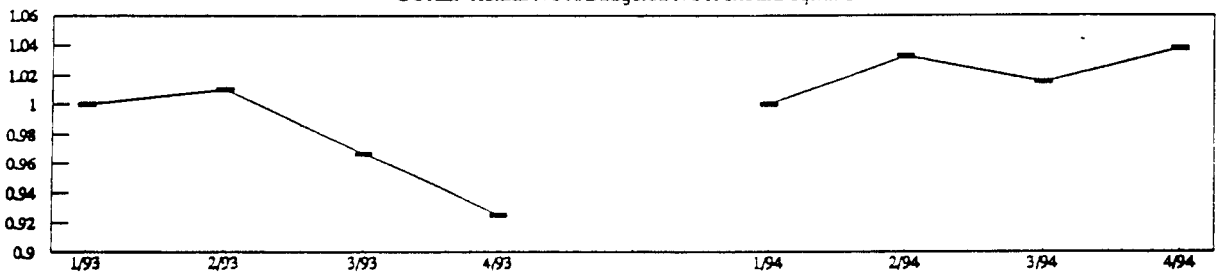
GOAL: Process Days Should show Continual Reduction



The engine reported for this measure has changed. SA-ALC previously reported on the TF39 engine. This engine is no longer produced as a "whole up" engine, but is totally under the two levels of maintenance concept. We have revised the input to reflect F100-PW-220E overhaul.

NET OPERATING RESULTS

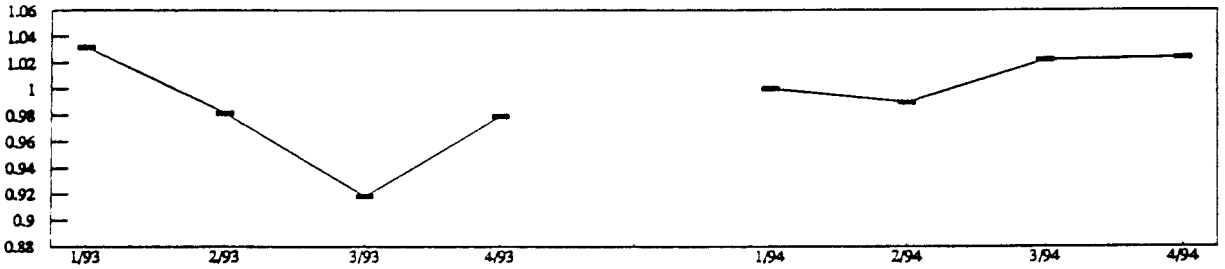
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The relative stability of this indicator is the result of increased management emphasis on maintaining cost to budget tolerances.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Increased emphasis on forecasting costs has contributed to the low relative variance in this indicator.

SAN ANTONIO AIR LOGISTICS CENTER

Quarter Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	114,906,000	143,451,000	204,073,000	155,321,000	144,866,000	144,650,000	179,375,000	198,236,000
Total Cost ($)	116,225,000	132,863,000	219,247,000	193,463,000	150,582,000	161,380,000	205,497,000	195,184,000
Direct Materials ($)	27,907,000	44,251,000	50,121,000	66,367,000	56,483,000	66,550,000	116,148,000	93,355,000
Throughput ($)	86,999,000	99,200,000	153,952,000	88,954,000	88,383,000	78,100,000	63,227,000	104,881,000
Operating Expense ($)	88,318,000	88,612,000	169,126,000	127,096,000	94,099,000	94,830,000	89,349,000	101,829,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	86,999,000	99,200,000	153,952,000	88,954,000	88,383,000	78,100,000	63,227,000	104,881,000
Longterm Inventory ($)	171,710,000	172,233,000	163,443,000	161,160,000	156,722,000	151,086,000	145,897,000	143,670,000
INDEX	0.51	0.58	0.94	0.55	0.56	0.52	0.43	0.73

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	8	9	7	2	5	6	5	4
Aircraft Completed	2	0	1	0	0	0	0	2
INDEX	0.25	0.00	0.14	0.00	0.00	0.00	0.00	0.50
Engines Scheduled	62	69	59	46	51	37	25	22
Engines Completed	61	69	50	46	50	36	23	11
INDEX	0.98	1.00	0.85	1.00	0.98	0.97	0.92	0.50
Exchangeables Scheduled	28,179	32,303	28,211	25,581	20,179	20,162	22,513	19,435
Exchangeables Completed	26,713	31,394	27,883	24,969	19,146	19,562	21,557	18,421
INDEX	0.95	0.97	0.99	0.98	0.95	0.97	0.96	0.95

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days	1,452	1,604	2,354	1,220	1,311	1,003	1,005	1,119
Number of Items	5	6	8	5	5	5	5	5
AVG PROCESS DAYS	290.40	267.33	294.25	244.00	262.20	200.60	201.00	223.80
Engines Process Days	1,537	1,824	1,475	1,479	1,007	371	265	0
Number of Items	29	24	25	29	19	7	5	0
AVG PROCESS DAYS	53.00	76.00	59.00	51.00	53.00	53.00	53.00	
Exchangeables Process Days	2,345	1,461	4,793	23,070	9,909	15,482	12,288	11,446
Number of Items	30	45	119	330	174	187	243	229
AVG PROCESS DAYS	78.17	32.47	40.28	69.91	56.95	82.79	50.57	49.98

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	114,906,000	296,249,000	470,991,000	647,599,000	144,886,000	322,708,000	537,410,000	722,299,999
Cum Budg Cost ($)	116,225,000	288,525,000	461,219,000	642,011,000	150,582,000	359,152,000	602,207,000	800,879,000
Budgeted NOR INDEX	0.99	1.03	1.02	1.01	0.96	0.90	0.89	0.90
Cum Actual Revenue ($)	114,906,000	258,357,000	462,430,000	617,751,000	144,886,000	289,536,000	468,911,000	667,147,000
Cum Actual Cost ($)	116,225,000	249,088,000	468,335,000	661,798,000	150,582,000	311,962,000	517,458,000	712,642,000
Actual NOR INDEX	0.99	1.04	0.99	0.93	0.96	0.93	0.91	0.94
NOR INDEX	1.00	1.01	0.97	0.93	1.00	1.03	1.02	1.04

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	98280000	309663000	490755000	664822000	158308000	391014000	610342000	802803000
Budgeted Total DLH	1862000	3849000	5842000	7857000	1580000	3356000	5227000	6838000
Bud Labor Hour Cost	$52.78	$80.45	$84.00	$84.62	$100.19	$116.51	$116.77	$117.40
Total Actual Cost ($)	98280000	291955000	428855000	616493000	158308000	363025000	544104000	735401000
Actual Total DLH	1804000	3696000	5560000	7437000	1580000	3149000	4557000	6116000
Actual Labor Hour Cost	$54.48	$78.99	$77.13	$82.90	$100.19	$115.28	$119.40	$120.24
Labor Hour Cost INDEX	1.03	0.98	0.92	0.98	1.00	0.99	1.02	1.02

WARNER ROBINS AIR LOGISTICS CENTER
ROBINS AFB, GA

MAJOR WORKLOAD ACCOMPLISHED:

F-15, C-130 & C-141, various missiles, Electronic Warfare Systems and Avionics Systems, Vehicles & Special Operations Forces (SOF) aircraft.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6142
Military:	80

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

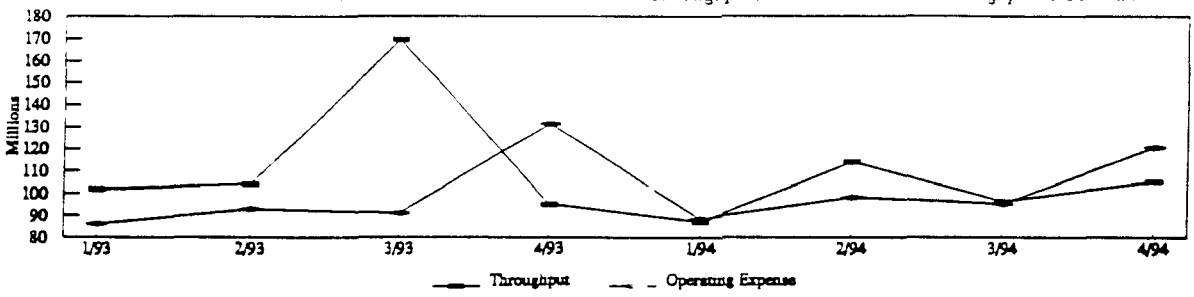
$605,265,000

In adition to the major workload previously described, the WR-ALC Team manages approximately 190,000 items that range from gunnery equipment to aerospace comm/nav equipment, including Global Positioning Systems. WR-ALC is the only organic source for the F-15 Multi-Stage Improvement Program modification which averages approximately 64 process days over and above the typical PDM aircraft. The F-15 production effort here continues to show a reduction in process days. Aircraft process days in the C-141 area showed an increase in 4th Qtr FY94 due to a parts supportability problem for the lower wing panel replacement on one particular aircraft. This as well as inside facility constraints caused delays in the PDM area as well. Decreasing unprogrammed C-141 aircraft inputs will also help to concentrate resources in critical areas. Additional work package requirements added by our customers caused the C-130 production area to increase its process days. There are improvement initiatives in C-130 production, like the purchase of a wiring analyzer to check flowdays. The devastating flood which occurred at the beginning of the 4th Qtr provided an opportunity of service to surrounding communities; however, it had an adverse impact on operations. This can be seen in the area of Operating Expense which exceeded Throughput. Wr-ALC would have experienced a higher Throughput for 4th Qtr if not for the flood which brought about a $6.3M loss of revenue. Even so, Throughput has managed to increase slightly for 3rd to 4th Qtr. This resulted in a positive effect on Capital Investment Effectiveness. NOR remains above the index because of end-of-year adjustments to labor material. Despite all turmoil of the flood and the challenge of downsizing, Team Robins is continuing to strive for continuous improvement.

WARNER ROBINS AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

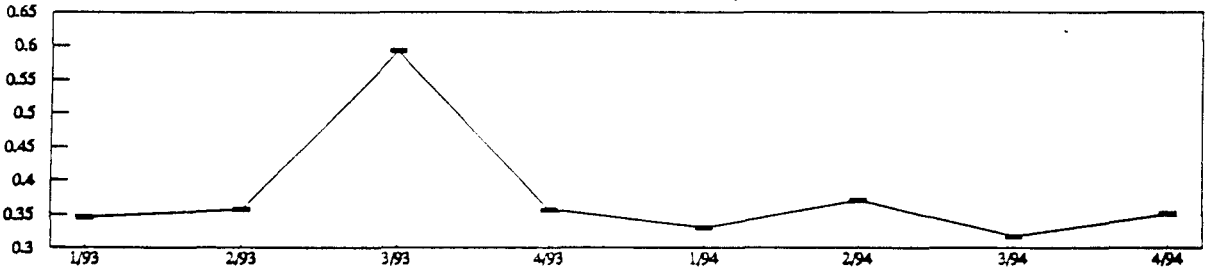
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



$13M in unallocated direct material expenses were captured as production overhead in 4th Qtr FY94. This overstated both Throughput and Operating Expenses by this amount. Additionally, $12M in expenses were captured in the last quarter (versus througnout the first 3 quarters), further overstating 4th Qtr FY94 Operating Expenses. Major drivers were labor acceleration factor ($8M), hazardous waste disposal ($1.3M), equipment/maintenance ($.6M), HQ & DFAS costs ($2.2M), and backorder cancellation ($.3M).

CAPITAL INVESTMENT EFFECTIVENESS

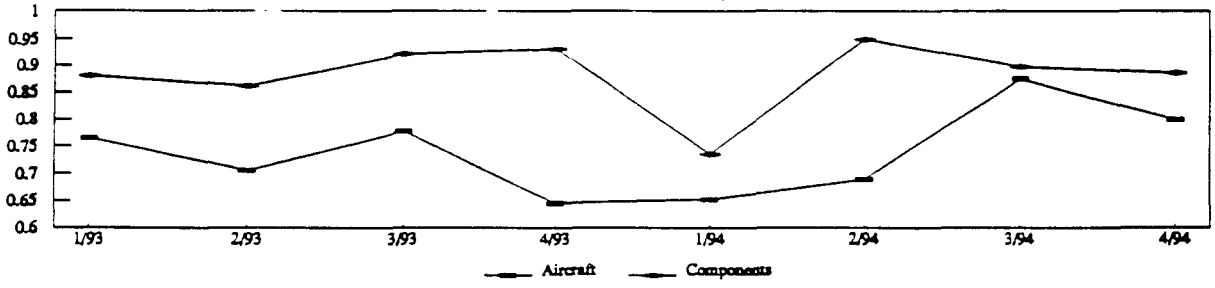
GOAL: Index Should Continually Increase



Long term inventory continues a steady decline due to increased focus on capacity utilization. Throughput has increased over 3rd Qtr FY93 because of accelerated end-of-year sales.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

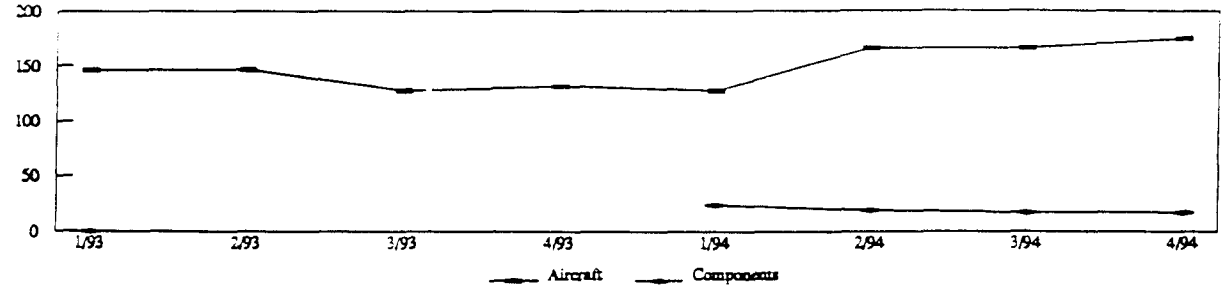


As with process days, parts supportability problems with the C-141 wing panel replacement have resulted in aircraft not making their scheduled completion dates. Facility constraints are also a major factor particularly when panel replacements are unscheduled. C-130 had one late aircraft in 3rd Qtr FY94. This aircraft was the first to receive a PDM in conjunction with the Special Operations Forces Improvement and Night Vision Imaging System. F-15s were at 93% for 3rd Qtr FY94 and 100% for the 4th Qtr.

WARNER ROBINS AIR LOGISTICS CENTER

PROCESS DAYS

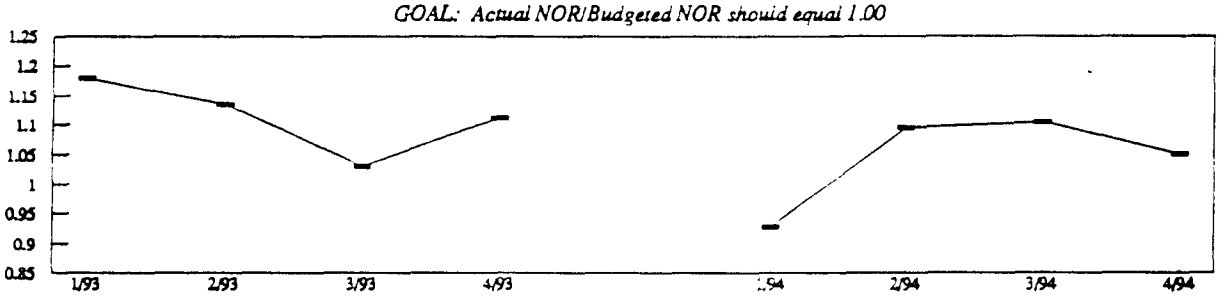
GOAL: Process Days Should show Continual Reduction



C-130 flow days increased due to additional work requirements added to the aircraft by the customer after the aircraft was put in work. C-141 flow days increased in 4th Qtr FY94 due to one aircraft which spent 183 days in storage awaiting parts for lower wing panel replacement. C-141 flow days would be 18 less, excluding this aircraft. F-15 flow days (PDM, PDM/MSIP, ACI) remained constant throughout the year.

NET OPERATING RESULTS

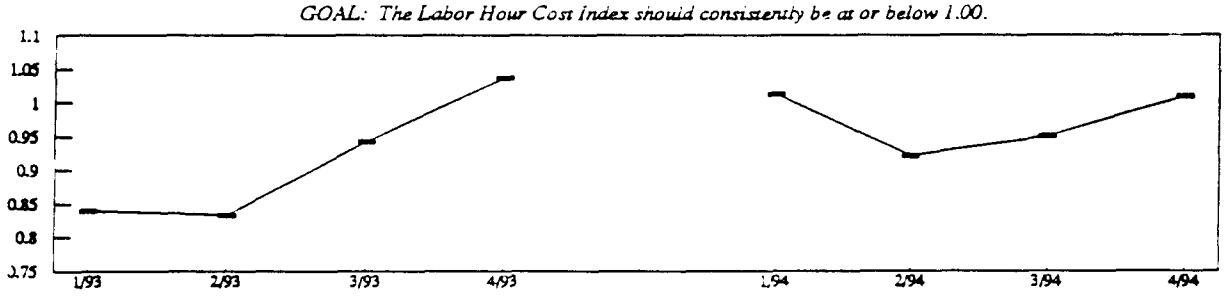
GOAL: Actual NOR/Budgeted NOR should equal 1.00



NOR is above the 1.0 goal due to efforts to reduce overhead costs which were $11.5M less than planned for 4th Qtr FY94. This is the result of lowered expenses in utilities ($1.1M), depreciation ($4.4M), and JLSC ($6.0M).

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Normal trend is for end-of-year cost to be higher due to end-of-year accounting adjustments in labor and material. Adjustments typically include posting actual expenses versus estimated expenses and capturing any unallocated expenses before the end of the year.

WARNER ROBINS AIR LOGISTICS CENTER

Quarter Fiscal Year	1/93	2/93	3/93	4/93	1/94	2/94	3/94	4/94

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	120,016,000	118,443,000	224,659,000	132,683,000	127,708,000	163,946,000	140,619,000	151,838,000
Total Cost ($)	104,296,000	107,109,000	146,352,000	168,816,000	129,196,000	148,223,000	139,506,000	166,818,000
Direct Materials ($)	18,127,000	13,982,000	55,132,000	37,302,000	40,509,000	49,793,000	44,125,000	46,108,000
Throughput ($)	101,889,000	104,461,000	169,527,000	95,381,000	87,199,000	114,153,000	96,494,000	105,730,000
Operating Expense ($)	86,169,000	93,127,000	91,220,000	131,514,000	88,687,000	98,430,000	95,381,000	120,710,000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	101,889,000	104,461,000	169,527,000	95,381,000	87,199,000	114,153,000	96,494,000	105,730,000
Longterm Inventory ($)	294,130,000	292,109,000	286,146,000	267,119,000	263,830,000	307,216,000	304,157,000	300,929,000
INDEX	0.35	0.36	0.59	0.36	0.33	0.37	0.32	0.35

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	34	34	36	31	23	29	24	35
Aircraft Completed	26	24	28	20	15	20	21	28
INDEX	0.76	0.71	0.78	0.65	0.65	0.69	0.88	0.80
Components Scheduled	27,116	26,126	26,650	25,846	30,220,000	31,389,000	26,031	22,747
Components Completed	23,856	22,498	24,564	24,076	22,225,000	29,814,000	23,363	20,148
INDEX	0.88	0.86	0.92	0.93	0.74	0.95	0.90	0.89

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days								
Number of Items								
AVG PROCESS DAYS	146.00	146.00	127.00	131.00	127.00	166.00	166.00	175.00
Components Process Days								
Number of Items								
AVG PROCESS DAYS					24.00	19.00	17.00	17.00

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	115,562,000	244,490,000	378,739,000	510,124,000	127,702,000	289,398,000	433,209,000	575,642,000
Cum Budg Cost ($)	118,477,000	246,185,000	378,052,000	501,699,000	119,964,000	301,309,000	452,038,000	605,673,000
Budgeted NOR INDEX	0.98	0.99	1.00	1.02	1.06	0.96	0.96	0.95
Cum Actual Revenue ($)	120,015,000	238,459,000	369,707,000	595,800,000	127,708,000	291,653,000	432,471,000	582,910,000
Cum Actual Cost ($)	104,296,000	211,405,000	357,757,000	526,573,000	129,196,000	277,418,000	408,458,000	583,362,000
Actual NOR INDEX	1.15	1.13	1.03	1.13	0.99	1.05	1.06	1.00
NOR INDEX	1.18	1.14	1.03	1.11	0.93	1.09	1.10	1.05

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	120386000	245015000	369707000	494646000	129186000	300894000	451623000	605258000
Budgeted Total DLH	1776000	3610000	5510000	7402000	1867000	3853000	5887000	7888000
Bud Labor Hour Cost	$67.78	$67.87	$67.10	$66.83	$69.19	$78.09	$76.72	$76.73
Total Actual Cost ($)	104296000	211405000	357757000	526573000	129196000	277418000	416926000	583743000
Actual Total DLH	1832000	3737000	5655000	7595000	1844000	3854000	5713000	7533000
Actual Labor Hour Cost	$56.93	$56.57	$63.26	$69.33	$70.06	$71.98	$72.98	$77.49
Labor Hour Cost INDEX	0.84	0.83	0.94	1.04	1.01	0.92	0.95	1.01

Frank - 4/2

Thanks for the heads-up. The other letter was sent to Dixon - same data. This letter was sent to you. We've included original with referenced ECTS #. Copy for your records enclosed.

Jeff

April 10

Frank Cantwell -
See stuff on Newark

Frank Cirillo -
do we want to pass this along to TCSG.

Jeff

Memo from
FRANK A. CIRILLO, JR., P.E.

Jeff: [illegible]

[illegible]

Suggest [illegible]

Short "Was it [illegible]" Response [illegible]

[illegible]

F was Right - See ECTS 950330-9

Nickels problem sent it to board

DON NICKLES
OKLAHOMA

Refer to ECTS # 950330-9

COMMITTEES
FINANCE
ENERGY AND NATURAL RESOURCES
BUDGET
INDIAN AFFAIRS
RULES AND ADMINISTRATION

United States Senate

WASHIINGTON, DC 20510

letter originally sent to Dixon

March 27, 1995

Frank Cirillo
Air Force Team Leader
Defense Base Closure & Realignment Commission
1700 N. Moore St.
Suite 1425
Arlington, VA 22209

Dear Mr. Cirillo:

As you work through issues pertaining to depot maintenance, I thought the Depot Operations Indicators Report prepared by the Department of Defense would be of use to you in your analysis of the depots. Therefore, I have enclosed the Air Force section of the latest copy of this report for your review.

For each depot an introductory page provides supplementary data and an executive summary. The supplemental data includes: depot name, depot location, major workload, personnel levels and current year budget.

The following pages for each depot reflect a graphic portrayal of all the indicators for that depot with analyses, when appropriate. The fourth page shows that data, the formula for each indicator and the goal for that indicator.

I hope you find this report useful in your analysis of Air Force Air Logistics Centers.

Sincerely,

Don Nickles
U.S. Senator

1820 LIBERTY TOWER
100 NORTH BROADWAY
OKLAHOMA CITY, OK 73102
(405) 231-4941

3310 MID-CONTINENT TOWER
409 SOUTH BOSTON
TULSA, OK 74103-4007
(918) 581-7651

NATIONAL BANK BUILDING
601 D AVENUE, SUITE 201
LAWTON, OK 73501
(405) 357-9878

1916 LAKE ROAD
PONCA CITY, OK 74604
(405) 767-1270

Sheet1

				Computation of Direct Labor hour costs without material 1994			
		Hill	Kelly	McClellan	Robins	Tinker
	actual total cost	422,144,000	735,401,000	491,043,872	583,743,000	733,053,440
		417,593,879	712,643,000			740,223,922
	Q1	20,410,395	56,483,000	33,664,149	40,509,000	64,263,796
	Q2	17,953,619	66,550,000	48,410,631	49,793,000	85,740,413
	Q3	19,757,987	116,148,000	37,732,565	44,125,000	92,004,387
	Q4	21,798,124	93,355,000	23,874,837	46,108,000	80,929,679
	total material cost	79,920,125	332,536,000	143,682,182	180,535,000	322,938,275
	actual wout material	342,223,875	402,865,000	347,361,690	403,208,000	410,115,165
		337,673,754	380,107,000			417,285,647
	direct labor hours	5,491,000	6,116,000	5,873,794	7,533,000	6,902,256
	labor hour cost					
	without material	$62.32	$65.87	$59.14	$53.53	$59.42
		61.50	62.15			60.46

MAINTENANCE POLICY, PROGRAMS AND RESOURCES

OADUSD(L)/(MPP&R)
TELEPHONE: (703) 697-7980 / DSN 227-7980
FAX: (703) 693-7037 / DSN 223-7037

FAX COVER

Date: 6/16

From: Jay Berry

TO: ANN REESE / BRAC STAFF
Name / Title / Organization

FAX#: (703) 696 8550 Office #: (703) 696 0504 x 176

Comments: MS. REESE, ATTACHED IS MY MARK UP OF YOUR CHART. THE DIFFERENCES ARE THE RESULT OF USING THE SUM OF TOTAL COSTS(A) FROM THE THROUGHPUT AND OPERATING EXPENSE BLOCK VICE THE LABOR HOUR COST BLOCK. THIS IS THE APPARENTLY THE BEST SOURCE OF INFORMATION TO COMPARE INTRA-SERVICE LABOR COSTS

Jay Berry

Number of Pages (including cover): 1

Sheet1

Computation of Direct Labor hour costs without material 1994

	Hill	Kelly	McClellan	Robins	Tinker
actual total cost	422,144,000	735,401,000	491,043,872	583,743,000	733,053,440
	417,573,871	712,643,000			740,223,722
Q1	20,410,395	56,483,000	33,664,149	40,509,000	54,263,793
Q2	17,953,619	66,550,000	48,410,631	49,793,000	85,740,413
Q3	19,757,987	116,148,000	37,732,565	44,125,000	92,004,387
Q4	21,798,124	93,355,000	23,674,837	46,108,000	80,929,679
total material cost	79,920,125	332,536,000	143,682,182	180,535,000	322,938,275
actual wout material	342,223,875	402,865,000	347,361,690	403,208,000	410,115,165
	337,673,755	380,107,000			417,285,647
direct labor hours	5,491,000	6,116,000	5,873,794	7,533,000	6,932,256
labor hour cost					
wilhour material	$62.32	$65.87	$59.14	$53.53	$59.42
	61.50	62.15			60.46

MAINTENANCE POLICY, PROGRAMS AND RESOURCES

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Comments: MS. REESE, ATTACHED IS MY MARK UP OF YOUR CHART. THE DIFFERENCES ARE THE RESULT OF USING THE SUM OF TOTAL COSTS($) FROM THE THROUGHPUT AND OPERATING EXPENS BLOCK VICE THE LABOR HOUR COST BLOCK. THIS IS APPARENTLY THE BEST SOURCE OF INFORMATION TO COMPARE INTRA-SERVICE LABOR COSTS

Jay Berry

Number of Pages (including cover): 1

Sheet1

			Computation of Direct Labor hour costs without material 1994			
		Hill	Kelly	McClellan	Robins	Tinker
	actual total cost	422,144,000	735,401,000	491,043,872	583,743,000	733,053,440
		417,593,879	712,643,000			740,223,923
	Q1	20,410,395	56,483,000	33,664,149	40,509,000	64,263,796
	Q2	17,953,619	66,550,000	48,410,631	49,793,000	85,740,413
	Q3	19,757,987	116,148,000	37,732,565	44,125,000	92,004,387
	Q4	21,798,124	93,355,000	23,874,837	46,108,000	80,929,678
	total material cost	79,920,125	332,536,000	143,682,182	180,535,000	322,938,275
	actual wout material	342,223,875	402,865,000	347,361,690	403,208,000	410,115,165
		337,673,755	380,107,000			417,285,647
	direct labor hours	5,491,000	6,116,000	5,873,794	7,533,000	6,902,256
	labor hour cost					
	without material	$62.32	$65.87	$59.14	$53.53	$59.42
		61.50	62.15			60.46

MAINTENANCE POLICY, PROGRAMS AND RESOURCES

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Jay Berry

Number of Pages (including cover): 1

DEPOT MAINTENANCE OPERATIONS INDICATORS REPORT

1st Quarter FY92 Through 4th Quarter FY93

PUGET SOUND NAVAL SHIPYARD

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	141641292	181425113	118298256	163288571	168461134	176446064	118641802	665554000
Total Cost ($)	186032471	205293462	214118682	212622794	189405099	199642356	208844667	185585878
Direct Materials ($)	12645451	22494678	15955522	15304524	19326355	16036120	10765525	16030000
Throughput ($)	128995841	158930435	102342734	147984047	149134779	160409944	107876277	649524000
Operating Expense ($)	173387020	182798784	198163160	197318270	170078744	183606236	198079142	169555878

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	128995841	158930435	102342734	147984047	149134779	160409944	107876277	649524000
Longterm Inventory ($)	395124643	393988233	392433634	392663470	369284482	300567629	313006049	335543049
INDEX	0.33	0.40	0.26	0.38	0.40	0.53	0.34	1.94

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	127	674	331	1035	181	1835	1270	720
Actual Flow Days	118	674	281	962	181	2121	1453	696
INDEX	1.08	1.00	1.18	1.08	1.00	0.87	0.87	1.03

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	181196000	322173000	546897000	804379000	197216000	388889000	547386000	793101000
Cum Budg Cost ($)	183572000	373386000	564983000	754323000	186187000	355325000	522630000	699471000
Budgeted NOR INDEX	0.99	0.86	0.97	1.07	1.06	1.09	1.05	1.13
Cum Actual Revenue ($)	141641292	323066405	441364661	604653232	168481134	344927198	463569000	1129123000
Cum Actual Cost ($)	186032471	391325933	605444615	818067409	189405099	389047455	597892122	783478000
Actual NOR INDEX	0.76	0.83	0.73	0.74	0.89	0.89	0.78	1.44
NOR INDEX	0.77	0.96	0.75	0.69	0.84	0.81	0.74	1.27

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

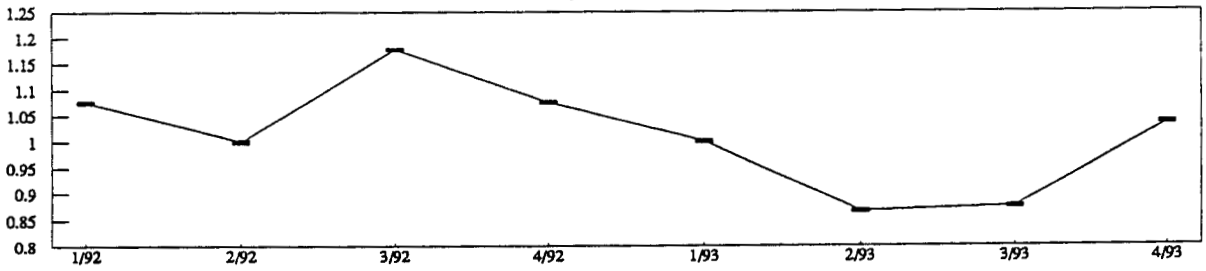
(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	183572000	373386000	564983000	754323000	186187000	355325000	522630000	699471000
Budgeted Total DLH	3243551	6884276	10467057	13916786	3264663	6233742	9179813	12254824
Bud Labor Hour Cost	$56.60	$54.24	$53.98	$54.20	$57.03	$57.00	$56.93	$57.08
Total Actual Cost ($)	186032471	391325933	605444615	818067409	189405099	389047455	597892122	783478000
Actual Total DLH	3194163	6939149	10976179	15114600	3440751	7202418	10237757	13297318
Actual Labor Hour Cost	$58.24	$56.39	$55.16	$54.12	$55.05	$54.02	$58.40	$58.92
Labor Hour Cost INDEX	1.03	1.04	1.02	1.00	0.97	0.95	1.03	1.03

PUGET SOUND NAVAL SHIPYARD

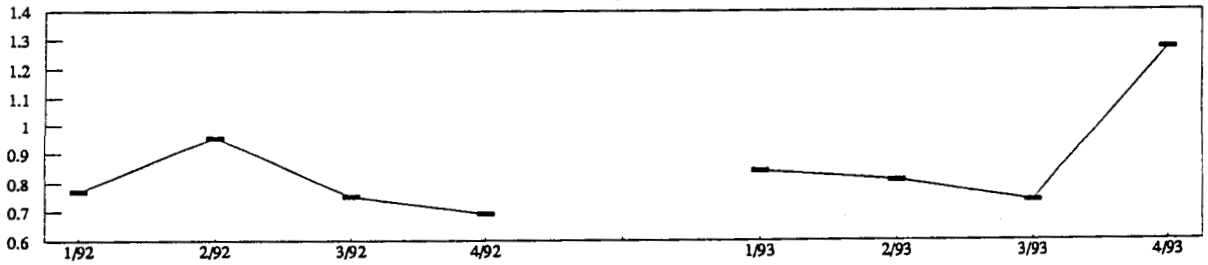
PROCESS DAYS

GOAL: Process Days Index Should be 1.00 or Above



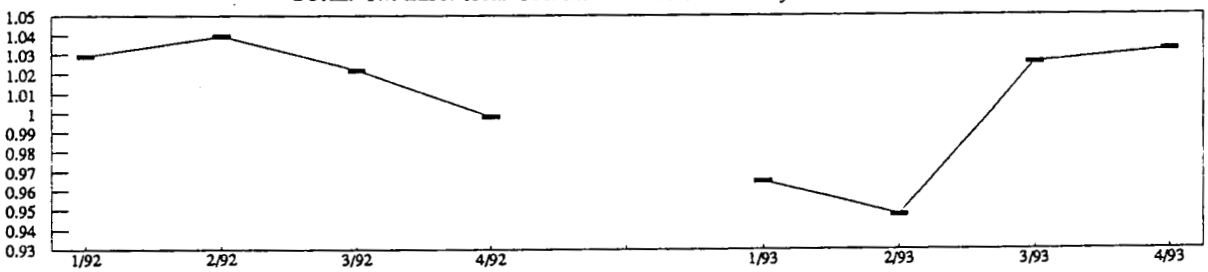
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

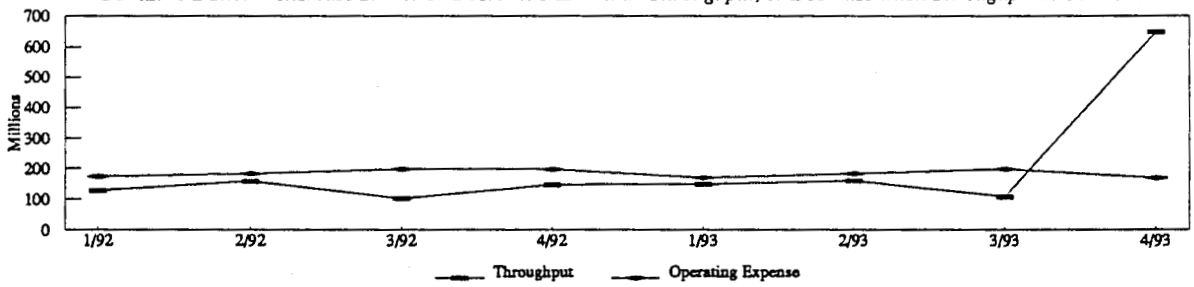
GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



PUGET SOUND NAVAL SHIPYARD

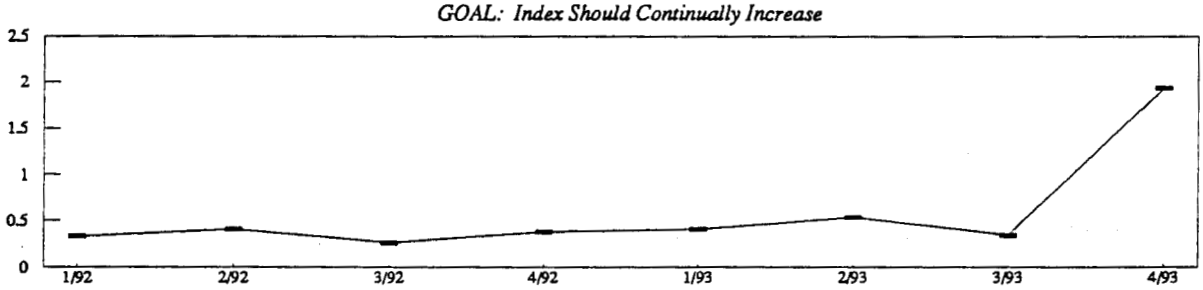
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



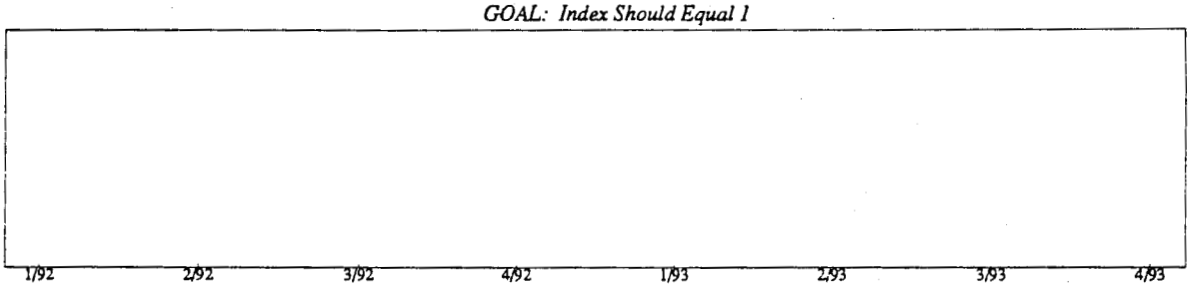
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1



PUGET SOUND NAVAL SHIPYARD
BREMERTON, WA

MAJOR WORKLOAD ACCOMPLISHED:

Overhaul, alteration, inactivation and repair of submarines, aircraft carriers and surface ships.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	10394
Military:	127

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$708,640,000

FY93 Net Operating Results decreased from $18.5M in the first half to -$22.9 at the end of the second half. The FY total was $95M less than the planned $72.1M. The primary factors contributing to this short fall were:

a. The descoping of the USS Texas overhaul to an inactivation on 1 Apr 93. This eliminated work for over 1100 personnel. Requests for termination costs were disapproved.

b. In May 93, 1176 employees took advantage of the separation incentive which had a significant disruptive impact on production, contributing to schedule delays and cost increases on some availabilities.

c. Fixed price losses in the 2nd half increased by $33M due to problems with asbestos, PCB removal and manning on recycle projects. The shipyard was directed to fix price most of these projects at the start, absorbing all project risk.

The shipyard requested a negotiated fixed price for additional work accomplished on two major availabilites and to compensate for changes in approved stabilized rates after prices were established on several recycle availabilites. These funds were not approved.

PORTSMOUTH NAVAL SHIPYARD

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	92245453	87692345	78739462	85508472	115299851	60277568	80946581	173093000
Total Cost ($)	98539186	107490449	100017317	108560126	91172121	97309549	115107330	94355000
Direct Materials ($)	6125821	5475057	4370615	5830230	4378389	5244520	4856091	3710000
Throughput ($)	86119632	82217288	74368847	79678242	110921462	55033048	76090490	169383000
Operating Expense ($)	92413365	102015392	95646702	102729896	86793732	92065029	110251239	90645000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	86119632	82217288	74368847	79678242	110921462	55033048	76090490	169383000
Longterm Inventory ($)	186857982	186160856	184677884	208319792	205482999	219979619	215830937	212531000
INDEX	0.46	0.44	0.40	0.38	0.54	0.25	0.35	0.80

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	123	136	526	455	764	764	913	913
Actual Flow Days	113	133	544	458	837	837	1180	1180
INDEX	1.09	1.02	0.97	0.99	0.91	0.91	0.77	0.77

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	92905000	177536000	264133000	343638000	106090000	182080000	268753000	357626000
Cum Budg Cost ($)	97129000	188811000	285056000	380168000	86836000	172852000	257147000	341187000
Budgeted NOR INDEX	0.96	0.94	0.93	0.90	1.22	1.05	1.05	1.05
Cum Actual Revenue ($)	92245453	179937798	258677260	344185732	115299851	175577419	256524000	429617000
Cum Actual Cost ($)	98539186	206029635	306046952	108560126	91172121	97309549	115107330	94355000
Actual NOR INDEX	0.94	0.87	0.85	3.17	1.26	1.80	2.23	4.55
NOR INDEX	0.98	0.93	0.91	3.51	1.04	1.71	2.13	4.34

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

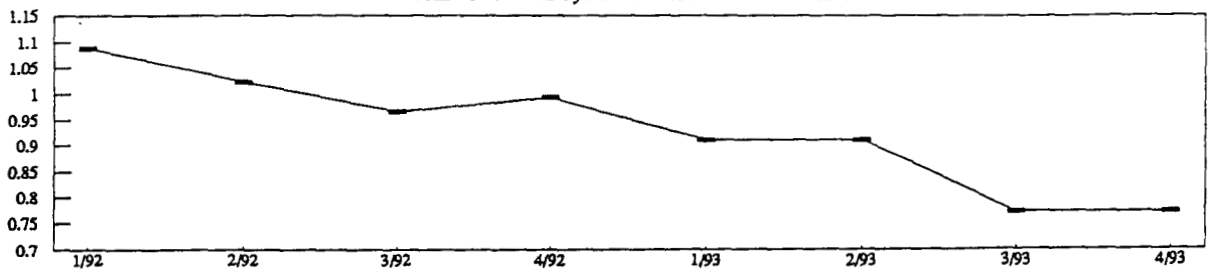
(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	97129000	188811000	285056000	380168000	86836000	172852000	257147000	341187000
Budgeted Total DLH	1854160	3545488	5204448	6786512	1320144	2740832	4198120	5810152
Bud Labor Hour Cost	$52.38	$53.25	$54.77	$56.02	$65.78	$63.07	$61.25	$58.72
Total Actual Cost ($)	98539186	206029635	100017317	108560126	91172121	97309549	115107330	94355000
Actual Total DLH	1779435	3640422	5305961	7036393	1421790	2820282	4099591	5349280
Actual Labor Hour Cost	$55.38	$56.59	$18.85	$15.43	$64.12	$34.50	$28.08	$17.64
Labor Hour Cost INDEX	1.06	1.06	0.34	0.28	0.97	0.55	0.46	0.30

PORTSMOUTH NAVAL SHIPYARD

PROCESS DAYS

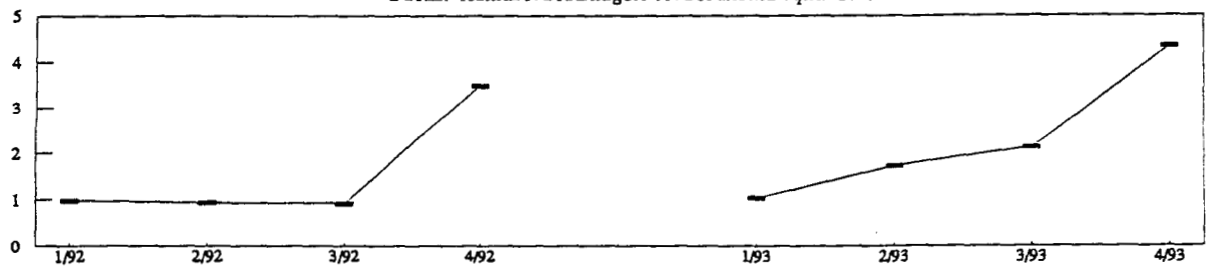
GOAL: Process Days Index Should be 1.00 or Above



The change in the Process Days Index is due to the late completion of a unique SSN availability with extensive customer changes that caused project schedule delay. The shipyard has not been successful in adjusting scheduled flow days with the customer for changes in work during the availability.

NET OPERATING RESULTS

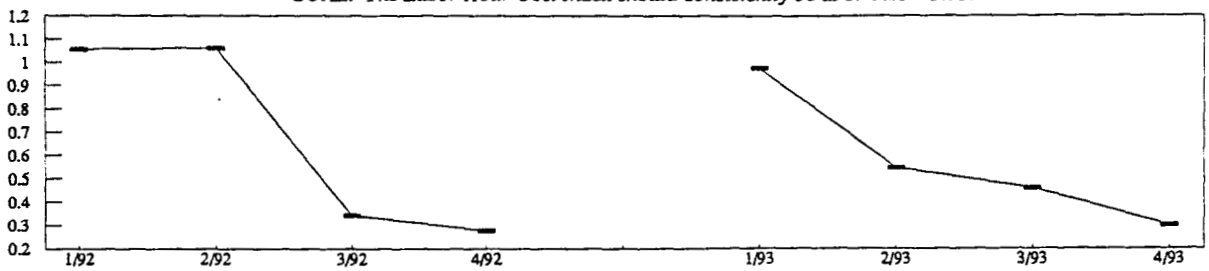
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The NOR index declined in the 4th QTR FY93 due to a DFAS directed accounting adjustment to move $60M of Work in Progress to revenue without a commensurate increase in cost.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.

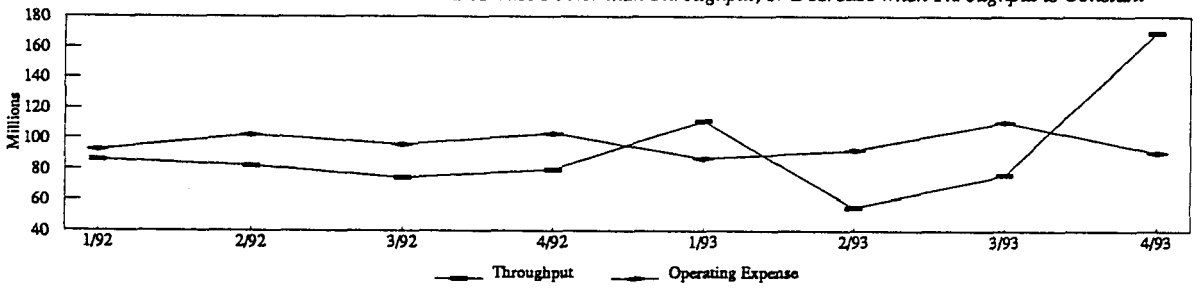


A drop in labor requirements against anticipated work on both ship and non-ship work during the 3rd and 4th Qtrs of FY93, coupled with a delay in RIF approval generated excess costs in relation to the planned workload.

PORTSMOUTH NAVAL SHIPYARD

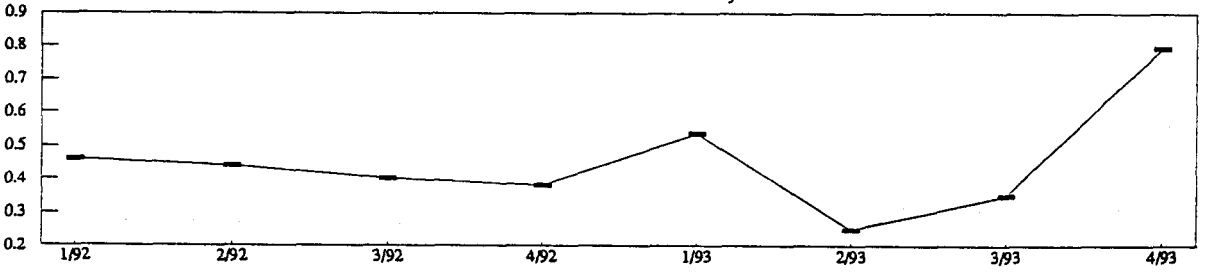
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



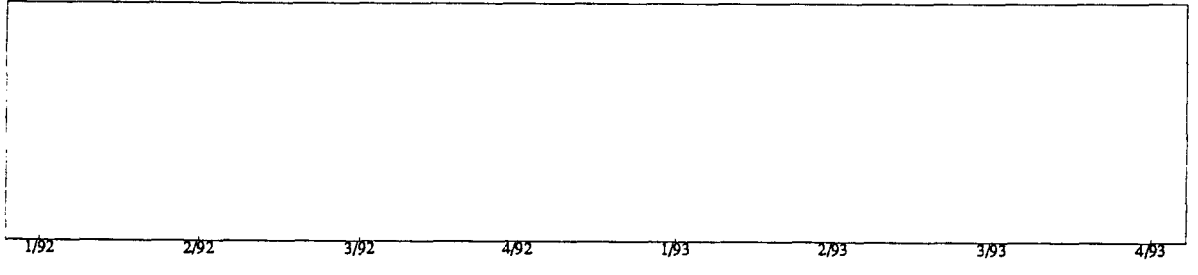
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1



PORTSMOUTH NAVAL SHIPYARD
PORTSMOUTH, NH

MAJOR WORKLOAD ACCOMPLISHED:

Repair and alteration of Submarines

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	5539
Military:	110

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$345,675,000

The 4th Qtr FY93 continued the trend of unexpected reductions in workload combined with the shipyard's inability to either attract new work or reduce its workforce to compensate for these changes in a timely manner. Labor costs without budgeted revenue generating work has had a negative effect on both the shipyards manday rate and Net Operating Results.

PEARL HARBOR NAVAL SHIPYARD

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	73694193	68357626	115743896	75813285	63772934	95660745	71191321	176842000
Total Cost ($)	86396482	93031074	97810551	100667893	89545166	87706703	96584131	101597000
Direct Materials ($)	6213389	9387755	8958763	8720093	6686324	5223005	7285671	6139000
Throughput ($)	67480804	58969871	106785133	67093192	57086610	90437740	63905650	170703000
Operating Expense ($)	80183093	83643319	88851788	91947800	82858842	82483698	89298460	95458000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	67480804	58969871	106785133	67093192	57086610	90437740	63905650	170703000
Longterm Inventory ($)	95162907	95847916	97329398	95690000	93868625	92666174	91931982	102987932
INDEX	0.71	0.62	1.10	0.70	0.61	0.98	0.70	1.66

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	365	505	517	551	61	405	697	544
Actual Flow Days	403	602	448	915	91	688	697	368
INDEX	0.91	0.84	1.15	0.60	0.67	0.59	1.00	1.48

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	103180000	208709000	284766000	334849000	76442000	176159000	286411000	389407000
Cum Budg Cost ($)	88827000	183913000	272523000	361480000	83114000	172209000	268131000	365685000
Budgeted NOR INDEX	1.16	1.13	1.04	0.93	0.92	1.02	1.07	1.06
Cum Actual Revenue ($)	73694193	142051819	257795715	333609000	63772934	159453679	230645000	407487000
Cum Actual Cost ($)	86396482	179427556	277238107	377906000	89545166	177251869	273836000	375433000
Actual NOR INDEX	0.85	0.79	0.93	0.88	0.71	0.90	0.84	1.09
NOR INDEX	0.73	0.70	0.89	0.95	0.77	0.88	0.79	1.02

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

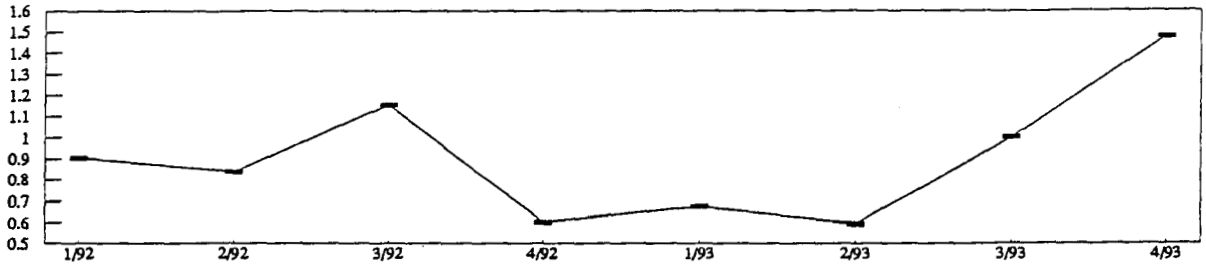
(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	88827000	183913000	272523000	361480000	83114000	172209000	268131000	365685000
Budgeted Total DLH	1345251	2616556	3705323	4658752	980920	2181192	3599048	4858712
Bud Labor Hour Cost	$66.03	$70.29	$73.55	$77.59	$84.73	$78.95	$74.50	$75.26
Total Actual Cost ($)	86396482	179427556	277238107	377906000	89545166	177251869	273836000	375433000
Actual Total DLH	1251286	2445129	3836076	5132129	1087232	2159011	3318304	4591070
Actual Labor Hour Cost	$69.05	$73.38	$72.27	$73.64	$82.36	$82.10	$82.52	$81.77
Labor Hour Cost INDEX	1.05	1.04	0.98	0.95	0.97	1.04	1.11	1.09

PEARL HARBOR NAVAL SHIPYARD

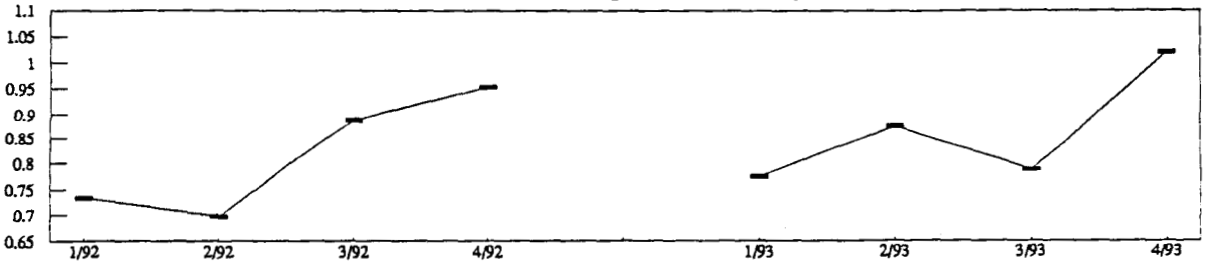
PROCESS DAYS

GOAL: Process Days Index Should be 1.00 or Above



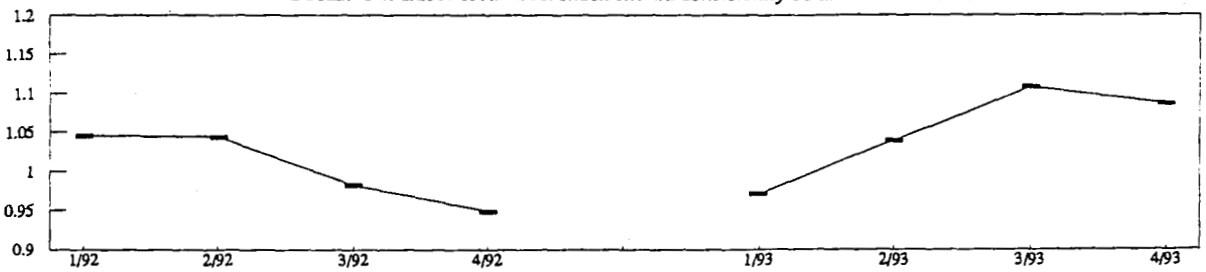
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

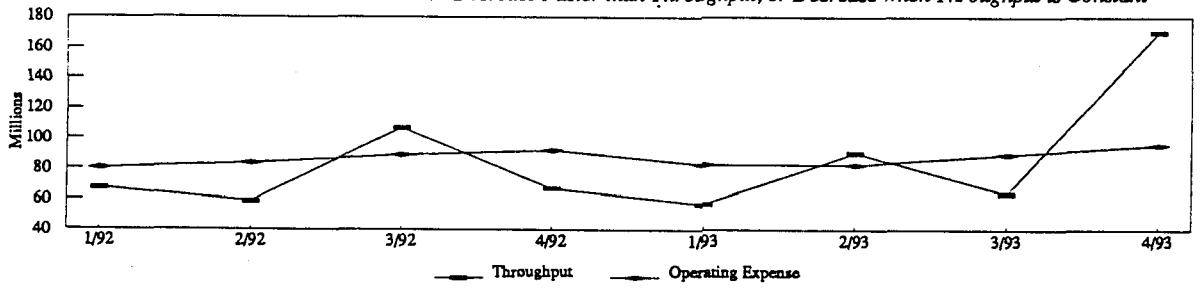
GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



PEARL HARBOR NAVAL SHIPYARD

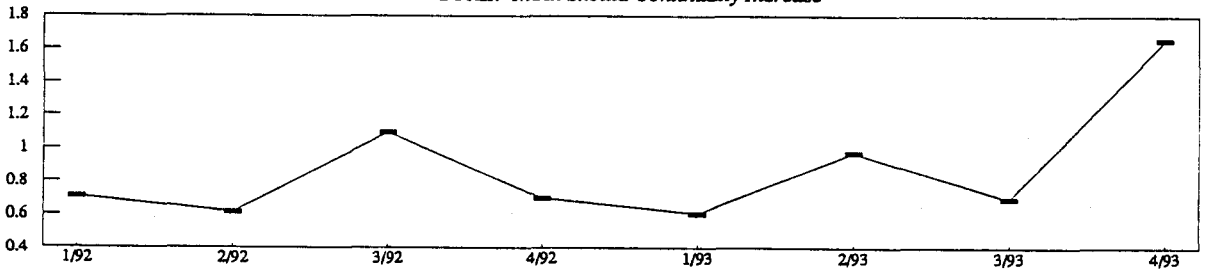
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



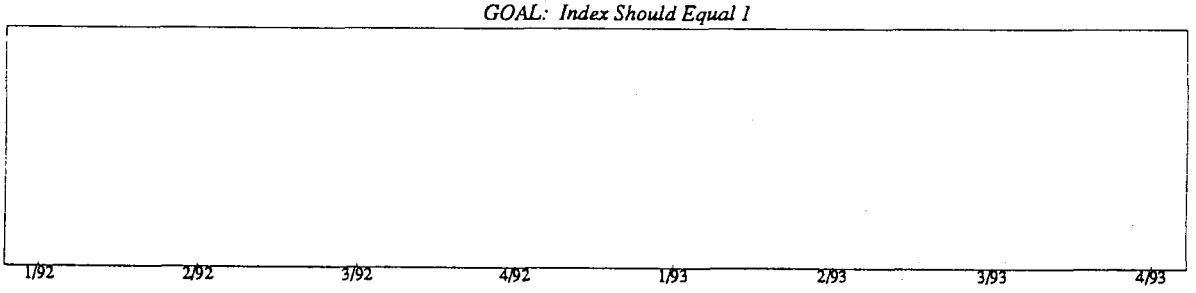
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1



PEARL HARBOR NAVAL SHIPYARD
PEARL HARBOR, HA

MAJOR WORKLOAD ACCOMPLISHED:

Submarine and surface ship overhaul, alteration and repair.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	4563
Military:	48

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$369,261,000

The shipyard achieved significant improvements which positively influenced our 4th Qtr FY93 financial position. The USS Francis Scott Key (SSBN-65) inactivation was completed 6 months early, with a 4th Qtr fixed price gain of $3.2M. The USS Tunny's (SSN-682) SRA was completed with a 4th Qtr fixed price gain of $4.0M and the USS Honolulu (SSN-718) DMP experienced a 4th Qtr fixed price gain of $1.4M Our acomplishments are a direct result of process improvements coupled with the shipyard implemenation of project management.

NORFOLK NAVAL SHIPYARD

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	146684347	161343615	141193160	219664375	215947510	123623025	147184465	455881000
Total Cost ($)	166817395	178297800	180233355	191014570	177566217	187707348	208834435	194713000
Direct Materials ($)	17439799	25081388	6395266	17432986	16421623	16898566	15948811	15874000
Throughput ($)	129244548	136262227	134797894	202231389	199525887	106724459	131235654	440007000
Operating Expense ($)	149377596	153216412	173838089	173581584	161144594	170808782	192885624	178839000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	129244548	136262227	134797894	202231389	199525887	106724459	131235654	440007000
Longterm Inventory ($)	290849758	301351223	305216914	311721888	201445994	196714592	204012000	193935000
INDEX	0.44	0.45	0.44	0.65	0.99	0.54	0.64	2.27

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	223	223	343	634	434	454	364	480
Actual Flow Days	223	223	370	698	439	454	364	501
INDEX	1.00	1.00	0.93	0.91	0.99	1.00	1.00	0.96

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	149418000	332739000	518117000	695835000	170090000	318634000	485593000	652553000
Cum Budg Cost ($)	154513000	334075000	507629000	675131000	156264000	324322000	484747000	637588000
Budgeted NOR INDEX	0.97	1.00	1.02	1.03	1.09	0.98	1.00	1.02
Cum Actual Revenue ($)	146684347	308027962	449221122	668885497	215947510	339570535	486755000	942636000
Cum Actual Cost ($)	166817395	345115195	525348550	716363120	177566217	365273565	574108000	768821000
Actual NOR INDEX	0.88	0.89	0.86	0.93	1.22	0.93	0.85	1.23
NOR INDEX	0.91	0.90	0.84	0.91	1.12	0.95	0.85	1.20

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

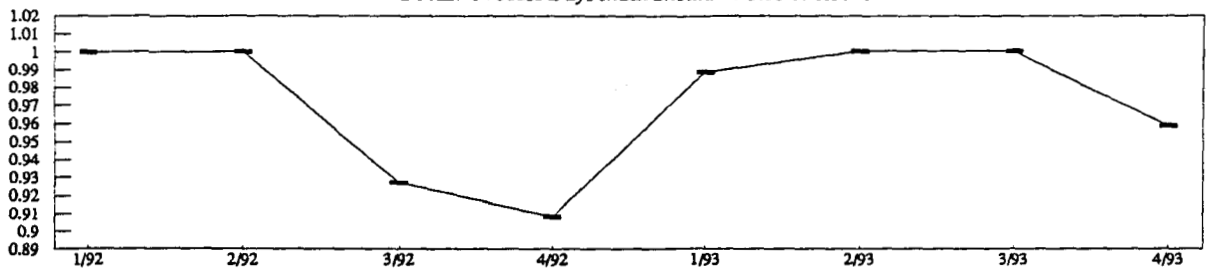
(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	154513000	334075000	507629000	675131000	156264000	324322000	483987000	637588000
Budgeted Total DLH	3120597	6387392	9677785	12755258	3003832	5550976	8332000	10897864
Bud Labor Hour Cost	$49.51	$52.30	$52.45	$52.93	$52.02	$58.43	$58.09	$58.51
Total Actual Cost ($)	166817395	345115195	525348550	716363120	177566217	365273565	574108000	768821000
Actual Total DLH	3258831	6685154	10156036	13666010	3223063	6207238	9447690	12324121
Actual Labor Hour Cost	$51.19	$51.62	$51.73	$52.42	$55.09	$58.85	$60.77	$62.38
Labor Hour Cost INDEX	1.03	0.99	0.99	0.99	1.06	1.01	1.05	1.07

NORFOLK NAVAL SHIPYARD

PROCESS DAYS

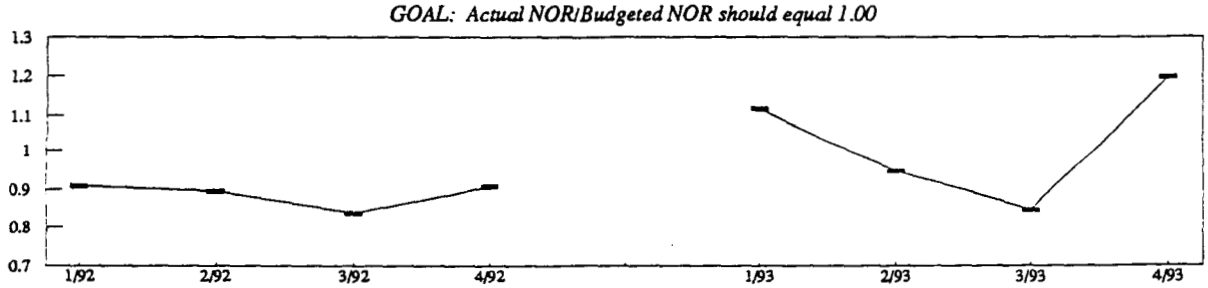
GOAL: Process Days Index Should be 1.00 or Above



Two ships completed during 4th Qtr FY93. USS Nassau was impacted by hurricane Emily and mandatory work on the main feed pumps, force draft blower lube oil coolers, and modifications to lube oil and cooling water piping systems. USS Yellowstone started late due to Hurricane Emily and was delayed due to mandatory new work on the main stream systems and force draft blowers.

NET OPERATING RESULTS

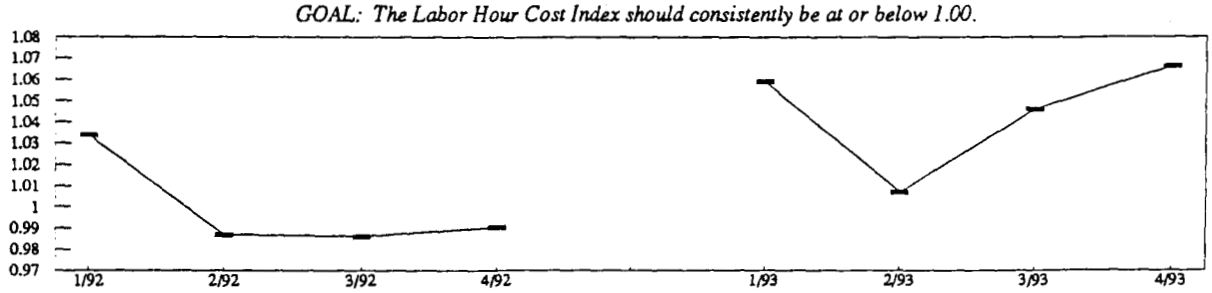
GOAL: Actual NOR/Budgeted NOR should equal 1.00



NOR increased due to the increase in actual revenue caused by closure of work in process account as directed by DFAS.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.

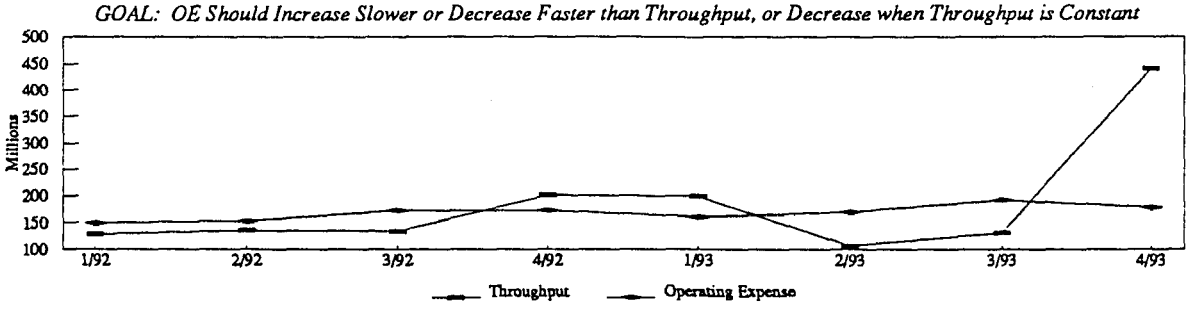


The increase in Labor Hour Rate is due to $14.9M payment for VERA and $18.2M for delayed RIF authority. These items added to the total actual cost but contributed no labor hours.

NORFOLK NAVAL SHIPYARD

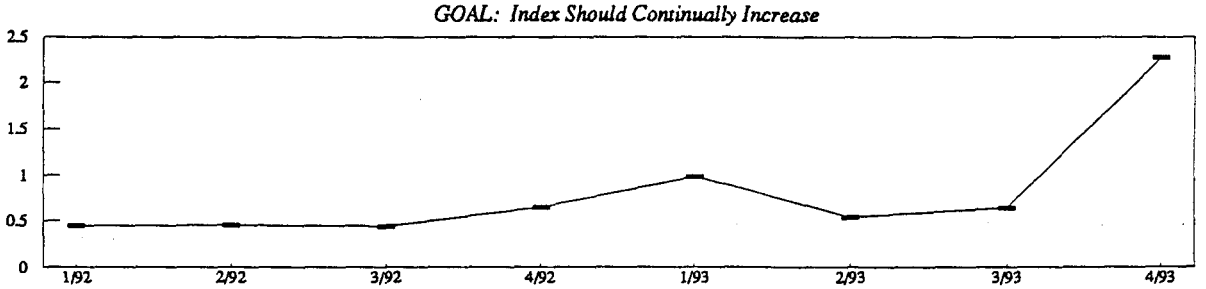
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



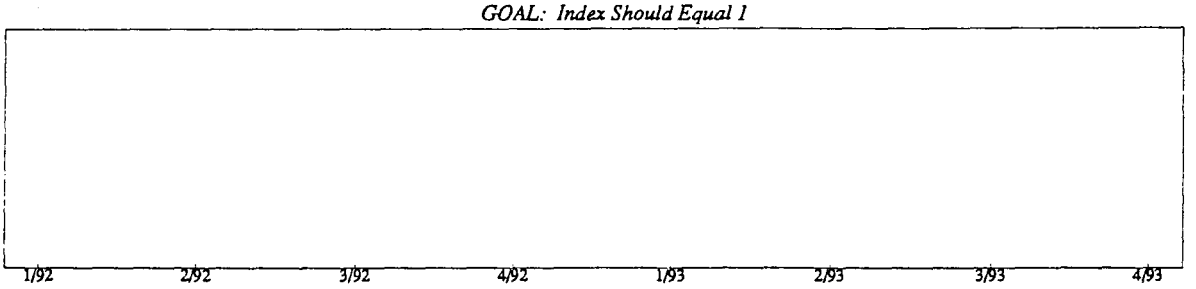
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1



NORFOLK NAVAL SHIPYARD
PORTSMOUTH, VA

MAJOR WORKLOAD ACCOMPLISHED:

Overhaul, repair, alteration and inactivation of submarines, surface ships, and aircradt carriers and reactor compartment disposal and hull recycling.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	9545
Military:	115

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$645,577,000

During the 4th Qtr FY93, two availabilities were completed. The USS Nassau and USS Yellowstone were both impacted by weather and mandatory new work, but completed on time. Growth in these and other availabilities resulted in 1,426,257 additional unanticipated direct labor hours. Delay in RIF approval ($27M) and expenses related to VERA ($14.9) increased the direct labor hour unit cost from $58.5 to $62.28. Actual ovetime use was 12.4% in comparison to budgeted. The direct/indirect ratio was 60.3% compared to the budgeted ratio. Actual utility charges were significantly lower than budgeted.

LONG BEACH NAVAL SHIPYARD

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	90114442	63372007	65310226	82883395	124583857	89155324	75511819	213345000
Total Cost ($)	70803331	79064827	83713374	93331222	79193092	89670861	86941047	95337000
Direct Materials ($)	9847121	10990596	11744279	11243723	6312334	7936631	7833035	6531000
Throughput ($)	80267321	52381411	53565947	71639672	118271523	81218693	67678784	206814000
Operating Expense ($)	60956210	68074231	71969095	82087499	72880758	81734230	79108012	88806000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	80267321	52381411	53565947	71639672	118271523	81218693	67678784	206814000
Longterm Inventory ($)	113682818	115994600	113919387	114177032	109763853	109248725	106751062	94876000
INDEX	0.71	0.45	0.47	0.63	1.08	0.74	0.63	2.18

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

SCHEDULED FLOW DAYS/ACTUAL FLOW DAYS

Scheduled Flow Days	448	313	313	313	676	396	109	457
Actual Flow Days	446	313	313	313	676	396	109	457
INDEX	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	73446000	131795000	220234000	298157000	117549000	182920000	257381000	344745000
Cum Budg Cost ($)	69059000	140667000	225256000	309860000	85278000	162443000	244203000	326532000
Budgeted NOR INDEX	1.06	0.94	0.98	0.96	1.38	1.13	1.05	1.06
Cum Actual Revenue ($)	90114442	153486449	218796675	301680070	124583857	213739181	289251000	502596000
Cum Actual Cost ($)	70803331	149868158	233581532	326912754	79193092	168863953	255805000	351142000
Actual NOR INDEX	1.27	1.02	0.94	0.92	1.57	1.27	1.13	1.43
NOR INDEX	1.20	1.09	0.96	0.96	1.14	1.12	1.07	1.36

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

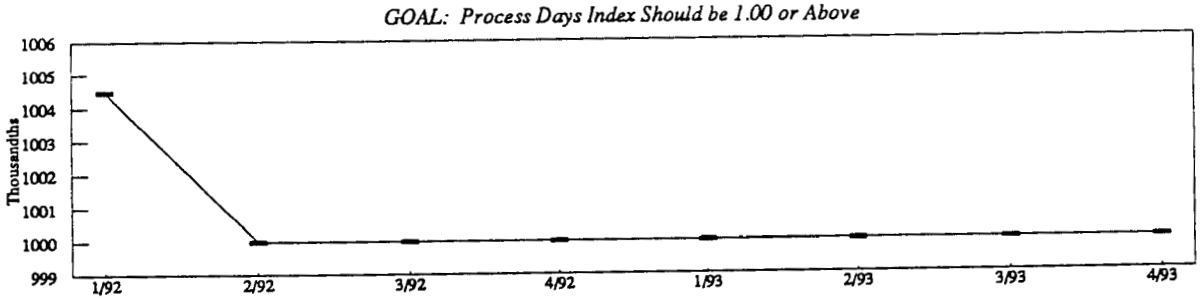
(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	69059000	140667000	225256000	309860000	85278000	162443000	244203000	326532000
Budgeted Total DLH	897312	1857784	3143672	4388608	1311936	2304776	3373776	4436520
Bud Labor Hour Cost	$76.96	$75.72	$71.65	$70.61	$65.00	$70.48	$72.38	$73.60
Total Actual Cost ($)	70803331	149868158	233581532	326912754	79193092	168863953	255805000	351142000
Actual Total DLH	964331	2014675	3165636	4435002	1218067	2418292	3599997	4752007
Actual Labor Hour Cost	$73.42	$74.39	$73.79	$73.71	$65.02	$69.83	$71.06	$73.89
Labor Hour Cost INDEX	0.95	0.98	1.03	1.04	1.00	0.99	0.98	1.00

LONG BEACH NAVAL SHIPYARD

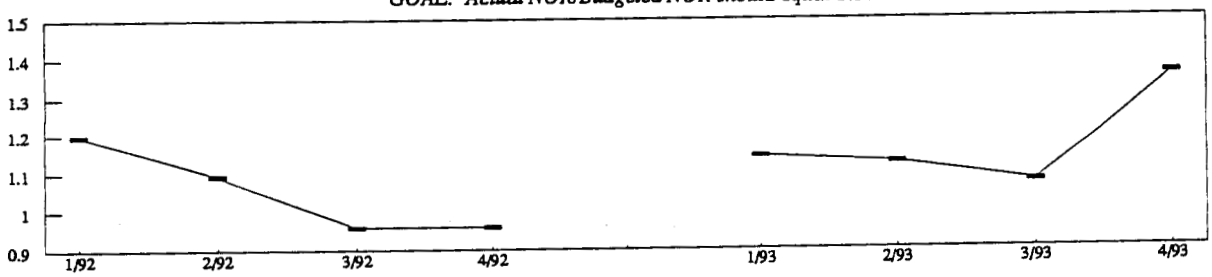
PROCESS DAYS

GOAL: Process Days Index Should be 1.00 or Above



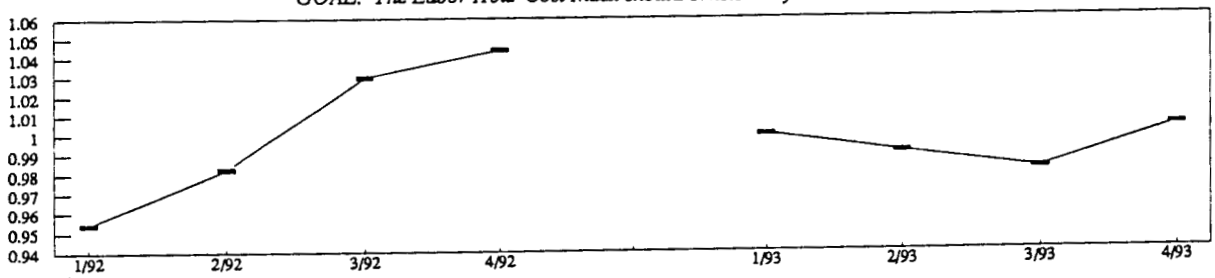
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

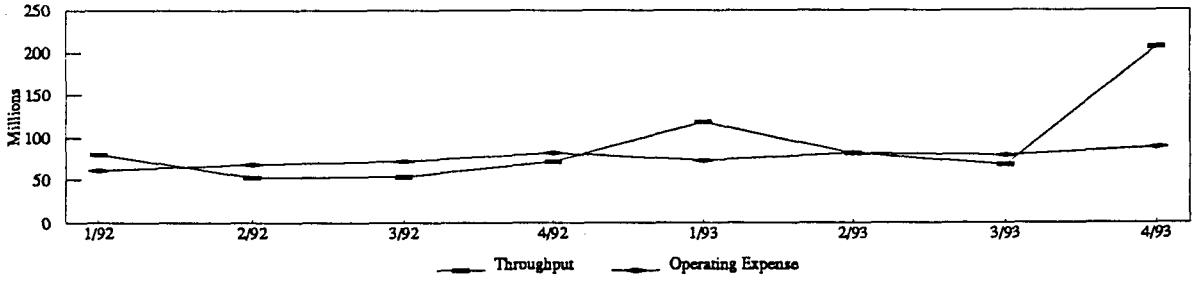
GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



LONG BEACH NAVAL SHIPYARD

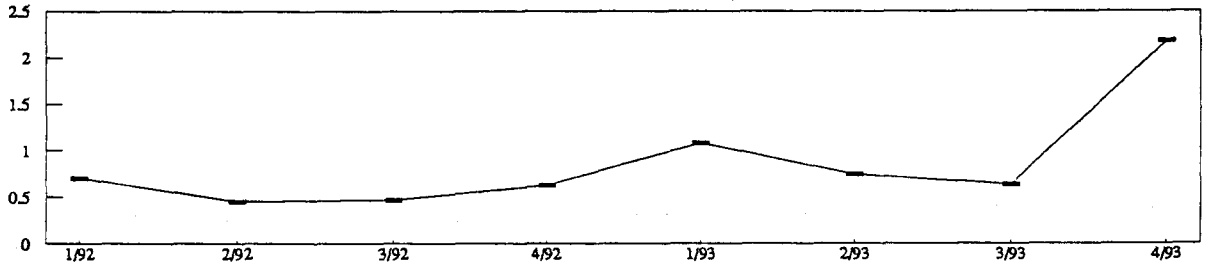
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



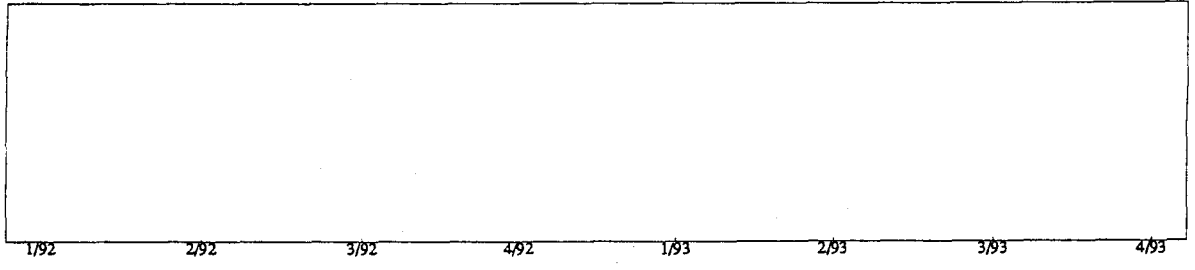
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1



LONG BEACH NAVAL SHIPYARD
LONG BEACH, CA

MAJOR WORKLOAD ACCOMPLISHED:

Surface ship overhaul, alteration and repair.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	3966
Military:	35

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$327,980,000

NAVAL SHIPYARDS

NADEP PENSACOLA

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	59676000	75533000	83520000	182079000	98972000	69310000	69056000	81644000
Total Cost ($)	71633000	91058000	77472000	89953000	81909000	79223000	85474000	87294000
Direct Materials ($)	21927000	25597000	22172000	29133000	25057000	22038000	23727000	25509000
Throughput ($)	37749000	49936000	61348000	152946000	73915000	47272000	45329000	56135000
Operating Expense ($)	49706000	65461000	55300000	60820000	56852000	57185000	61747000	61785000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	37749000	49936000	61348000	152946000	73915000	47272000	45329000	56135000
Longterm Inventory ($)	164085000	163282000	162413000	144497000	124011000	121770000	119809000	118783000
INDEX	0.23	0.31	0.38	1.06	0.60	0.39	0.38	0.47

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	12	19	22	11	21	18	21	13
Aircraft Completed	4	3	2	3	6	3	1	1
INDEX	0.33	0.16	0.09	0.27	0.29	0.17	0.05	0.08
Components Scheduled	7495	6761	5785	4718	4082	3743	5056	5570
Components Completed	6934	6439	5514	4508	3851	3256	4819	5115
INDEX	0.93	0.95	0.95	0.96	0.94	0.87	0.95	0.92

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	177	168	181	173	176	170	155	151
Aircraft Actual	197	207	200	217	218	212	203	219
VARIANCE	20	39	19	44	42	42	48	68
Components Planned	37	40	30	31	33	32	31	31
Components Actual	28	28	26	27	32	29	29	27
VARIANCE	-9	-12	-4	-4	-1	-3	-2	-4

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	49100000	135208000	215900000	315300000	98381000	169000000	238263000	331356000
Cum Budg Cost ($)	78419000	162573000	248482000	349354000	76382000	157000000	242231000	322000000
Budgeted NOR INDEX	0.63	0.83	0.87	0.90	1.29	1.08	0.98	1.03
Cum Actual Revenue ($)	59676000	135209000	218729000	400808000	98972000	168282000	237338000	318982000
Cum Actual Cost ($)	71633000	162691000	240163000	330116000	81909000	161132000	246606000	333900000
Actual NOR INDEX	0.83	0.83	0.91	1.21	1.21	1.04	0.96	0.96
NOR INDEX	1.33	1.00	1.05	1.35	0.94	0.97	0.98	0.93

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

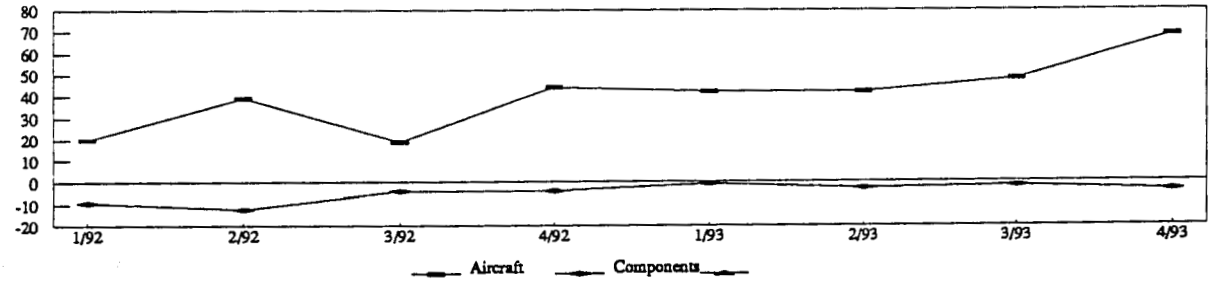
(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	78419000	162573000	248482000	349354000	76382000	157000000	242231000	322000000
Budgeted Total DLH	708000	787000	830000	832000	747000	775000	748000	705000
Bud Labor Hour Cost	110.76	206.57	299.38	419.90	102.25	202.58	323.84	456.74
Total Actual Cost ($)	71633000	162691000	240163000	330116000	81909000	161132000	246606000	333900000
Actual Total DLH	746000	795000	823000	815000	699000	715000	697000	621000
Actual Labor Hour Cost	96.02	204.64	291.81	405.05	117.18	225.36	353.81	537.68
Labor Hour Cost INDEX	0.87	0.99	0.97	0.96	1.15	1.11	1.09	1.18

NADEP PENSACOLA

PROCESS DAYS

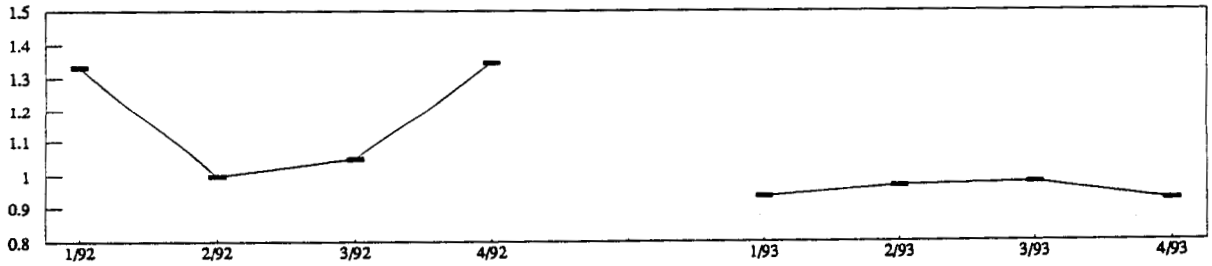
GOAL: Process Days Should show Continual Reduction



A large number of Desert Storm Aircraft were inducted at the end of 1991 over and above our normal schedule. This heavy induction schedule caused numerous delays in the process. We also had a tradeskill imbalance and a hiring freeze. Tradeskill imbalance and a separation incentive program continued the delays in 1993.

NET OPERATING RESULTS

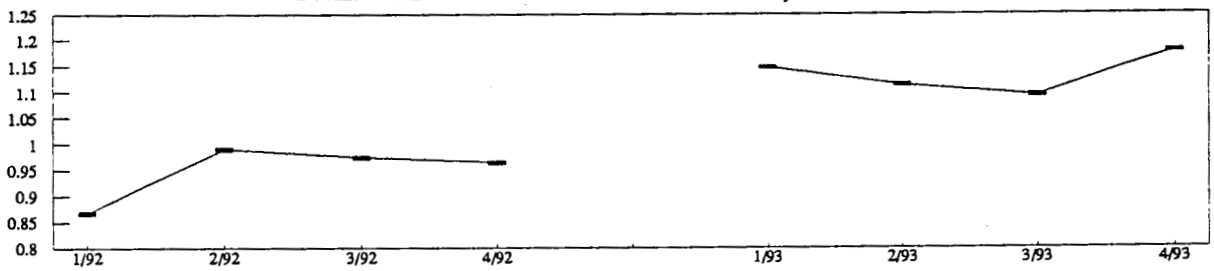
GOAL: Actual NOR/Budgeted NOR should equal 1.00



In 4th Qtr FY92, $85.2M of revenue was realized as a result of mandated changes in revenue recognition procedures. Specifically, revenue is to be recognized based on % of completion rather than physical completoin of the end item.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.

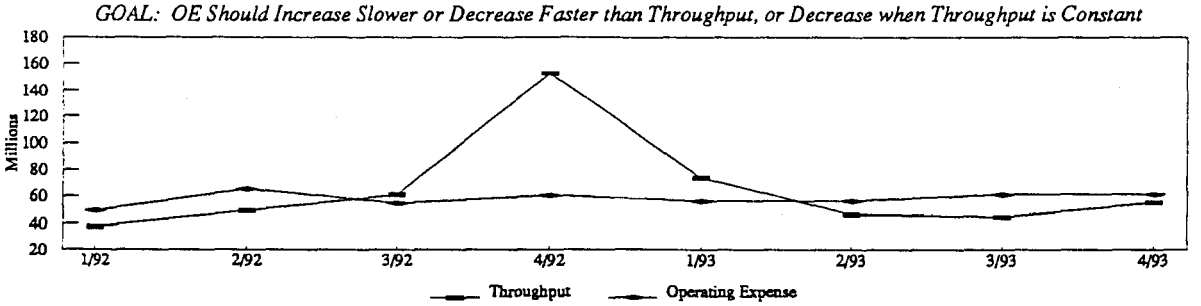


FY93 total cost of $333.9M is $11.9M more than plan primarily due to an increase in labor cost for separation incentive payouts.

NADEP PENSACOLA

THROUGHPUT & OPERATING EXPENSE

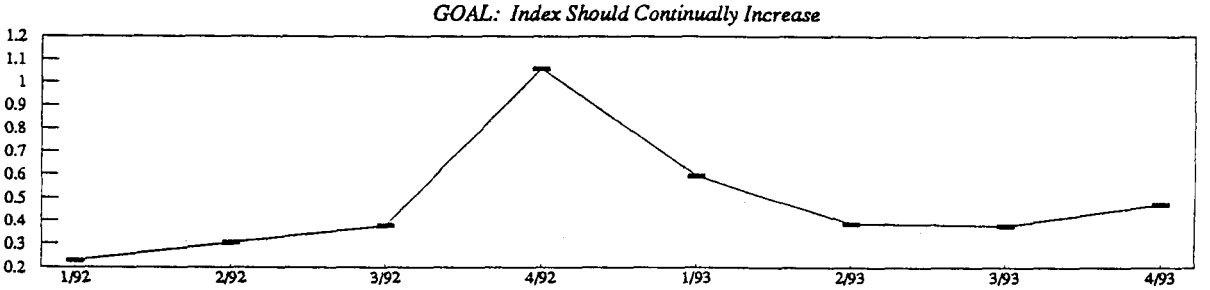
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



In 4th Qtr FY92, $85.2M of revenue was realized as a result of mandated changes in revenue recognition procedures. Specifically, revenue is to be recognized based on % of completion rather than physical completion of the end item.

CAPITAL INVESTMENT EFFECTIVENESS

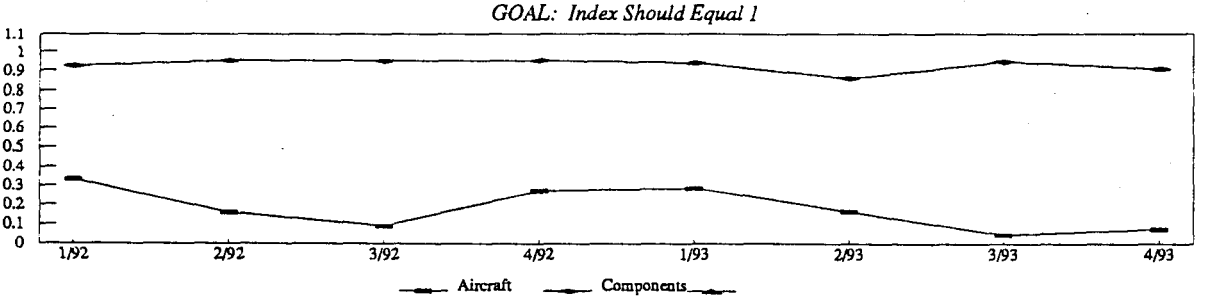
GOAL: Index Should Continually Increase



Longterm inventory decreased 11% in 4th Qtr FY92 , while throughput increased due to mandated changes in revenue recognition . This mandated change decreased work-in-process inventory and increased revenue for the quarter.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



A large number of Desert Storm Aircraft were inducted at the end of 1991 over and above our normal schedule. This heavy induction schedule caused numerous delays in the process. We also had a trade skill imbalance and a hiring freeze. Tradeskill imbalances and a separation incentive program continued the delay in 1993.

NADEP PENSACOLA
PENSACOLA, FL

MAJOR WORKLOAD ACCOMPLISHED:

H-1, H-3, H-53, H-60, COMPONENTS, NO ENGINE PROGRAM

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2635
Military:	34

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$333,900,346

NADEP NORTH ISLAND

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	92840000	81782000	79786000	205740000	142280000	58471000	77311000	80146000
Total Cost ($)	82603000	94222000	91438000	90351000	82889000	86548000	89838000	90074000
Direct Materials ($)	24214000	27609000	24217000	22154000	19251000	25002000	23047000	20667000
Throughput ($)	68626000	54173000	55569000	183586000	123029000	33469000	54264000	59479000
Operating Expense ($)	58389000	66613000	67221000	68197000	63638000	61546000	66791000	69407000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	68626000	54173000	55569000	183586000	123029000	33469000	54264000	59479000
Longterm Inventory ($)	155494000	156329000	161489000	141976000	109760000	106001000	103231000	102162000
INDEX	0.44	0.35	0.34	1.29	1.12	0.32	0.53	0.58

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	15	7	37	15	19	21	18	12
Aircraft Completed	5	4	16	10	6	8	7	6
INDEX	0.33	0.57	0.43	0.67	0.32	0.38	0.39	0.50
Components Scheduled	4274	3681	2907	2209	2296	2748	3579	4084
Components Completed	3719	3121	2747	2067	2202	2364	3184	3508
INDEX	0.87	0.85	0.94	0.94	0.96	0.86	0.89	0.86
Engines Scheduled	113	81	60	70	50	50	43	35
Engines Completed	87	67	46	64	40	41	34	34
INDEX	0.77	0.83	0.77	0.91	0.80	0.82	0.79	0.97

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	219	153	259	131	230	261	262	269
Aircraft Actual	287	189	304	145	281	274	297	284
VARIANCE	68	36	45	14	51	13	35	15
Components Planned	28	29	29	31	30	30	27	25
Components Actual	54	62	52	47	46	42	37	41
VARIANCE	26	33	23	16	16	12	10	16
Engines Planned	99	104	35	25	45	46	47	47
Engines Actual	97	79	43	33	63	65	91	81
VARIANCE	-2	-25	8	8	18	19	44	34

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	82760000	173044000	269346000	365649000	69785000	145691000	224046000	302401000
Cum Budg Cost ($)	82805000	173138000	269493000	365849000	65117000	135947000	209061000	282175000
Budgeted NOR INDEX	1.00	1.00	1.00	1.00	1.07	1.07	1.07	1.07
Cum Actual Revenue ($)	92840000	174622000	254408000	460148000	142280000	200751000	278062000	358208000
Cum Actual Cost ($)	82603000	176825000	268263000	358613000	82889000	169436000	259274000	349348000
Actual NOR INDEX	1.12	0.99	0.95	1.28	1.72	1.18	1.07	1.03
NOR INDEX	1.12	0.99	0.95	1.28	1.60	1.11	1.00	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

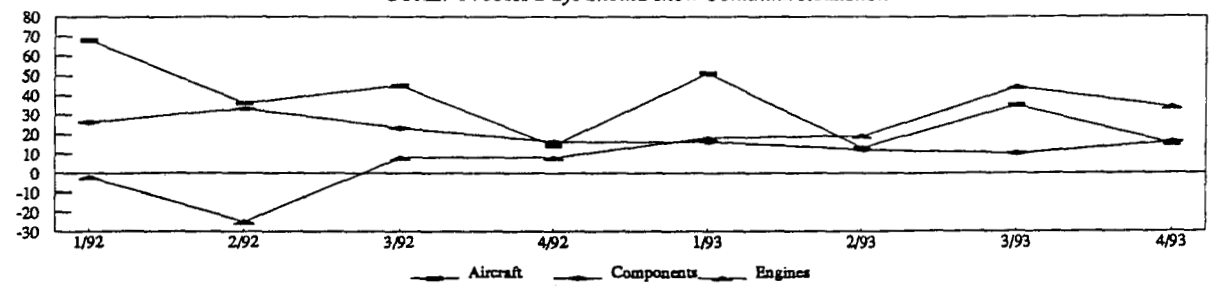
(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	82805000	173138000	269493000	365849000	65117000	135947000	209061000	282175000
Budgeted Total DLH	896000	1875000	2918000	3961000	808000	1686000	2594000	3501000
Bud Labor Hour Cost	$92.42	$92.34	$92.36	$92.36	$80.59	$80.63	$80.59	$80.60
Total Actual Cost ($)	82603000	176825000	268263000	358613000	82889000	169436000	259274000	349348000
Actual Total DLH	950000	1945000	2925000	3921000	929000	1886000	2855000	3809000
Actual Labor Hour Cost	$86.95	$90.91	$91.71	$91.46	$89.22	$89.84	$90.81	$91.72
Labor Hour Cost INDEX	0.94	0.98	0.99	0.99	1.11	1.11	1.13	1.14

NADEP NORTH ISLAND

PROCESS DAYS

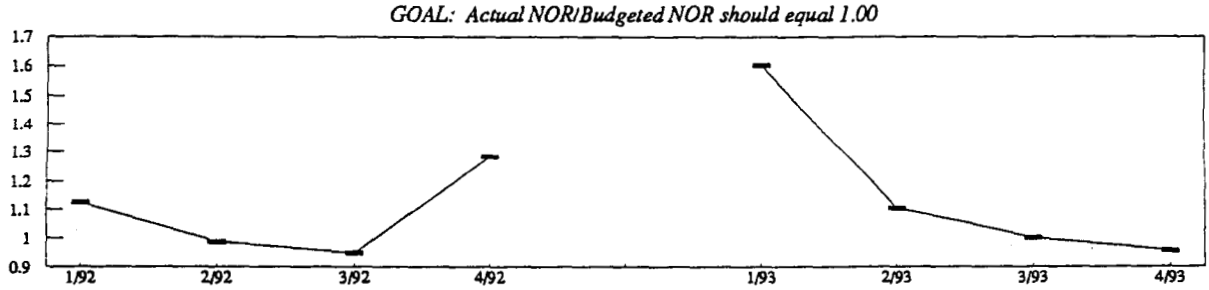
GOAL: Process Days Should show Continual Reduction



The Aircraft and Components Programs are reflecting a continual reduction in process days. The Engine Program's process days were affected by the close out of the T58 and F404 Programs.

NET OPERATING RESULTS

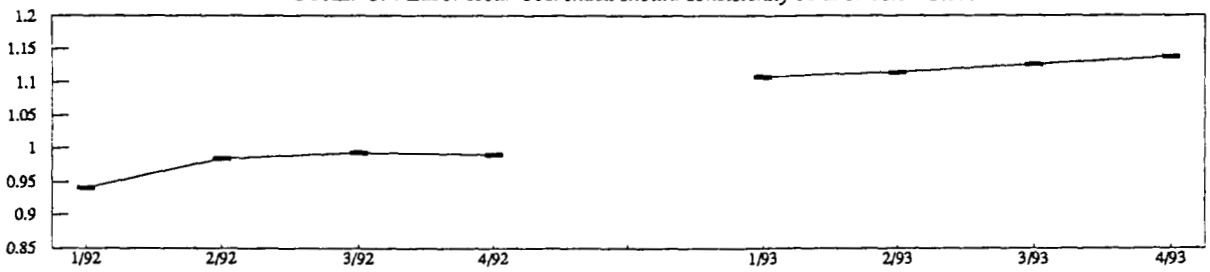
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The NOR was affected by DBOF policy changes ($115M of progress payments were transferred to revenue) in 4th Qtr FY92 and in FY93; however, the trend toward the goal of 1.00 in 3rd and 4th Qtrs FY93 is expected to continue in FY94.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.

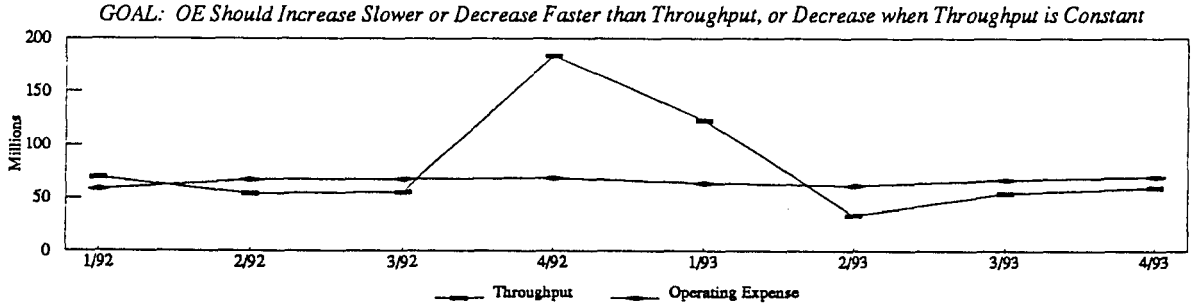


Actual labor hour costs remained essentially constant during FY92 and FY93. Budgeted labor hour costs dropped over ten percent between FY92 and FY93 because of an imposed material budget mark (Program Budget Decision 426).

NADEP NORTH ISLAND

THROUGHPUT & OPERATING EXPENSE

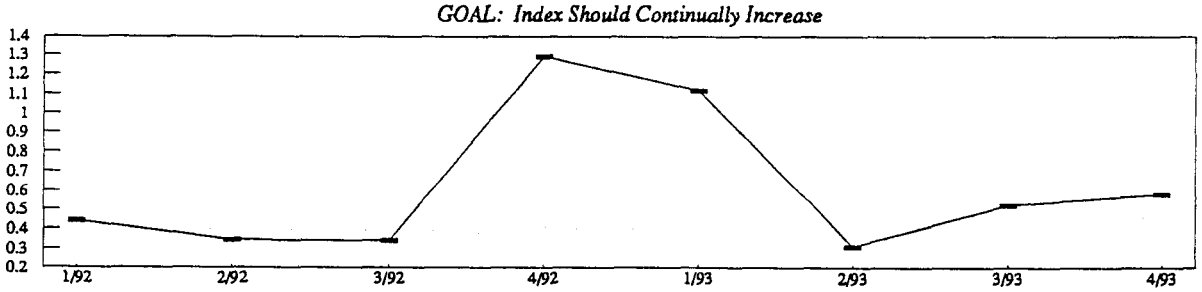
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



In 4th Quarter FY92, $115M of progress payments were transferred to revenue due to a Defense Business Operating Fund (DBOF) accounting policy change. 1st Qtr FY93 is over stated $18M due to accounting adjustments. Consequently, 4th Qtr FY92 and 1st Qtr FY93 data points were aberrantly high. Improvement during 3rd and 4th Qtrs FY93 are expected to continue.

CAPITAL INVESTMENT EFFECTIVENESS

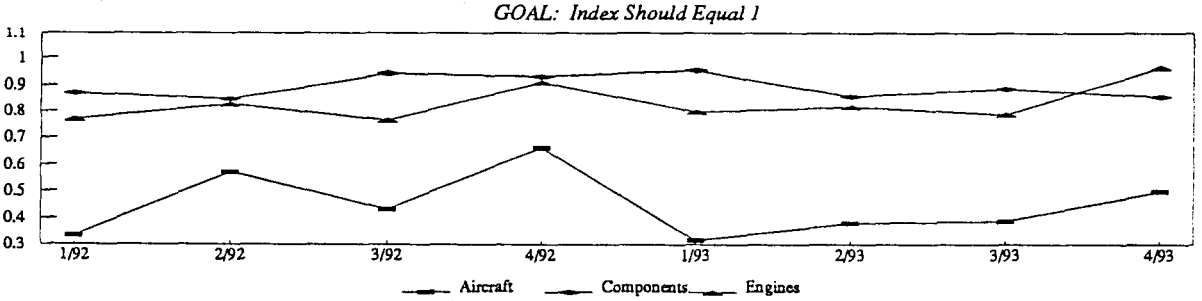
GOAL: Index Should Continually Increase



As a result of downsizing and efficiency measures, long term inventory has decreased 28 percent during FY93. 4th Qtr FY92 and 1st Qtr FY93 data anomalies are due to revenue aberrations previously explained.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



The positive trend in the Aircraft and Engine Programs is expected to continue. Components Program changes have been instituted which should be reflected in FY94 results.

NADEP NORTH ISLAND
SAN DIEGO, CA

MAJOR WORKLOAD ACCOMPLISHED:

F/A-18 Hornet, C-2 Greyhound, E-2 Hawkeye, F-14 Tomcat, Components, and Engines (LM2500 and T64)

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	3698
Military:	31

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$359,265,470

Naval Aviation Depot North Island's industrial performance indicators showed significant upheaval in late FY-92 to early FY-93 because of Defense Business Operations Fund accounting system changes and major workload shifts caused by single siting the F-14 Aircraft and F404 and T58 Engine Programs to other activities. Since then, and especially during Third and Fourth Quarters FY-93, our performance has been improving. Due to plant initiatives to improve efficiency and reduce operating expenses, we expect this trend to continue or accelerate through the upcoming two quarters.

NADEP JACKSONVILLE

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	72211000	97362000	94402000	214855000	98730000	82512000	107661000	99057000
Total Cost ($)	88092000	82473000	91100000	99224000	93756000	91130000	91661000	90226000
Direct Materials ($)	49364000	32683000	43604000	51036000	44260000	46864000	42966000	45888000
Throughput ($)	22847000	64679000	50798000	163819000	54470000	35648000	64695000	53169000
Operating Expense ($)	38728000	49790000	47496000	48188000	49496000	44266000	48695000	44338000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	22847000	64679000	50798000	163819000	54470000	35648000	64695000	53169000
Longterm Inventory ($)	78902000	79563000	74631000	86473000	84880000	86300000	84593000	82768000
INDEX	0.29	0.81	0.68	1.89	0.64	0.41	0.76	0.64

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	23	25	20	25	11	13	8	9
Aircraft Completed	23	19	20	25	11	13	8	9
INDEX	1.00	0.76	1.00	1.00	1.00	1.00	1.00	1.00
Components Scheduled	160	145	150	153	128	114	152	156
Components Completed	142	136	145	148	126	112	149	152
INDEX	0.89	0.94	0.97	0.97	0.98	0.98	0.98	0.97
Engines Scheduled	92	87	103	94	86	76	68	66
Engines Completed	92	87	103	94	86	76	68	66
INDEX	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	153	134	126	152	125	61	80	30
Aircraft Actual	137	133	128	133	135	70	87	36
VARIANCE	-16	-1	2	-19	10	9	7	6
Components Planned	28	28	27	27	27	26	25	25
Components Actual	39	44	43	48	45	42	36	34
VARIANCE	11	16	16	21	18	16	11	9
Engines Planned	32	35	31	25	43	38	50	43
Engines Actual	42	32	37	40	41	53	45	43
VARIANCE	10	-3	6	15	-2	15	-5	0

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	80977000	172349000	290595000	402159000	85726000	177939000	277442000	378959000
Cum Budg Cost ($)	83952000	165032000	250975000	340048000	92241000	184482000	281288000	378095000
Budgeted NOR INDEX	0.96	1.04	1.16	1.18	0.93	0.96	0.99	1.00
Cum Actual Revenue ($)	72211000	169574000	263976000	478831000	98730000	181241000	288903000	387959000
Cum Actual Cost ($)	87687000	169680000	260185000	358897000	93394000	184077000	275738000	365965000
Actual NOR INDEX	0.82	1.00	1.01	1.33	1.06	0.98	1.05	1.06
NOR INDEX	0.85	0.96	0.88	1.13	1.14	1.02	1.06	1.06

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

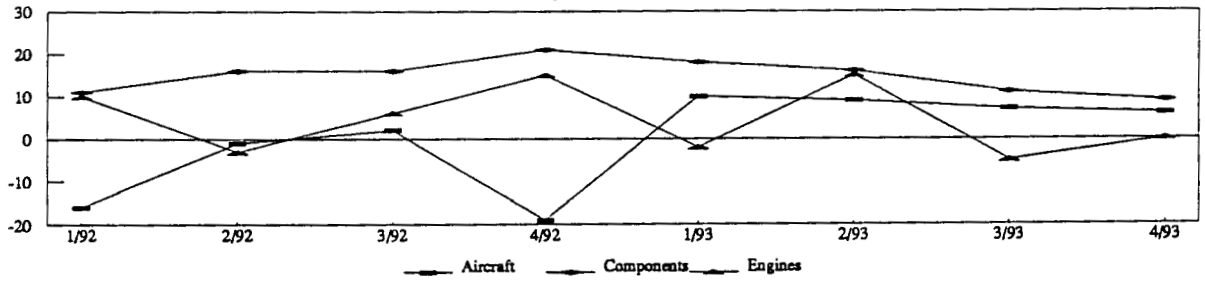
(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	83952000	165032000	250975000	340048000	92241000	184482000	281288000	378095000
Budgeted Total DLH	787000	1593000	2480000	3261000	745000	1506000	2267000	2990000
Bud Labor Hour Cost	$106.67	$103.60	$101.20	$104.28	$123.81	$122.50	$124.08	$126.45
Total Actual Cost ($)	87687000	169680000	260185000	358897000	93394000	184077000	275738000	365965000
Actual Total DLH	721000	1485000	2316000	3141000	700000	1481000	2261000	3039000
Actual Labor Hour Cost	$121.62	$114.26	$112.34	$114.26	$133.42	$124.29	$121.95	$120.42
Labor Hour Cost INDEX	1.14	1.10	1.11	1.10	1.08	1.01	0.98	0.95

NADEP JACKSONVILLE

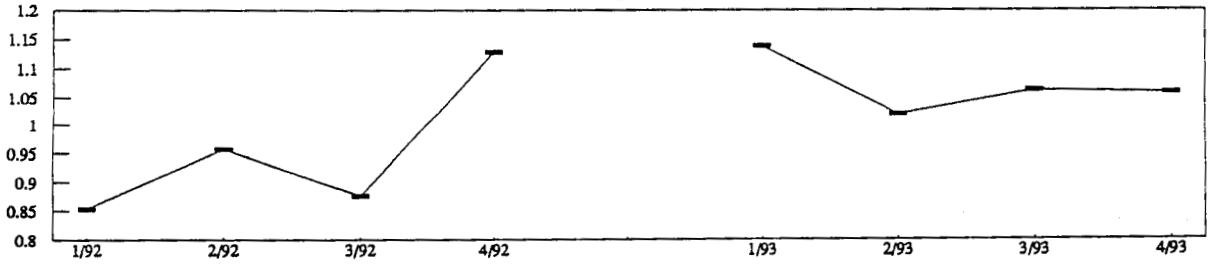
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



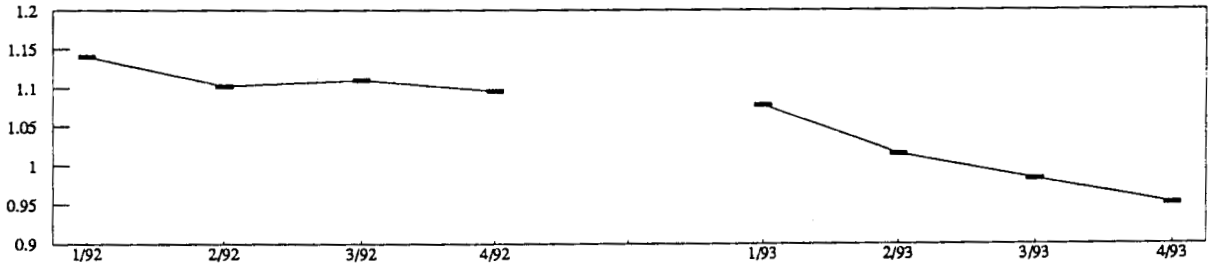
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

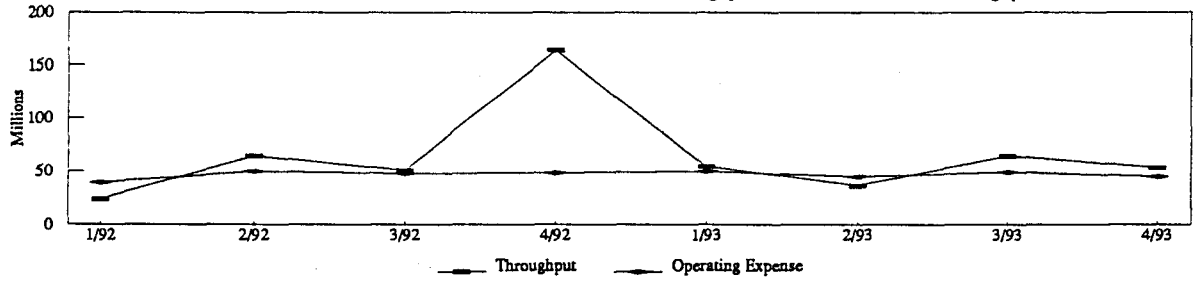
GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



NADEP JACKSONVILLE

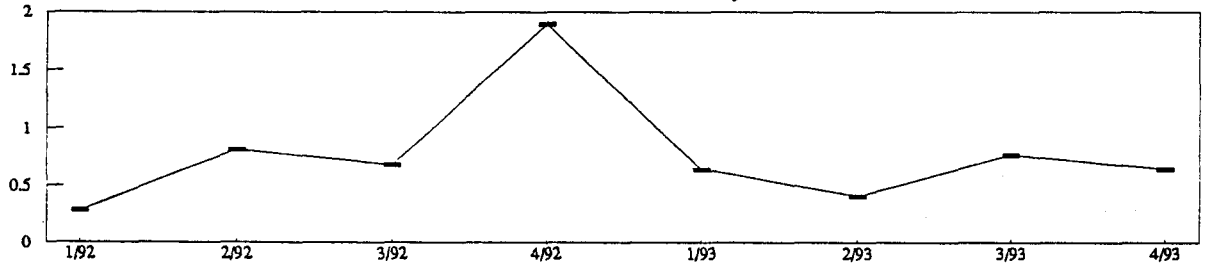
THROUGHPUT & OPERATING EXPENSE

GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



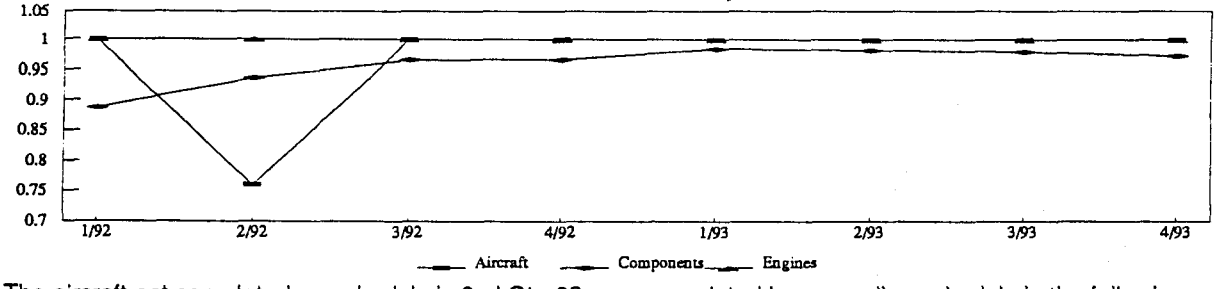
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1



The aircraft not completed on schedule in 2nd Qtr. 92 were completed by exceeding schedule in the following quarters of FY92.

NADEP JACKSONVILLE
JACKSONVILLE, FL

MAJOR WORKLOAD ACCOMPLISHED:

F/A-18 Hornet, P3 Orions, Components, and Engines (J52, F404 and TF-41)

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2766
Military:	30

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$367,713,225

All indices remained consistent through third and fourth quarters with the exception of the labor hour cost index. This index reflects the cumulative effect of the Productivity Gainsharing payout in first quarter of FY-93.

NADEP CHERRY POINT

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	91209000	91183000	102217000	192045000	148921000	82728000	72614000	80744000
Total Cost ($)	81466000	84546000	92580000	87510000	91593000	74957000	88561000	91779000
Direct Materials ($)	37160000	41794000	36336000	41153000	37975000	28567000	33583000	32962000
Throughput ($)	54049000	49389000	65881000	150892000	110946000	54161000	39031000	47782000
Operating Expense ($)	44306000	42752000	56244000	46357000	53618000	46390000	54978000	58817000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	54049000	49389000	65881000	150892000	110946000	54161000	39031000	47782000
Longterm Inventory ($)	114416000	116656000	153790000	150065000	150664000	147363000	154972000	152406000
INDEX	0.47	0.42	0.43	1.01	0.74	0.37	0.25	0.31

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	21	33	33	41	25	24	30	19
Aircraft Completed	5	19	25	23	6	4	11	8
INDEX	0.24	0.58	0.76	0.56	0.24	0.17	0.37	0.42
Components Scheduled	3152	3368	2964	3086	2835	2488	3987	4445
Components Completed	3083	3328	2904	3027	2750	2521	3856	4223
INDEX	0.98	0.99	0.98	0.98	0.97	1.01	0.97	0.95
Engines Scheduled	139	144	169	161	130	109	92	93
Engines Completed	139	144	169	161	130	109	92	93
INDEX	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PROCESS DAYS

AVG ACTUAL(WEIGHTED) - AVG PLANNED (WEIGHTED) = PROCESS DAYS VARIANCE

Aircraft Planned	117	90	98	64	76	87	68	61
Aircraft Actual	116	82	89	57	77	92	74	55
VARIANCE	-1	-8	-9	-7	1	5	6	-6
Components Planned	27	28	30	29	30	28	26	24
Components Actual	32	31	34	33	36	36	28	31
VARIANCE	5	3	4	4	6	8	2	7
Engines Planned	42	39	42	34	39	39	32	30
Engines Actual	46	50	47	41	53	53	36	42
VARIANCE	4	11	5	7	14	14	4	12

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	72372000	182391000	264656000	341443000	105626000	207238000	305553000	371837000
Cum Budg Cost ($)	68298000	172754000	265586000	334242000	84227000	173895000	252447000	336561000
Budgeted NOR INDEX	1.06	1.06	1.00	1.02	1.25	1.19	1.21	1.10
Cum Actual Revenue ($)	91209000	182392000	284608000	476653000	148921000	231649000	304264000	385007000
Cum Actual Cost ($)	81466000	166012000	258592000	346102000	91593000	166550000	255111000	346890000
Actual NOR INDEX	1.12	1.10	1.10	1.38	1.63	1.39	1.19	1.11
NOR INDEX	1.06	1.04	1.10	1.35	1.30	1.17	0.99	1.00

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

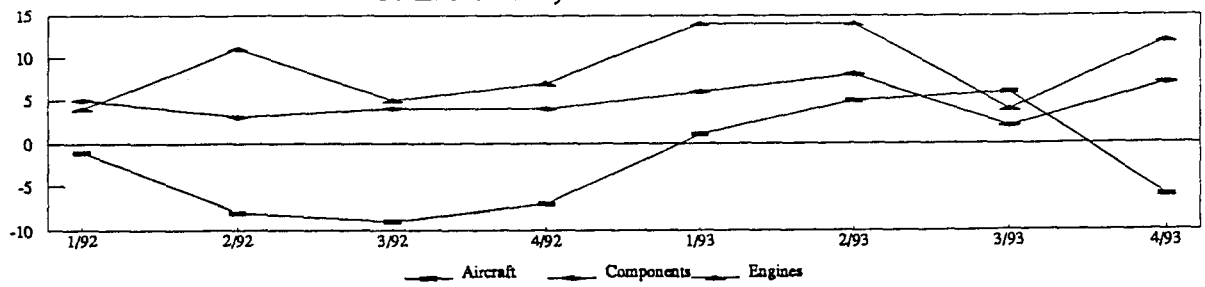
(CUMULATIVE TOTAL BUDGETED COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	68298000	172754000	265586000	334242000	84227000	173895000	252447000	336561000
Budgeted Total DLH	676000	1618000	2565000	3193000	769000	1590000	2294000	3084000
Bud Labor Hour Cost	101.03	106.77	103.54	104.68	109.53	109.37	110.05	109.13
Total Actual Cost ($)	81466000	166012000	258592000	346102000	91593000	166550000	255111000	346890000
Actual Total DLH	760000	1658000	2601000	3555000	785000	1541000	2261000	2942000
Actual Labor Hour Cost	107.19	100.13	99.42	97.36	116.68	108.08	112.83	117.91
Labor Hour Cost INDEX	1.06	0.94	0.96	0.93	1.07	0.99	1.03	1.08

NADEP CHERRY POINT

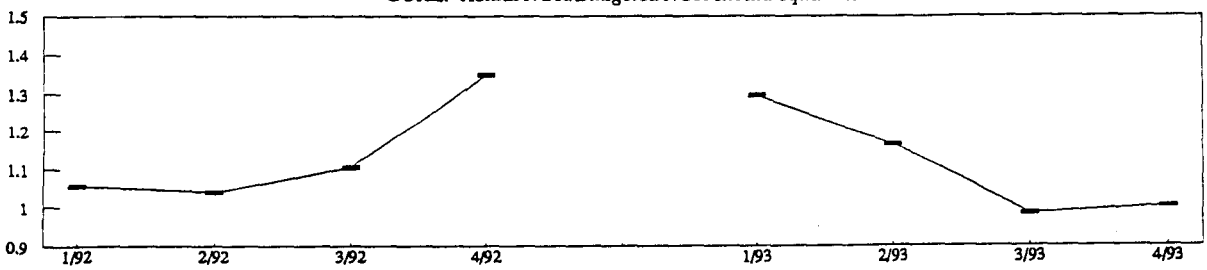
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



NET OPERATING RESULTS

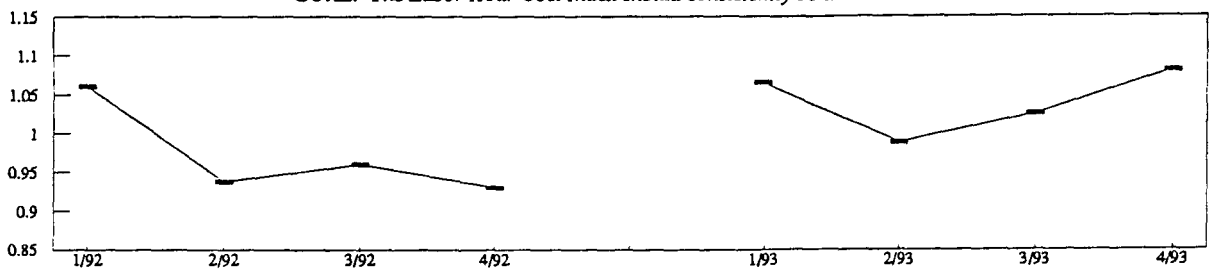
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Net Operating Results were also out of line due to changes in revenue recognition for 4th Qtr FY92 and 1st Qtr FY93. NOR declined throughout FY93 primarily due to the NAVCOMPT cut in material rates, causing approximately $13,500,000 in losses. In addition approximately $3,500,000 paid out in SIP was neither funded by NAVAIR, nor included in billing rates. Approximately $4,000,000 in Productivity Gain Sharing awards were not included in billing rates.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.

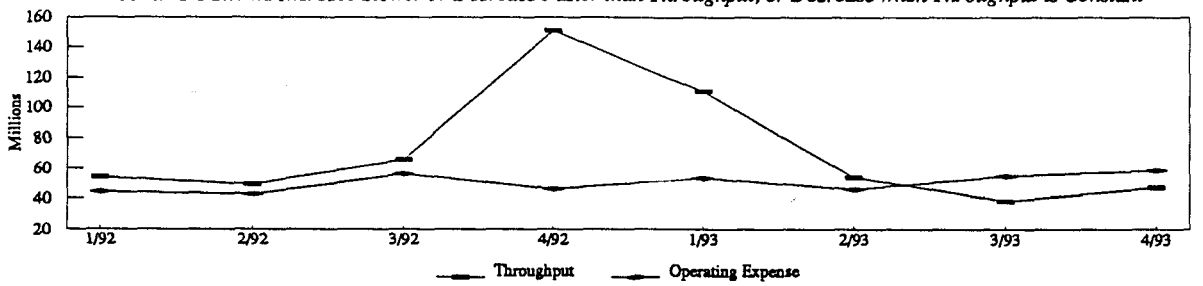


NOR declined throughout FY93 as discussed above. In addition the increases in 3rd and 4th Qtr FY93 are due to costs associated with approximately $3,500,000 paid out in SIP. Also, less direct hours were expended due to decreased workload and loss of production workers due to SIP.

NADEP CHERRY POINT

THROUGHPUT & OPERATING EXPENSE

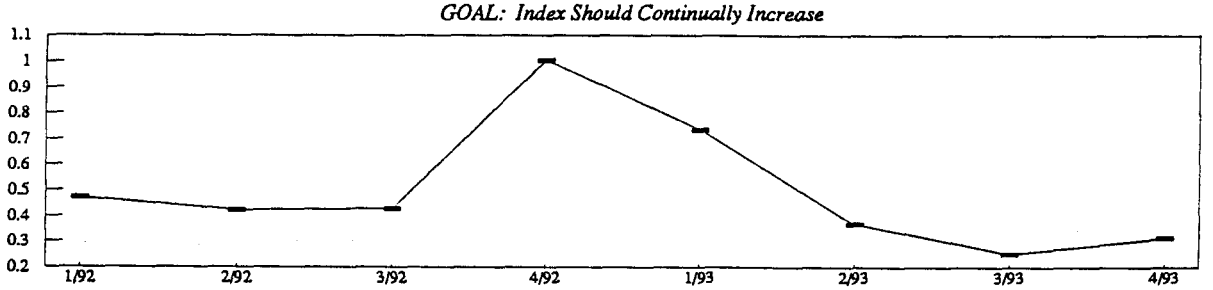
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



An OSD policy change regarding revenue recognition, for year-end reporting, caused an increase of $87,901,742 in 4th Qtr FY92 revenue. Another change required the month-end Work-In-Process to be zero. This caused the FY92 WIP balance of $57,347,205 to be recognized as additional revenue in 1st Qtr FY93. Operating expenses for 4th Qtr FY93 increased due to processing of $5,607,905 in SIP. Also, increased depreciation expenses of approximately $533,000 due to several ACP projects completed in 4th Qtr FY93.

CAPITAL INVESTMENT EFFECTIVENESS

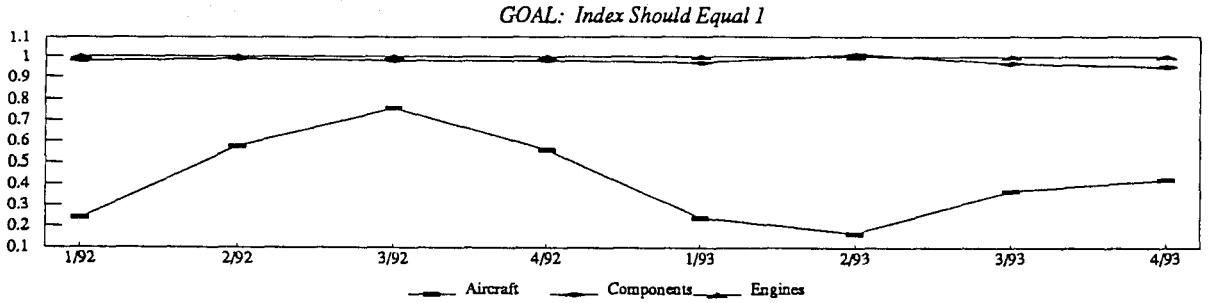
GOAL: Index Should Continually Increase



The 4th Qtr FY92 and 1st Qtr FY93 increase in CIE is reflective of the increase in throughput described above.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



NADEP CHERRY POINT
CHERRY POINT, NC

MAJOR WORKLOAD ACCOMPLISHED:

AIRCRAFT: AV-8B Harrier II, A-4 Skyhawk, C-130 Hercules, F-4 Phantom II (Drone Conversion and Air Force Wild Weasel), and H-46 Sea Knight
ENGINES: F402, J79, T400, T58, T64 AND T76
COMPONENTS

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2889
Military:	81

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$358,067,121

NAVAL AVIATION DEPOTS

TOOELE ARMY DEPOT

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	31736000	32211000	31552000	32218000	25184000	27173000	24781000	28024000
Total Cost ($)	31837000	41986000	36275000	41256000	26782000	33994000	36447000	27633000
Direct Materials ($)	6242000	14311000	6106000	4171000	2882000	6315000	6958000	5681000
Throughput ($)	25494000	17900000	25446000	28047000	22302000	20858000	17823000	22343000
Operating Expense ($)	25595000	27675000	30169000	37085000	23900000	27679000	29489000	21952000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	25494000	17900000	25446000	28047000	22302000	20858000	17823000	22343000
Longterm Inventory ($)	17563000	17257000	16607000	16146000	15654000	29231000	29284000	27921000
INDEX	1.45	1.04	1.53	1.74	1.42	0.71	0.61	0.80

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

60kw Generators Process Days								438
Number of Items								6
AVG PROCESS DAYS								73.00

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	37269000	84510000	131196000	175276000	30298000	53200000	82245000	112836000
Cum Budg Cost ($)	35800000	79201000	122411000	162888000	33413000	66475000	99035000	131672000
Budgeted NOR INDEX	1.04	1.07	1.07	1.08	0.91	0.80	0.83	0.86
Cum Actual Revenue ($)	31736000	63947000	95499000	127717000	25184000	52357000	77138000	105162000
Cum Actual Cost ($)	31837000	73823000	110098000	151354000	26782000	60776000	97223000	124856000
Actual NOR INDEX	1.00	0.87	0.87	0.84	0.94	0.86	0.79	0.84
NOR INDEX	0.96	0.81	0.81	0.78	1.04	1.08	0.96	0.98

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

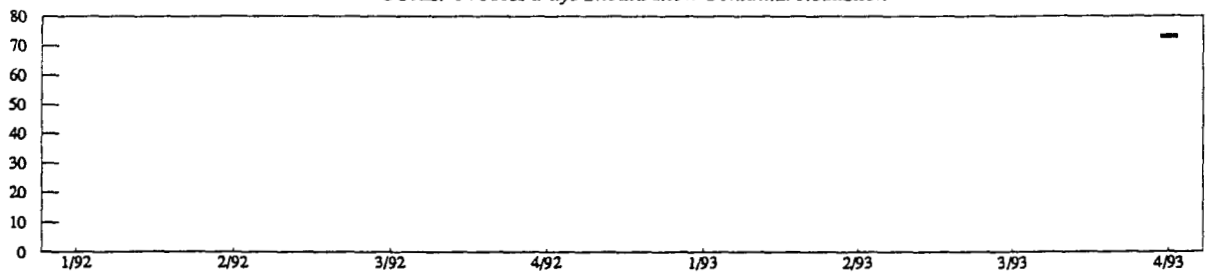
(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	35800000	79201000	122411000	162888000	33413000	66475000	99035000	131672000
Budgeted Total DLH	539317	1198153	1841508	2443258	413800	723050	1104948	1479058
Bud Labor Hour Cost	$66.38	$66.10	$66.47	$66.67	$80.75	$91.94	$89.63	$89.02
Total Actual Cost ($)	31837000	73823000	110098000	151354000	26782000	60776000	97223000	124856000
Actual Total DLH(000)	454485	934006	1363235	1727231	285804	639733	956434	1296745
Actual Labor Hour Cost	$70.05	$79.04	$80.76	$87.63	$93.71	$95.00	$101.65	$96.28
Labor Hour Cost INDEX	1.06	1.20	1.21	1.31	1.16	1.03	1.13	1.08

TOOELE ARMY DEPOT

PROCESS DAYS

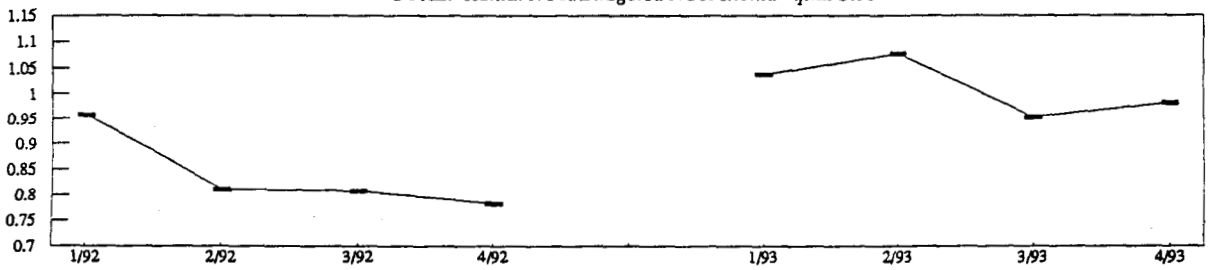
GOAL: Process Days Should show Continual Reduction



Program was selected because it is the only program TEAD has that will be on-going for three quarters. TEAD does not have a program that will be in-process for the fiscal year and no carryover is anticipated.

NET OPERATING RESULTS

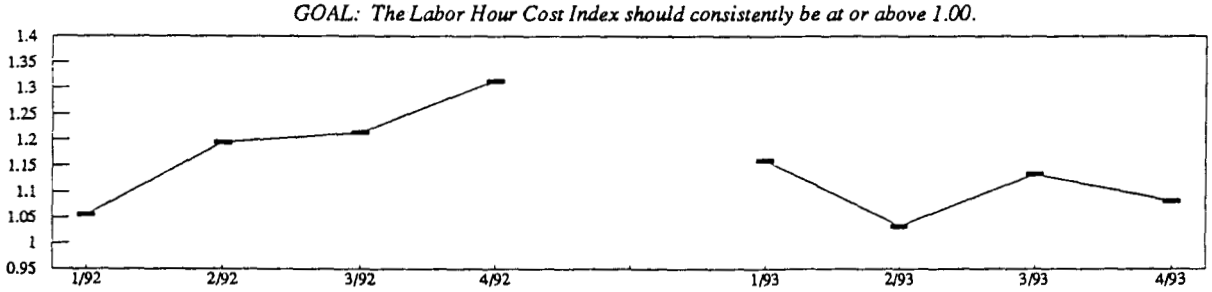
GOAL: Actual NOR/Budgeted NOR should equal 1.00



A combination of increased revenue and decreased expenses in 4th quarter, enabled TEAD to achieve the goal within 2% of actual and budgeted NOR. The $1.0 M shortfall was due to the costs associated to the extension of VERA/VSIP incentives and only receiving 60% reimbursement.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or above 1.00.

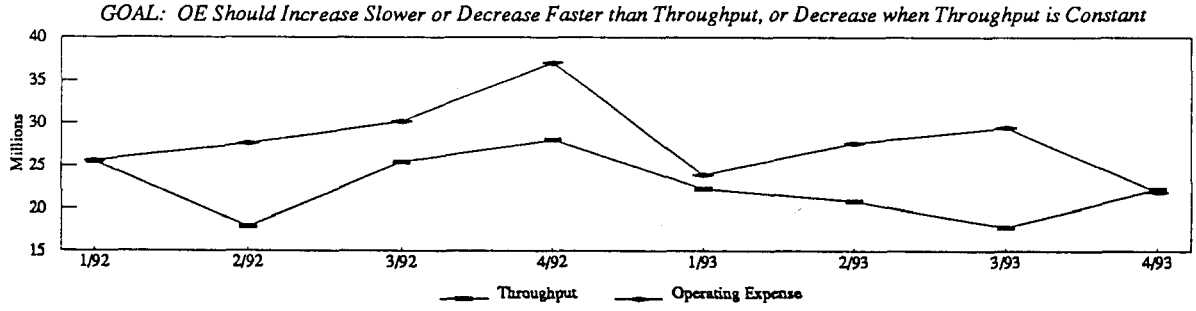


The added expense of carrying excess people, combined with the significant reduction in workload has continued to keep TEAD above the desired index of 1. The 4% increase in 4th quarter is attributed to increasing utilization of direct labor hours and a 60% reimbursement ($4.0M) of our total VERA/VSIP costs. The CMF has enabled us to increase productivity while decreasing direct labor hours, resulting in a higher direct labor hour cost.

TOOELE ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

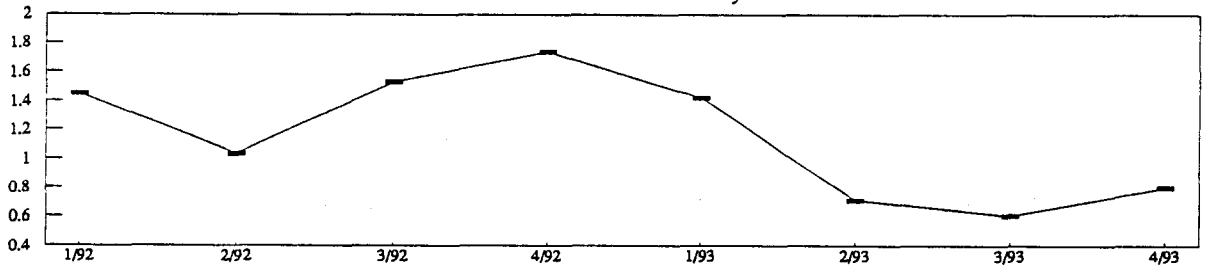
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



TEAD's prices were set to achieve a NOR loss of $20M in FY93. The FY93 throughput followed the predicted path with relation to operating expense. Although both throughput and operating expense are below budgeted levels, their relationship to each other remained at the budgeted level.

CAPITAL INVESTMENT EFFECTIVENESS

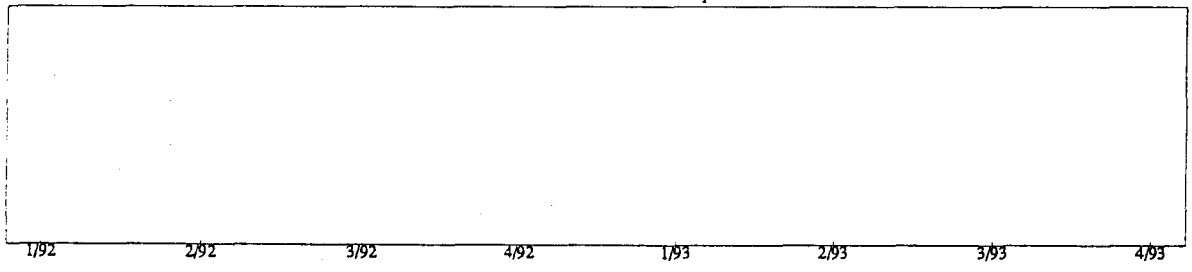
GOAL: Index Should Continually Increase



The increased throughput was partially attributed to the increase in Capital Investment. Turn-in of $1.3 M of equipment generated from the maintenance buildings vacated after moving into the Consolidated Maintenance Facility (CMF) contributed to the increase. Long term inventory increased with the capitalization of the CMF. This facility has contributed greatly to our productivity allowing revenue generation to increase with no increase in direct labor hours.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



TOOELE ARMY DEPOT
TOOELE, UT

MAJOR WORKLOAD ACCOMPLISHED:

Repair, modification and fabrication of components and major end items belonging to the tactical wheeled vehicle/construction category. Most significant workload at this time consists of High Mobility Heavy Expanded Mobility Tactical Truck, High Mobility Multipurpose Wheeled Vehicle, and M9 ACE. TEAD overhauled or modified 55 M9 ACE for 1st Cav Disivion, Fort Hood, Texas. TEAD completed a Competition Generator IRON program which was accomplished below cost.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1193
Military:	4

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$133,978,000

TEAD's throughput and Operating Expense are experiencing a more favorable trend due to increased revenue generated without a significant increase in direct material, including a $4M reimbursement for VERA/VSIP. Additional revenue was generated from fielding programs. Capital Investment Effectiveness has taken an upward swing, after several unfavorable quarters, due to turn-in of equipment associated with moving into the Consolidated Maintenance Facility. An increase in revenue and decreasing expenditures have enabled TEAD to achieve a more favorable Net Operating Result. TEAD's Labor Hour Cost Index lags behind the optimum index of 1.0, due to a reduction in workload combined with the carrying of excess personnel. A 60kw generator program was selected to track process days. The program will be on-going for at least 3 quarters. Finally, TEAD has requested exemption from quarterly reporting concerning Productivity Measurement, due in part to a significant reduction of current workload, minimal on-going programs to measure, and the possibility of not receiving substantial future workload.

TOBYHANNA ARMY DEPOT

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	34085000	40684000	46380000	50450000	39960000	46747000	45084000	45035000
Total Cost ($)	35816000	40001000	44125000	45354000	40348000	45526000	51092000	45310000
Direct Materials ($)	5097000	5389000	8327000	7544000	8849000	10946000	10188000	7243000
Throughput ($)	28988000	35295000	38053000	42906000	31111000	35801000	34896000	37792000
Operating Expense ($)	30719000	34612000	35798000	37810000	31499000	34580000	40904000	38067000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	28988000	35295000	38053000	42906000	31111000	35801000	34896000	37792000
Longterm Inventory ($)	82945000	81565000	80374000	74747000	79285000	81650000	81994000	85214000
INDEX	0.35	0.43	0.47	0.57	0.39	0.44	0.43	0.44

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

PCM Tele Terminal Process Days							117	107
Number of Items							2	2
AVG PROCESS DAYS							58.50	53.50

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	26664000	67038000	110016000	159727000	35084000	76902000	122433000	170438000
Cum Budg Cost ($)	35392000	74822000	119660000	159927000	40086000	82660000	125128000	168006000
Budgeted NOR INDEX	0.75	0.90	0.92	1.00	0.88	0.93	0.98	1.01
Cum Actual Revenue ($)	34085000	74769000	121149000	171599000	39960000	86707000	131791000	176826000
Cum Actual Cost ($)	35816000	75817000	119942000	165296000	40348000	85874000	136966000	182276000
Actual NOR INDEX	0.95	0.99	1.01	1.04	0.99	1.01	0.96	0.97
NOR INDEX	1.26	1.10	1.10	1.04	1.13	1.09	0.98	0.96

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

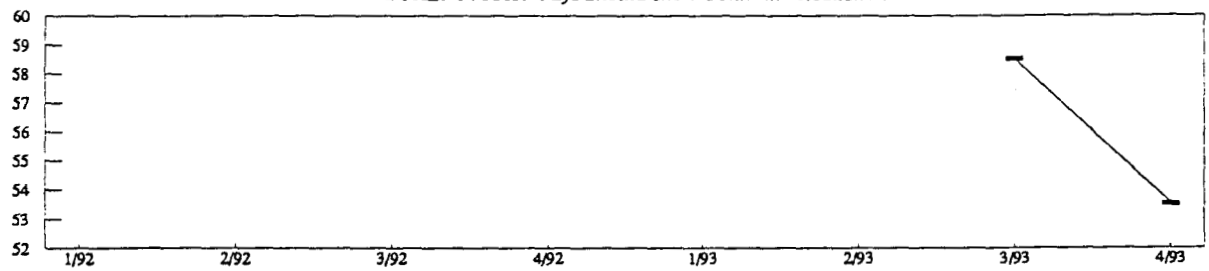
(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	35392000	74822000	119660000	159927000	40086000	82660000	125128000	168006000
Budgeted Total DLH	805000	1575000	2376000	3167000	759000	1524000	2322000	3105000
Bud Labor Hour Cost	$43.97	$47.51	$50.36	$50.50	$52.81	$54.24	$53.89	$54.11
Total Actual Cost ($)	35816000	75817000	119942000	165296000	40348000	85874000	136966000	182276000
Actual Total DLH	774000	1575000	2363000	3140000	713000	1490000	2291000	3072000
Actual Labor Hour Cost	$46.27	$48.14	$50.76	$52.64	$56.59	$57.63	$59.78	$59.33
Labor Hour Cost INDEX	1.05	1.01	1.01	1.04	1.07	1.06	1.11	1.10

TOBYHANNA ARMY DEPOT

PROCESS DAYS

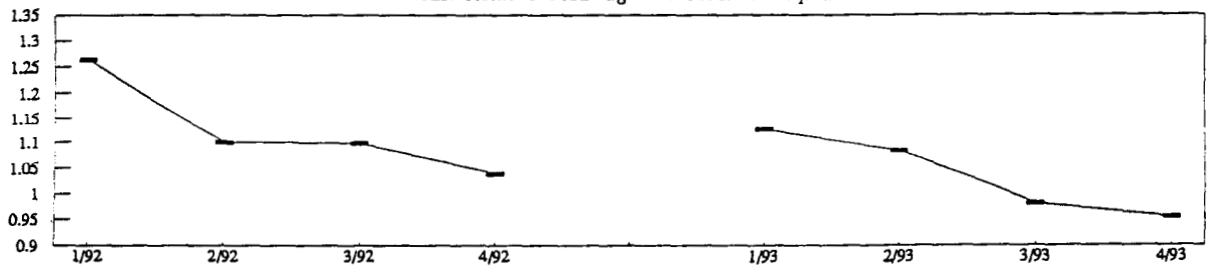
GOAL: Process Days Should show Continual Reduction



The AN/TCC-72 is a PCM telephone terminal which can provide two, six or twelve channel cable systems. Unless the sample size of this indicator can be expanded, it is doubtful this indicator can be of any value at depots which normally do not track their workload by serial number.

NET OPERATING RESULTS

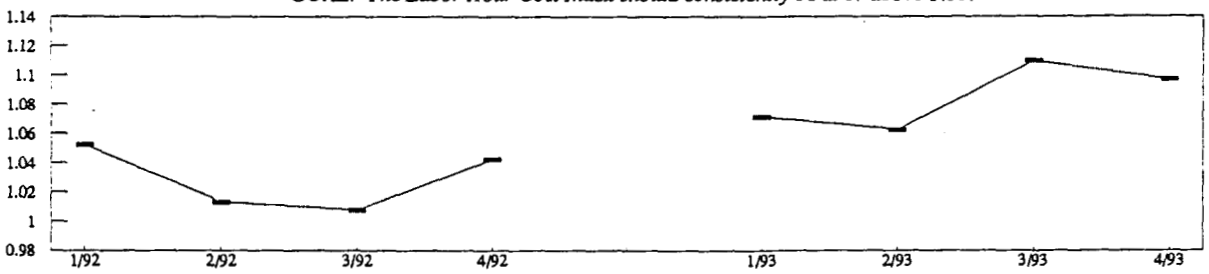
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Costs have risen due to material intensive programs which have dominated the FY93 workload. Another cost contributing factor was the increase in distributable expenses as a result of the accrual for the Major Maintenance and Reserve Account. These increases in cost were able to offset the difference in Actual Net Revenue over Budgeted Net Revenue.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or above 1.00.

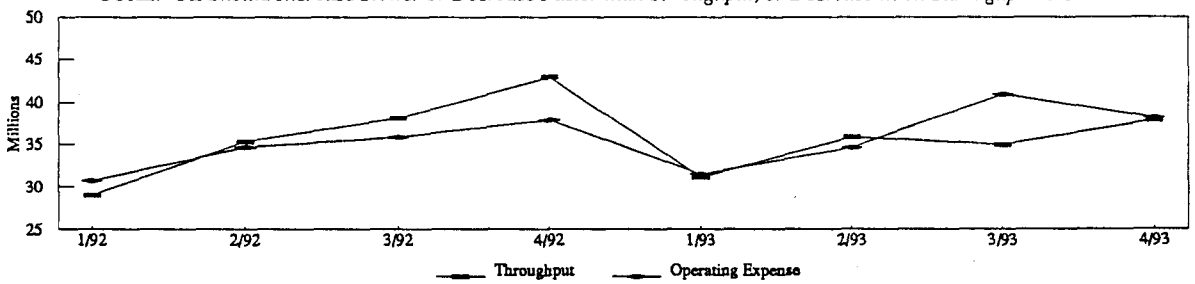


Reduced labor hours are due to less customer orders than planned and a blizzard which closed this Pocono Mountain facility for one day. Costs have risen due to material intensive programs (AN-147 shelter, SINCGARS, RT-524 and the AN-190B shelter bid package) which dominated the workload. Another contributing factor was the increase in distributable expenses as a result of the accrual for the Major Maintenance and Reserve Account.

TOBYHANNA ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

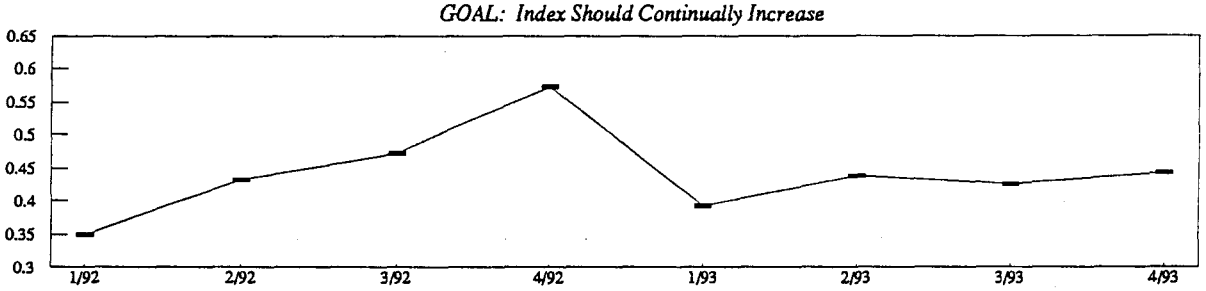
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Throughput - FY92 prices contained a one-time surcharge to generate cash for capital equipment purchases. As FY92 customer orders were completed, extra throughput was generated. During the beginning of FY93, that helped to keep the gain in throughput lower than the previous year. Operating Expense - Increased partially as the result of the accrual for the Major Maintenance and Reserve Account.

CAPITAL INVESTMENT EFFECTIVENESS

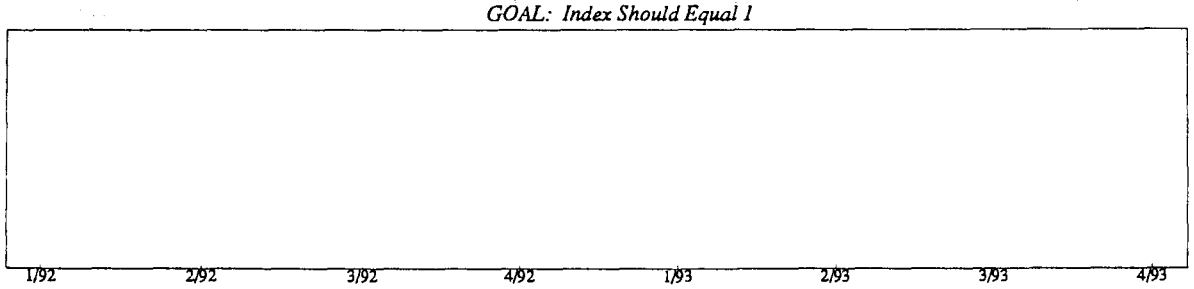
GOAL: Index Should Continually Increase



The graph of this indicator follows the same shape as the Throughput indicator for the same reasons as stated above. Large fluctuations in the total value of long term inventory as described by the DMOI handbook are unlikely unless major expansions or reductions are undertaken. This indicator will always resemble the shape of the Throughput indicator.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



TOBYHANNA ARMY DEPOT
TOBYHANNA, PA

MAJOR WORKLOAD ACCOMPLISHED:

Tobyhanna's major mission responsibilites include the repair, overhaul, modification, conversion, test and new system maintenance planning of both strategic and tactical communications and electronic equipment.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2550
Military:	3

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$168,006,000

These operating indicators depict a positive, continuously growing throughput that is good. However, growing costs, the result of material intensive programs and non-budgeted distributable expenses, have driven the cost per direct labor hour up slightly during FY93. An increase in Actual Net Revenue over budgeted Net Revenue was also offset by an increase in cost for the same reasons.

RED RIVER ARMY DEPOT

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	47518000	66860000	71361000	66843000	15975000	72660000	53261000	52637000
Total Cost ($)	39852000	48823000	69317000	63248000	45407000	52366000	60584000	73347000
Direct Materials ($)	10156000	17965000	28281000	20071000	11953000	12735000	28412000	21000000
Throughput ($)	37362000	48895000	43080000	46772000	4022000	59925000	24849000	31637000
Operating Expense ($)	29696000	30858000	41036000	43177000	33454000	39631000	32172000	52347000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	37362000	48895000	43080000	46772000	4022000	59925000	24849000	31637000
Longterm Inventory ($)	85270000	83967000	88914000	86291000	83668000	86415000	87954000	85014000
INDEX	0.44	0.58	0.48	0.54	0.05	0.69	0.28	0.37

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Bradleys Process Days								3841
Number of Items								44
AVG PROCESS DAYS								87.30

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	46065000	103128000	163321000	224191000	55874000	118085000	179805000	241450000
Cum Budg Cost ($)	42742000	90776000	146356000	206542000	63375000	131874000	204900000	282542000
Budgeted NOR INDEX	1.08	1.14	1.12	1.09	0.88	0.90	0.88	0.85
Cum Actual Revenue ($)	47518000	114378000	185739000	252582000	15975000	88635000	141896000	194533000
Cum Actual Cost ($)	39852000	88675000	157992000	221240000	45407000	97773000	158357000	231704000
Actual NOR INDEX	1.19	1.29	1.18	1.14	0.35	0.91	0.90	0.84
NOR INDEX	1.11	1.14	1.05	1.05	0.40	1.01	1.02	0.98

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

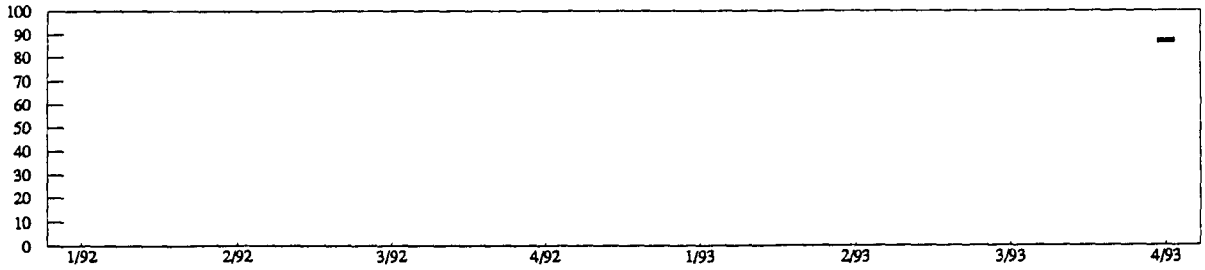
(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	42742000	90776000	146356000	206542000	63375000	131874000	204900000	282542000
Budgeted Total DLH	660703	1344868	2055557	2822443	642239	1370316	2107969	2853688
Bud Labor Hour Cost	$64.69	$67.50	$71.20	$73.18	$98.68	$96.24	$97.20	$99.01
Total Actual Cost ($)	39852000	88675000	157992000	221240000	45407000	97773000	158357000	231704000
Actual Total DLH	618670	1354370	2089510	2785154	586337	1261408	1922682	2570353
Actual Labor Hour Cost	$64.42	$65.47	$75.61	$79.44	$77.44	$77.51	$82.36	$90.14
Labor Hour Cost INDEX	1.00	0.97	1.06	1.09	0.78	0.81	0.85	0.91

RED RIVER ARMY DEPOT

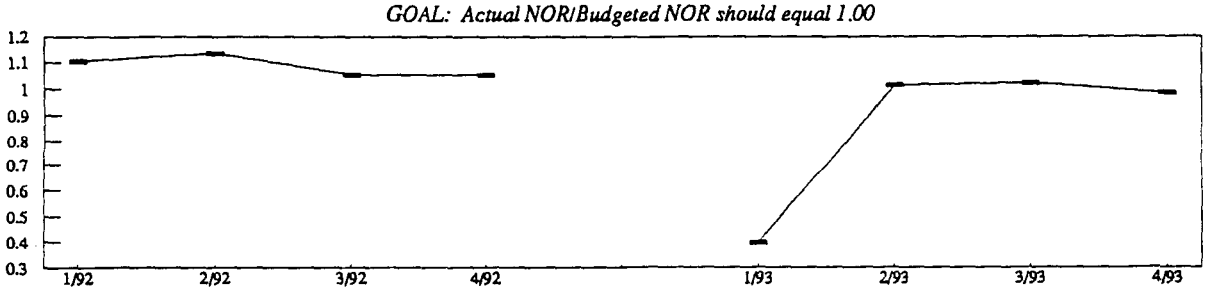
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



NET OPERATING RESULTS

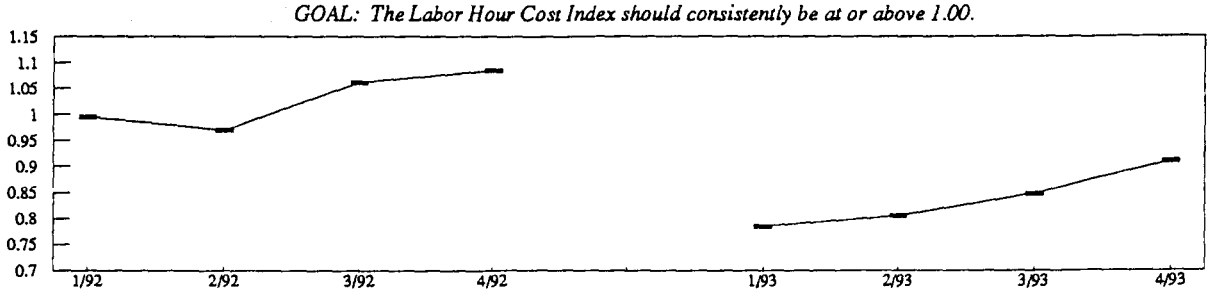
GOAL: Actual NOR/Budgeted NOR should equal 1.00



RRAD's actual NOR was better than their Budget NOR. However, because of how the NOR index is calculated, this is not apparent. Actual NOR loss of $37.1M is $4M less than the Budget. If the measure plotted the deviation from the budgeted NOR, RRAD's NOR index would be a positive reflection on RRAD personnel and management.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or above 1.00.

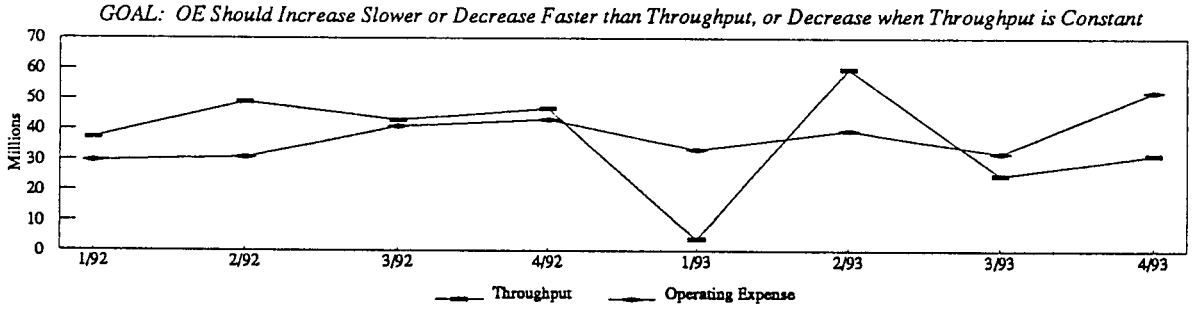


Index continues on an acceptable trend for FY93 above the 1.00 goal.

RED RIVER ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

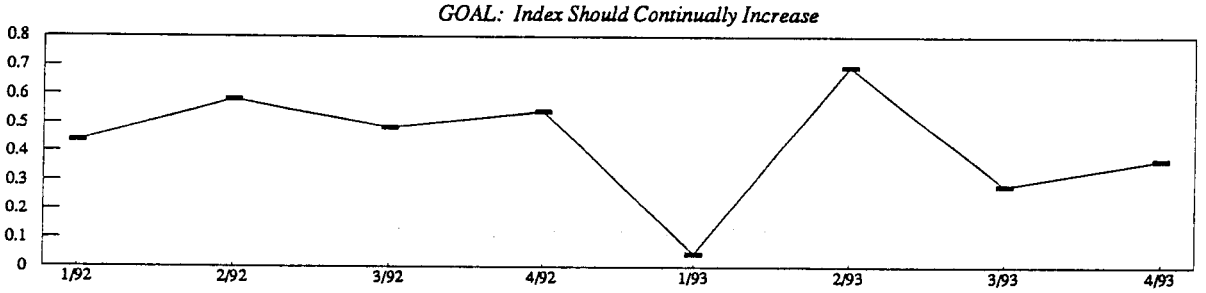
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Although it is not apparent, RRAD did well generating throughput in relation to their FY93 prices. RRAD was planned to lose $41M in FY93 and they only lost $37M.

CAPITAL INVESTMENT EFFECTIVENESS

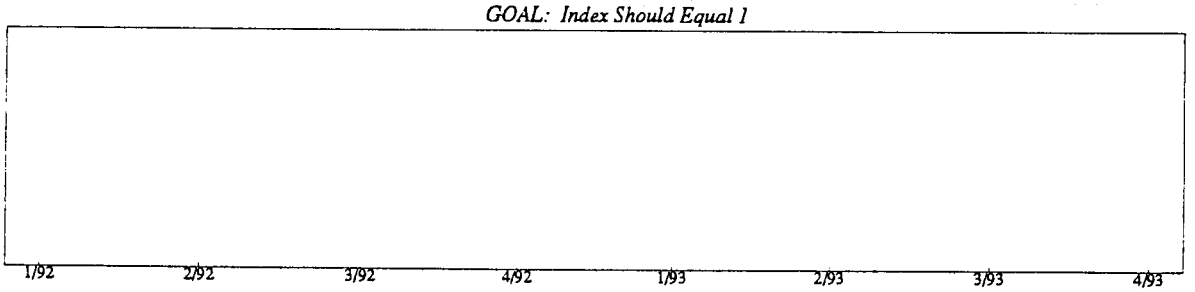
GOAL: Index Should Continually Increase



Capital Investment Effectiveness Index shadows the Throughput.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



RED RIVER ARMY DEPOT
TEXARKANA, TX

MAJOR WORKLOAD ACCOMPLISHED:

RRAD is the primary depot for overhaul and conversion of the M113 Armored Personnel Carrier, the Bradley Fighting Vehicle and the Multiple Launch Rocket System. The installation serves as the Center of Technical Excellence for these systems as well as for the Fire Support Team Vehicle and the M901 TOW vehicle.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1864
Military:	4

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$282,542,000

RRAD produced 1,070 vehicles during FY93 (636 M113 Armored Personnel Carriers, 369 Bradley Fighting Vehicles and 65 other vehicles). This workload was produced with a desirable labor hour cost index continually above 1.00. During this same period, the depot has worked through various changes including a management initiative which reduced two layers of supervision and a workload generated downsizing in personnel where many skilled workers either retired or voluntarily separated under VERA/VSIP.

LETTERKENNY ARMY DEPOT

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	32425000	37650000	43883000	47970000	38114000	24371000	31790000	28215000
Total Cost ($)	33771000	37242000	38117000	42419000	33608000	35683000	37451000	31438000
Direct Materials ($)	9881000	6980000	11368000	7522000	9046000	4261000	6035000	2633000
Throughput ($)	22544000	30670000	32515000	40448000	29068000	20110000	25755000	25582000
Operating Expense ($)	23890000	30262000	26749000	34897000	24562000	31422000	31416000	28805000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	22544000	30670000	32515000	40448000	29068000	20110000	25755000	25582000
Longterm Inventory ($)					17845000	27586000	27362000	23503000
INDEX	NA	NA	NA	NA	1.63	0.73	0.94	1.09

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Paladin Process Days								1460
Number of Items								15
AVG PROCESS DAYS	NA	NA	NA	NA	NA	NA	NA	97.33

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	34070000	71342000	112742000	155990000	37393000	79842000	121256000	161744000
Cum Budg Cost ($)	36402000	73338000	11214000	151315000	39901000	81034000	124518000	163710000
Budgeted NOR INDEX	0.94	0.97	10.05	1.03	0.94	0.99	0.97	0.99
Cum Actual Revenue ($)	32425000	70075000	113958000	161928000	38114000	62485000	94275000	122490000
Cum Actual Cost ($)	33771000	71013000	109130000	151549000	33608000	69291000	106742000	138180000
Actual NOR INDEX	0.96	0.99	1.04	1.07	1.13	0.90	0.88	0.89
NOR INDEX	1.03	1.01	0.10	1.04	1.21	0.92	0.91	0.90

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

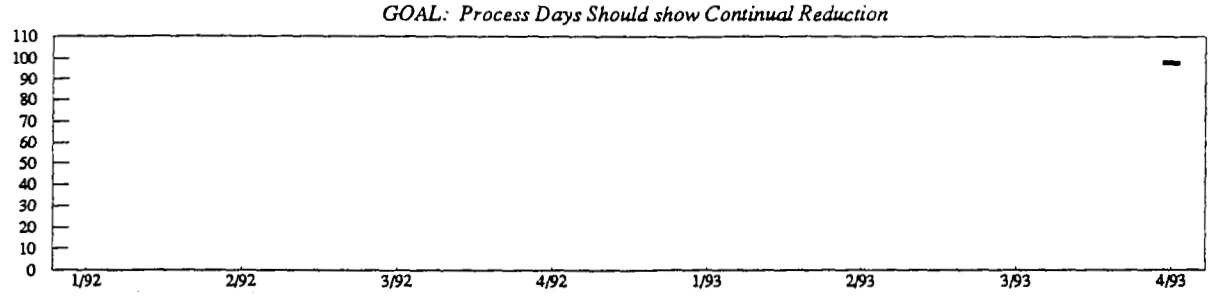
(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	36402000	73338000	11214000	151315000	39901000	81034000	124518000	163710000
Budgeted Total DLH	471685	993190	1516834	2020731	458460	974499	1472858	1960062
Bud Labor Hour Cost	$77.17	$73.84	$7.39	$74.88	$87.03	$83.15	$84.54	$83.52
Total Actual Cost ($)	33771000	71013000	109130000	151549000	33608000	69291000	106742000	138180000
Actual Total DLH	4580114	1017853	1535561	2016673	386817	788250	1106478	1390986
Actual Labor Hour Cost	$7.37	$69.77	$71.07	$75.15	$86.88	$87.90	$96.47	$99.34
Labor Hour Cost INDEX	0.10	0.94	9.61	1.00	1.00	1.06	1.14	1.19

LETTERKENNY ARMY DEPOT

PROCESS DAYS

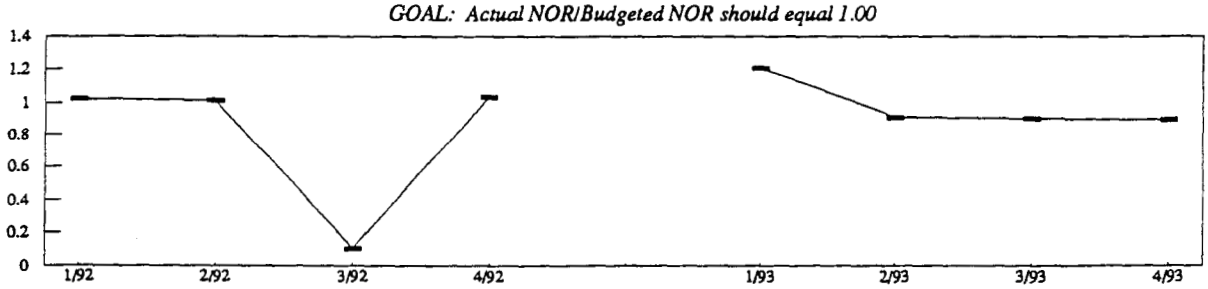
GOAL: Process Days Should show Continual Reduction



LEAD is tracking process days for the Paladin M109 series self-propelled howitzer.

NET OPERATING RESULTS

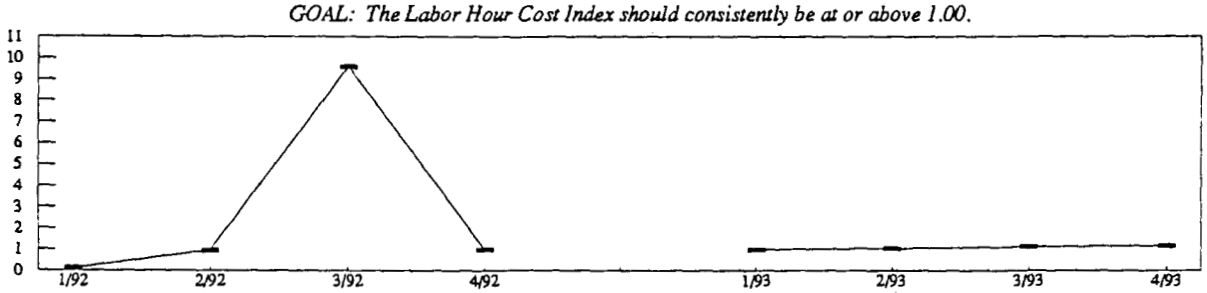
GOAL: Actual NOR/Budgeted NOR should equal 1.00



NOR Index was favorable during FY92. In FY93, customer orders decreased causing personnel reductions. However, incentives were offered to employees to encourage retirement or voluntary separations, resulting in increased costs.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or above 1.00.

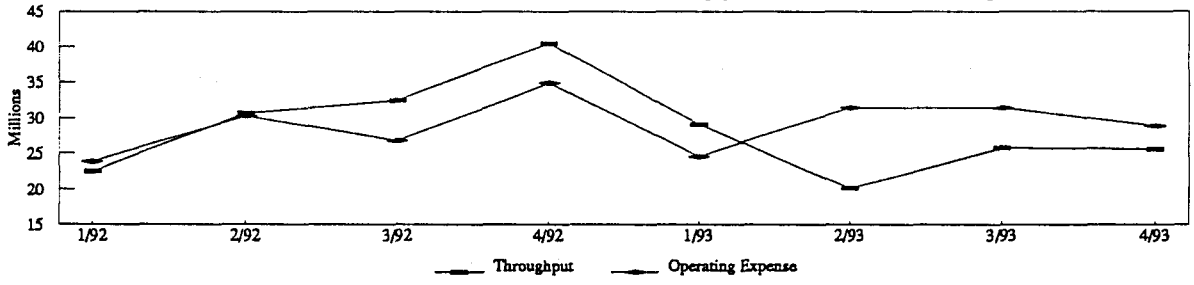


Costs per direct labor hour increased in FY93 due to a combination of decreased customer orders and increasing costs attributed to downsizing the depot workforce.

LETTERKENNY ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

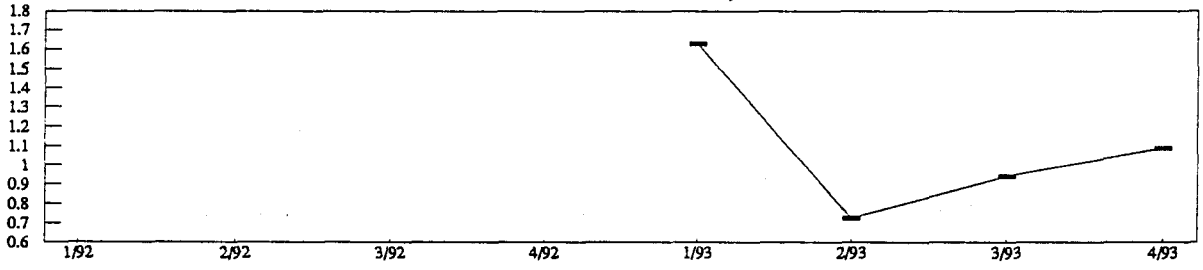
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Personnel levels were well matched to workload during FY92. However, planned customer orders did not materialize in FY93 and LEAD had to quickly reduce personnel. Throughput decreased in FY93 while operating expenses decreased at a much slower pace resulting from increased labor costs attributed to VERA/VSIP bonuses.

CAPITAL INVESTMENT EFFECTIVENESS

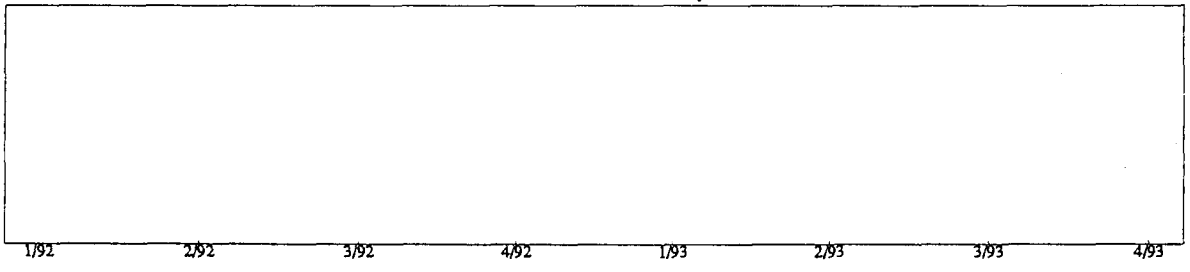
GOAL: Index Should Continually Increase



The downward trend in the fourth quarter was directly related to the decrease in throughput as indicated above. The trend for the eight periods is positive.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



LETTERKENNY ARMY DEPOT
CHAMBERSBURG, PA

MAJOR WORKLOAD ACCOMPLISHED:

Letterkenny repairs, overhauls, and modifies self-propelled howitzers and tactical missiles. FY93 workload accomplished - completion of 382 major end items including 63 Paladins, 64 Self-propelled howitzers (M110, M109A2, A4 and A5), 27 Patriot items, 79 trailers, 30 towed howitzers, and 72 Hawk items.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1376
Military:	11

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$163,710,000

Letterkenny's FY93 performance was greatly affected by the decreases in the Department of Defense's maintenance funds. LEAD quickly reorganized and downsized its workforce to meet projected personnel levels required to support FY94 workload levels.

CORPUS CHRISTI ARMY DEPOT

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	55780000	61436000	123583000	120735000	89816000	63020000	77884000	98809000
Total Cost ($)	55773000	68970000	107955000	80453000	76318000	126148000	84495000	96942000
Direct Materials ($)	15509000	20507000	48499000	28437000	24261000	50224000	36384000	43998000
Throughput ($)	40271000	40929000	75084000	92298000	65555000	12796000	41500000	54811000
Operating Expense ($)	40264000	48463000	59456000	52016000	52057000	75924000	48111000	52944000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	40271000	40929000	75084000	92298000	65555000	12796000	41500000	54811000
Longterm Inventory ($)		18239000	27003000	26546000	25719000	27831000	47970000	49954000
INDEX	NA	2.24	2.78	3.48	2.55	0.46	0.87	1.10

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Blackhawk Process Days								1431.15
Number of Items								4
AVG PROCESS DAYS								357.79

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	63790000	155569000	224284000	364565000	83909000	179404000	283913000	387186000
Cum Budg Cost ($)	59161000	139020000	205762000	349570000	92818000	190357000	293964000	392724000
Budgeted NOR INDEX	1.08	1.12	1.09	1.04	0.90	0.94	0.97	0.99
Cum Actual Revenue ($)	55780000	117216000	240799000	361534000	89816000	152836000	230720000	329529000
Cum Actual Cost ($)	55773000	124743000	232698000	313151000	76318000	202466000	286961000	383903000
Actual NOR INDEX	1.00	0.94	1.03	1.15	1.18	0.75	0.80	0.86
NOR INDEX	0.93	0.84	0.95	1.11	1.30	0.80	0.83	0.87

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

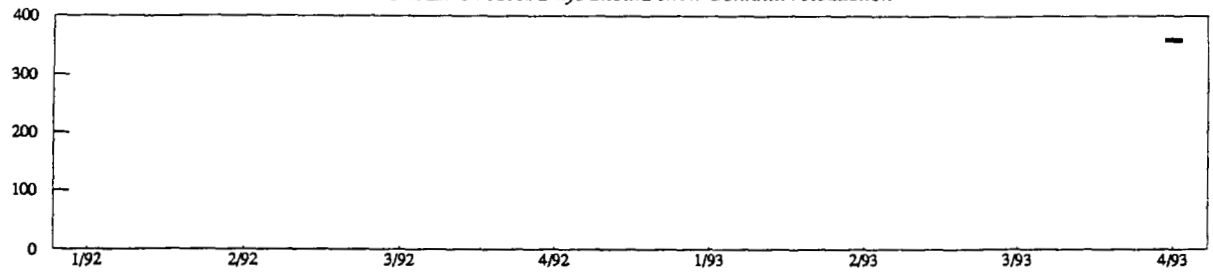
(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	59161000	139020000	205762000	349570000	92818000	190357000	293964000	392724000
Budgeted Total DLH	811451	1765144	2424958	3783942	783811	1645249	2565501	3477742
Bud Labor Hour Cost	$72.91	$78.76	$84.85	$92.38	$118.42	$115.70	$114.58	$112.92
Total Actual Cost ($)	55773000	124743000	232698000	313151000	76318000	202466000	286961000	383903000
Actual Total DLH	823015	1778395	2785036	3719447	704089	1550142	2323254	3098817
Actual Labor Hour Cost	$67.77	$70.14	$83.55	$84.19	$108.39	$130.61	$123.52	$123.89
Labor Hour Cost INDEX	0.93	0.89	0.98	0.91	0.92	1.13	1.08	1.10

CORPUS CHRISTI ARMY DEPOT

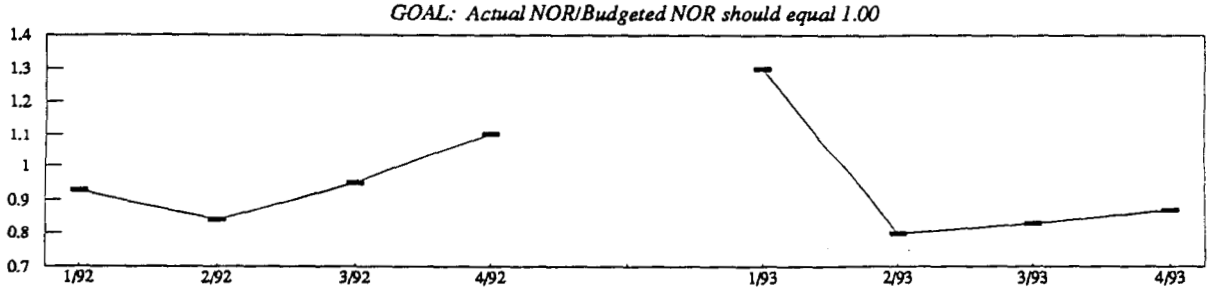
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



NET OPERATING RESULTS

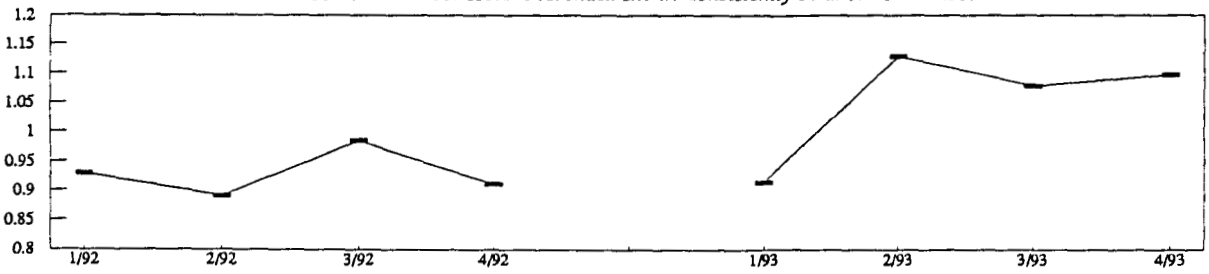
GOAL: Actual NOR/Budgeted NOR should equal 1.00



FY92 NOR index exceeded 1.0 due to gains realized through the capitalization of secondary items (depot level reparables). FY93 NOR index fell the 2nd quarter due to VERA/VSIP bonuses paid and the return of secondary items valued at $18M. $11M Credit was received from the NICP during the fourth quarter. CCAD has worked hard at completing prior years orders during the 3rd and 4th quarters. These prior years orders generate less revenue than current years orders.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or above 1.00.

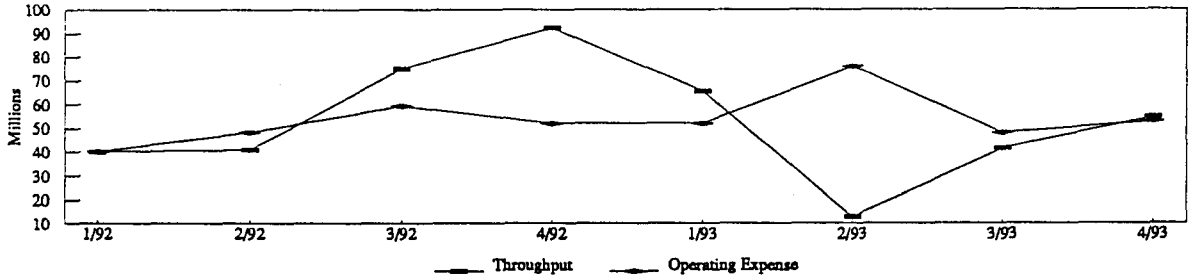


Labor hour costs remained above 1.0 all through FY92. However, in FY93, CCAD paid unplanned expenses (VERA/VSIP, loss on returned inventory) which increased the labor hour cost index.

CORPUS CHRISTI ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

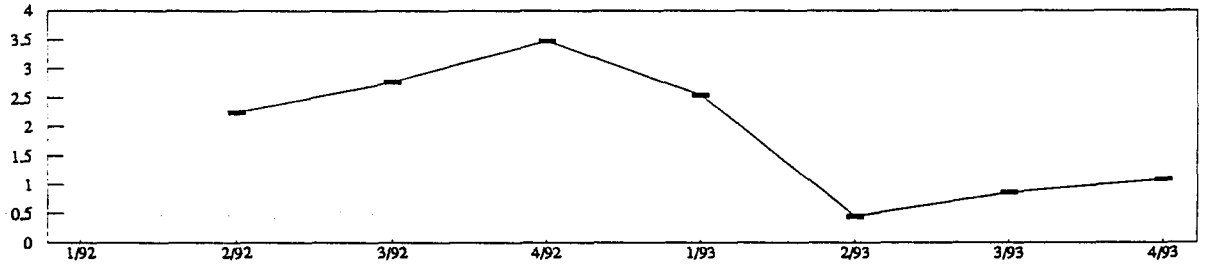
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



IN FY93, CCAD's throughput was budgeted at $5M less than operating expense. Throughout the majority of FY92, our throughput exceeded the operating expenses primarily due to an increase in throughput generated from capitalizing the on-hand secondary items. However, in FY93, we returned $18M of this material and received only $11M credit; thereby creating a $7M loss. Additionally, VERA/VSIP increased our expenses and decreased our ability at creating throughput.

CAPITAL INVESTMENT EFFECTIVENESS

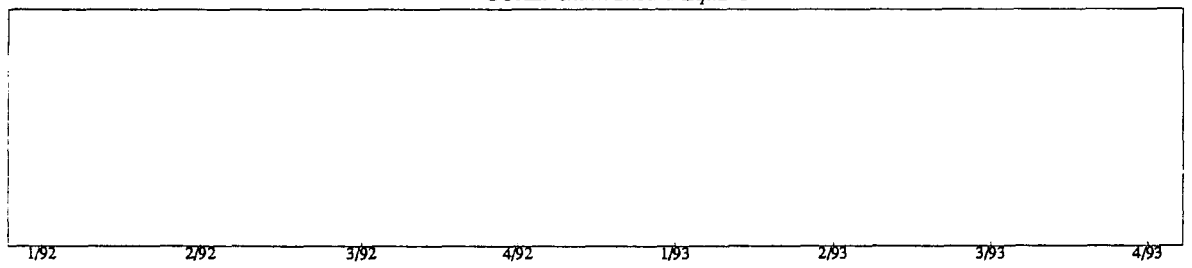
GOAL: Index Should Continually Increase



Capital Investment Effectiveness Index shadows throughput.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



CORPUS CHRISTI ARMY DEPOT
CORPUS CHRISTI, TX

MAJOR WORKLOAD ACCOMPLISHED:

The depot repairs, overhauls and maintains Army helicopters, including the UH-1 Huey, the AH-1S Cobra, the UH-60 Black Hawk and the CH-47 Chinook. In addition, Corpus Christi is DESCOM's Center of Technical Excellence for the AH-64 Apache attack helicopter, the UH-60 Black Hawk and the new Light Helicopter (LHX) Program (engine and airframe).

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2763
Military:	7

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$392,724,000

Since revenue is in the numerator of the formulas used to calculate the first three charts, those plots will reflect near parallels of each other. That reality does not lend much flexibility or variability to the performance indicators but it does focus management awareness upon the criticality of revenue generation as the driver for depot operations success. This reality is being communicated throughout CCAD so that the attention of the entire workforce is on the impact they have on revenue generation, and its role in defining the future of the depot.

ANNISTON ARMY DEPOT

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	54820000	69483000	65642000	66079000	62318000	75471000	52085000	68704000
Total Cost ($)	59632000	64977000	74111000	65692000	67023000	97140000	24169000	71972000
Direct Materials ($)	22546000	26223000	30154000	27650000	35075000	52519000	-14935000	18546000
Throughput ($)	32274000	43260000	35488000	38429000	27243000	22952000	67020000	50158000
Operating Expense ($)	37086000	38754000	43957000	38042000	31948000	44621000	39104000	53426000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	32274000	43260000	35488000	38429000	27243000	22952000	67020000	50158000
Longterm Inventory ($)	89341000	107636000	106963000	102760000	101890000	102058000	102774000	109798000
INDEX	0.36	0.40	0.33	0.37	0.27	0.22	0.65	0.46

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

M1 Tanks Process Days								8335
Number of Items								121
AVG PROCESS DAYS								68.88

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST)/

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	54820000	124303000	200079000	276039000	65775000	138872000	208678000	280517000
Cum Budg Cost ($)	59633000	124609000	205461000	282585000	68752000	142832000	218406000	295025000
Budgeted NOR INDEX	0.92	1.00	0.97	0.98	0.96	0.97	0.96	0.95
Cum Actual Revenue ($)	54820000	124303000	189945000	256024000	62318000	137789000	189874000	258578000
Cum Actual Cost ($)	59632000	124609000	198720000	264412000	67023000	164163000	188332000	260304000
Actual NOR INDEX	0.92	1.00	0.96	0.97	0.93	0.84	1.01	0.99
NOR INDEX	1.00	1.00	0.98	0.99	0.97	0.86	1.06	1.04

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH)/

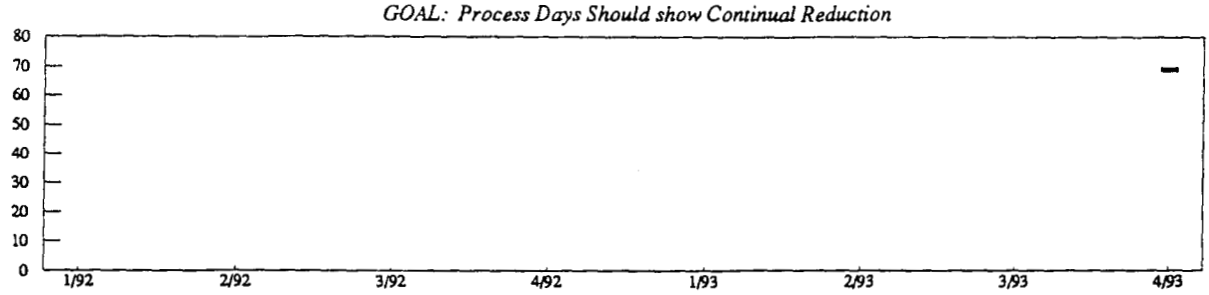
(CUMULATIVE BUDGETED LABOR HOUR COST/CUMULATIVE ACTUAL LABOR HOUR COST) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	59633000	124609000	205461000	282585000	68752000	142832000	218406000	295025000
Budgeted Total DLH	817568	1654236	2530238	3364135	753655	1598363	2409186	3246752
Bud Labor Hour Cost	$72.94	$75.33	$81.20	$84.00	$91.22	$89.36	$90.66	$90.87
Total Actual Cost ($)	59632000	124609000	198720000	264412000	67023000	164163000	188332000	258578000
Actual Total DLH	817398	1653986	245304	3253781	737432	1532232	2367749	3161415
Actual Labor Hour Cost	$72.95	$75.34	$810.10	$81.26	$90.89	$107.14	$79.54	$81.79
Labor Hour Cost INDEX	1.00	1.00	9.98	0.97	1.00	1.20	0.88	0.90

ANNISTON ARMY DEPOT

PROCESS DAYS

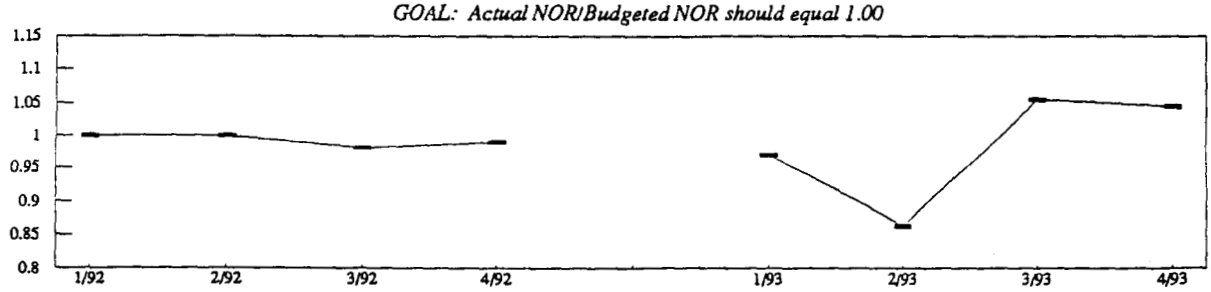
GOAL: Process Days Should show Continual Reduction



This indicator includes the average process days for three PRONS for Inspect and Repair as necessary for the M1 series vehicles.

NET OPERATING RESULTS

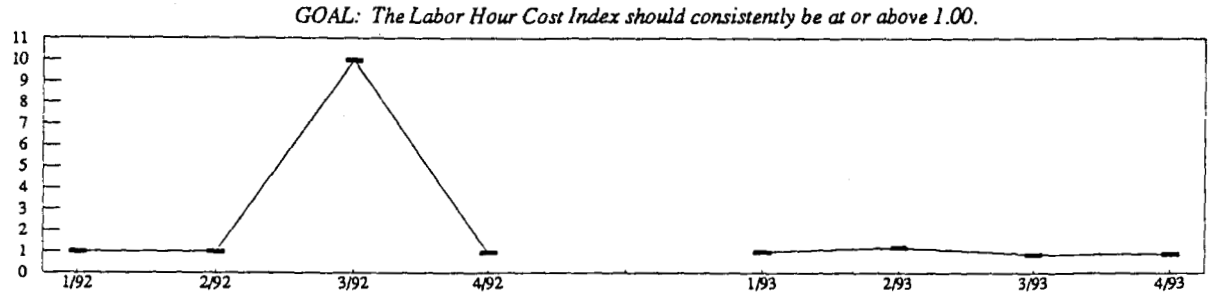
GOAL: Actual NOR/Budgeted NOR should equal 1.00



2nd Qtr FY93 data is distorted due to accounting problems on Depot Level Reparables (DLRs) for the Full Up Power Pack Program (FUPP) ($40M DLRs were issued as funded against this program that should have been unfunded). The favorable NOR in FY93 is due to ANAD exceeding the revenue goal of $257,138 (without FUPP). Direct material expenses were less than planned on the M88, M728 and AVLB vehicles.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or above 1.00.



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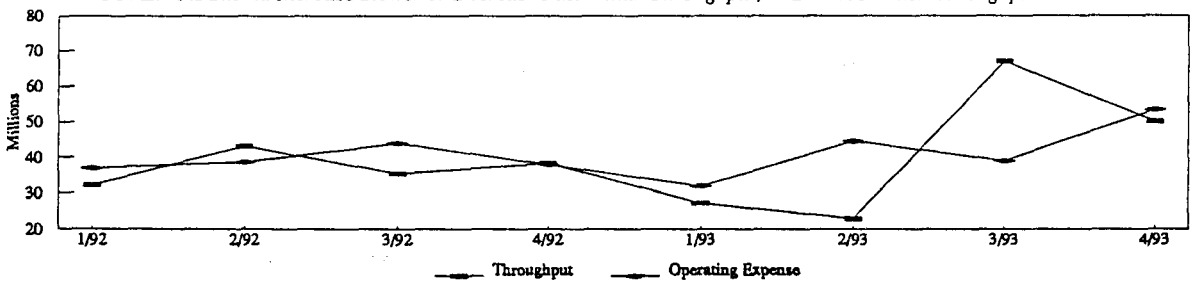
ANNISTON ARMY DEPOT

THROUGHPUT & OPERATING EXPENSE

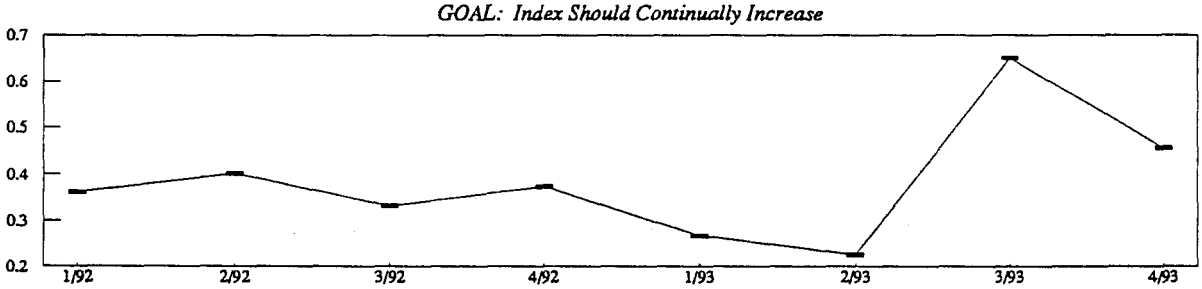
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Fourth quarter throughput decrease is primarily due to reductions in M1 engines and transmissions subassembly workload. This workload reduction lowered direct material costs. Work in process reductions tended to have a negative impact on revenue. Throughput trend for the eight periods is positive. Unplanned expenses for: reimbursements to DLA for ISA receipt & issue and for reserves established for Major Real Property Maintenance and Repair.

CAPITAL INVESTMENT EFFECTIVENESS

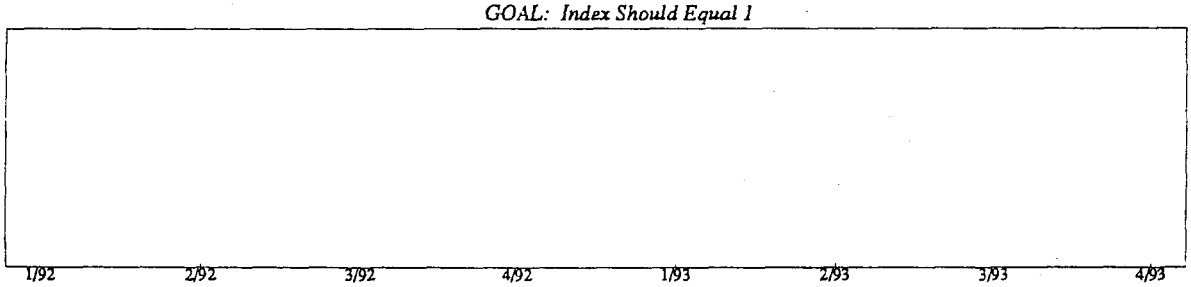
GOAL: Index Should Continually Increase



The downward trend in the fourth quarter was directly related to the decrease in throughput as indicated above. The trend for the eight periods is positive.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1



0

ANNISTON ARMY DEPOT
ANNISTON, AL

MAJOR WORKLOAD ACCOMPLISHED:

During FY 93 Anniston Army Depot repaired a total of 704 combat vehicles; 486 M1 Abrams tanks, 42 M551 Sheridan vehicles, 98 M88 medium recovery vehicles, 15 M728 combat engineering vehicles, and 63 AVLB Bridge Launchers. During FY 93 Anniston has been very involved in the planning phase for future tank programs, including the M1 Breacher conversion program, the M1 Heavy Assault Bridge (HAB) and the M88 Improved Recovery Vehicle (IRV).

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	2806
Military:	3

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$295,025,000

Through a concentrated effort Anniston was successful during the fourth quarter FY93 in reducing the unliquidated obligations from 830 PRONS to 67 PRONS. Anniston exceeded the projected revenue in FY 93 by about $20 M and at the same time keeping expenses under the plan by about $33 M. This resulted in a favorable Net Operating Results and a labor rate lower than budgeted. Anniston completed pilot production effort for the M1A2 program. Six hulls with required refurbished components were shipped to General Dynamics Land System Division (GDLS). This program involves dismating and disassembling an M1 tank, disposing of the turret, modifying and refurbishing the hull structure to Condition Code A before shipment to GDLS, overhauling the engine and various components for shipment to GDLS.

ARMY DEPOTS

2.2 Data Portrayal

For each depot, an introductory page provides supplementary data and an executive summary. The supplementary data includes: depot name, depot location, major workload, personnel levels, and current year budget. The following two pages for each depot reflect a graphic portrayal of all the indicators for that depot with analyses, when appropriate. The fourth page shows the data, the formula for each indicator, and the goal for that indicator.

The data presented covers two fiscal years by quarter, current fiscal year and past fiscal year. Since the first submission of the fiscal year is a mid year submission (1st and 2nd quarters), there are six quarters of data displayed. The last submission for the fiscal year (3rd and 4th quarters) will display eight quarters of data.

3.1 Reporting Activities

The depot maintenance activities that will report to the DMOIS are noted in Appendix A of this report. Depots that the Defense Base Closure and Realignment Commission have voted to close are not required to report.

4.1 Points of Contact

Any inquiries regarding data presented in this report should be referred to the respective Service or DLA representative to the JPMG. These individuals are identified in Appendix B.

5.1 Glossary

A glossary of acronyms used in this report is provided in Appendix C.

b. Process Days. Process Days is calculated as an average for varying commodities. The formula used to calculate Process Days (except by NAVSEA) is the number of days (date completed minus date inducted) divided by the number of items. The formula used by NAVSEA to compute Process Days is scheduled flow days divided by actual flow days.

1.1.3 Financial Indicators

Financial indicators provide information about a depot's ability to manage to its budget. The financial indicators are:

a. Net Operating Results. Net Operating Results are calculated and displayed as two separate indexes, cumulative budgeted and cumulative actual. The cumulative budgeted is a ratio of the cumulative budgeted revenue to the cumulative budgeted cost. The cumulative actual is a ratio of the cumulative actual revenue to the cumulative actual cost.

b. Labor Hour Cost. Labor Hour Cost is a ratio of budgeted labor hour cost to actual labor hour cost. Budgeted labor hour cost is calculated as the total budgeted cost divided by the budgeted total direct labor hours. Actual labor hour cost is calculated as the total actual cost divided by the actual total direct labor hours.

2.1 Structure of the Report

This report portrays data for each Service, or Service Activity Group, and DLA. The depots are presented alphabetically within each Service and DLA grouping. The report presents the Service and DLA data in the following order:

Army
Naval Air Systems Command (NAVAIR)
Naval Sea Systems Command (NAVSEA) Shipyards
Air Force
Marine Corps
Defense Logistics Agency.

The operations indicators for each depot are in the following order for each reporting depot:

Throughput & Operating Expense
Capital Investment Effectiveness
Schedule Indicator
Process Days
Net Operating Results
Labor Hour Cost

INTRODUCTION

1.1 Description of the Key Areas and Their Indicators

The Depot Maintenance Operations Indicators System (DMOIS) Report is comprised of three key areas: Theory of Constraints, Timeliness, and Financial. Each key area has one or more indicators that are described below. The formulas employed by each Service and DLA in computing the indicators are documented in the DMOIS Handbook.

1.1.1 Theory of Constraints Indicators

The Theory of Constraints (TOC) represents a philosophy of global system improvement designed to assist organizations in achieving their goals. The TOC indicators are:

a. Throughput. Throughput is defined as the rate at which the system generates money through sales. The formula used to determine Throughput is revenue minus direct material. Revenue is defined as the realized result from the sale of a product or service. Direct material is defined as the material specifically required for the performance of depot maintenance as specified by a work authorization document. Throughput and Operating Expense are displayed on the same chart.

b. Operating Expense. Operating Expense is defined as all the money the system spends in turning inventory into Throughput. The formula used to determine Operating Expense is total actual cost minus direct material. Total actual cost is defined as amounts determined on the basis of costs incurred as distinguished from forecasted costs. Operating Expense and Throughput are displayed on the same chart.

c. Capital Investment Effectiveness. Capital Investment Effectiveness is the ratio of throughput to long term inventory. Long term inventory is defined as the total depreciated value of all capital assets (equipment, buildings, software), excluding land and fixed assets not in use, owned by the depot maintenance activity.

1.1.2 Timeliness

Timeliness Indicators provide information regarding a depot's ability to complete the workload in the agreed upon time. The timeliness indicators are:

a. Schedule Indicator. The Schedule Indicator is a ratio of the units completed on time to the units scheduled. Schedule is defined as the most current schedule for completion of planned or programmed work. Completion is defined as the date when a product is physically completed. On time is defined as completing the workload at the time promised. The Schedule Indicator is reported only by NAVAIR, Air Force and DLA.

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FOREWORD

This report presents joint Service and DLA organic maintenance depot performance data reflected in the Depot Maintenance Operational Indicators System (DMOIS). This is the first semi-annual report of the DMOIS. It is the result of an evolutionary process of developing and enhancing depot performance indicator data.

The latest stage in this process began in early 1992, when the Joint Policy Coordinating Group on Depot Maintenance (JPCG-DM) directed the Joint Performance Measurement Group (JPMG) to develop indicators relating to the Theory of Constraints. At that time, there was a view among the Services that the existing Performance Measurement System Report had achieved commonality, but lacked comparability. As a result, the JPCG-DM directed the JPMG to look at other measures. The JPMG reviewed several sources for measurements including Competitive Edges, the Theory of Constraints, and the measures required by the Chief Financial Officers Act. The DMOIS Report is the result of the effort to revise the DMPMS. The JPMG is also developing additional indicators for quality and inventory.

The joint effort to identify and report depot performance data was first begun in response to a 1990 tasking by the Defense Depot Maintenance Council (DDMC). The DDMC commissioned a Performance Measurement Task Force whose report of 26 November 1990 recommended establishment of a Depot Maintenance Performance Measurement System (DMPMS). Subsequently, the JPCG-DM established the Joint Performance Measurement Group (JPMG) to implement and maintain the DMPMS.

The DMOIS reports are published semi-annually. The data presented covers two fiscal years by quarter, current fiscal year and past fiscal year. Since the first submission of the fiscal year is a mid-year submission (1st and 2nd quarters), there are six quarters of data displayed. The last submission for the fiscal year (3rd and 4th quarters) will display eight quarters of data.

The JPMG will continue to review and enhance the DMOIS to ensure that its indicators provide significant management information.

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AIR FORCE AIR LOGISTICS CENTERS AND SPECIALIZED CENTERS

AEROSPACE GUIDANCE AND METROLOGY CENTER
NEWARK AFB, OH

MAJOR WORKLOAD ACCOMPLISHED:

Minuteman III MGS	Peacekeeper MGCS	B-1B INU	F-15 IMU	F-16 INU
F-117 IMU	KC-135 INU	PADs IMU	DMINS IMU	TMDE
ESGN IMU	SPN- GEANS IMU	Displacement Gyros	Carousel IMU	

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	826
Military:	6

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$93,700,000

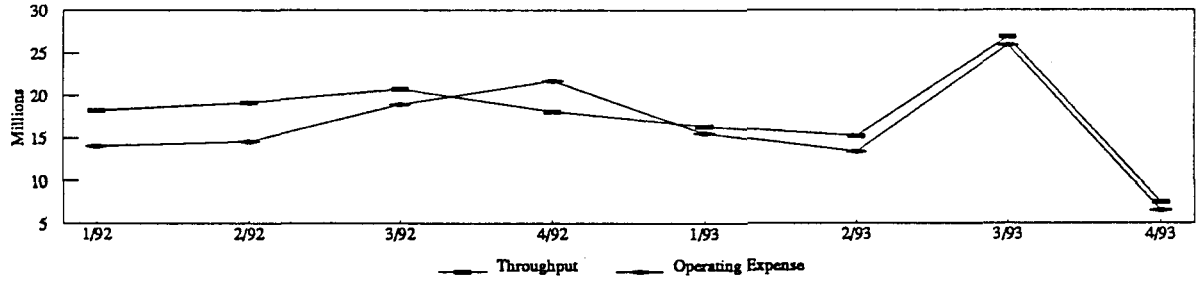
The 3rd Qtr FY93 had several significant events that affected our quarterly measurements. In March, through an incentive induced early out, we reduced our DMIF personnel by 251 (direct labor force - 183 PEs), which caused a decrease in our Direct Labor Hours (DLH). We also instituted an OSD policy of "revenue recognition"' wherein we recognize a portion of our Work In Process (WIP) as serviceable, which caused a $12.3M increase in our revenue and total expenses for the quarter. These two factors affected our throughput, operating expense, capital investment efectiveness, net operating results, and the labor hour cost index. This quarter also saw the announcement of the closure of Newark AFB.

The 4th Qtr FY93 saw the reversal of a 3rd Qtr OSD policy of "revenue recognition", wherein we recognized a portion of our serviceable programmed and non-programmed WIP as revenue. Under new guidelines, we will only recognize a portion of the non-programmed WIP as revenue. This change in policy caused a $7.83M decrease in our revenue for the quarter affecting our throughput, operating expense, and capital investment effectiveness.

AEROSPACE GUIDANCE AND METROLOGY CENTER

THROUGHPUT & OPERATING EXPENSE

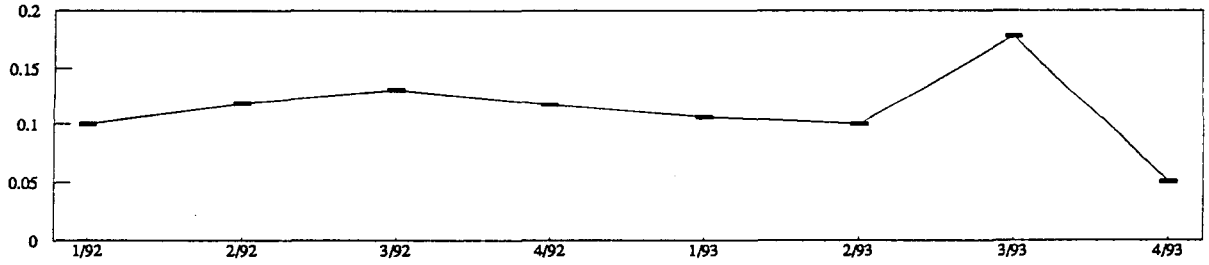
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



The FY93 trends for Throughput and Operating Expense were affected by the OSD policy of recognizing our Work in Process as revenue in 3rd Qtr FY93 and reversing this policy in 4th Qtr FY93. This caused an increase in our revenue and total expenses for the 3rd Qtr FY93, and subsequently caused a decrease in the 4th Qtr FY93. The two quarters averaged together would result in maintaining our normal revenue and cost for the year.

CAPITAL INVESTMENT EFFECTIVENESS

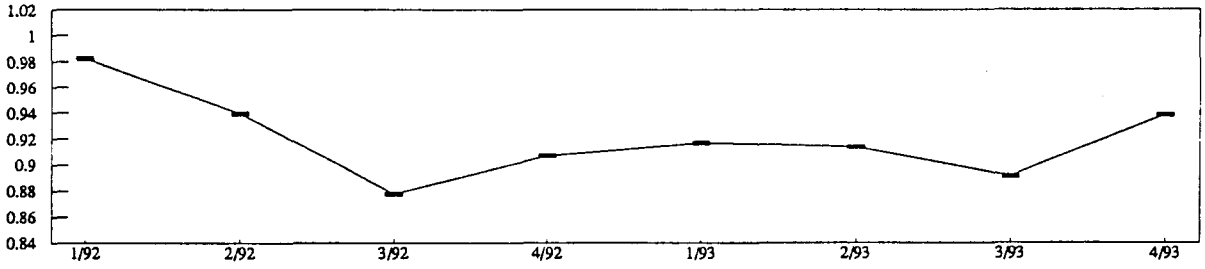
GOAL: Index Should Continually Increase



The FY93 trends for Capital Investment was affected by the OSD policy of recognizing our Work in Process as revenue in 3rd Qtr FY93 and reversing this policy in 4th Qtr FY93. This caused an increase in our revenue and total expenses for the 3rd Qtr FY93, and subsequently caused a decrease in the 4th Qtr FY93. The two quarters averaged together would result in maintaining our normal revenue and cost for the year.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

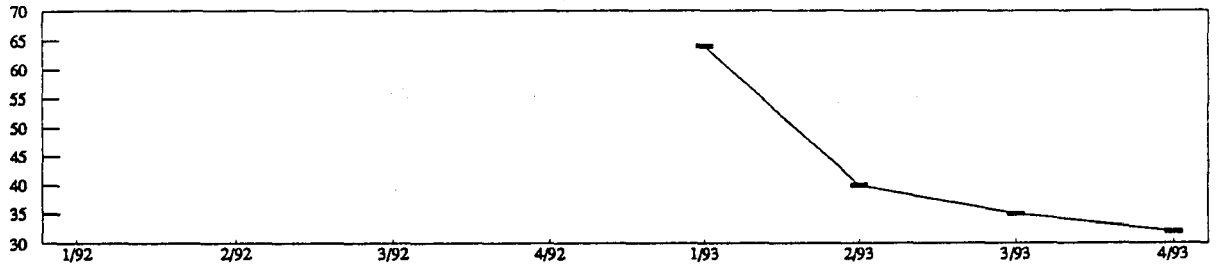


Lack of receipts in the Test Measurement and Diagnostic Equipment (TMDE) and Carousel field module workload are the main drivers for the total underproduction.

AEROSPACE GUIDANCE AND METROLOGY CENTER

PROCESS DAYS

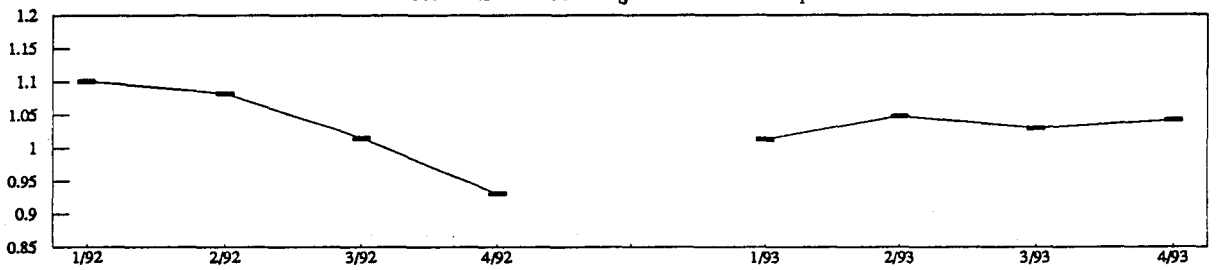
GOAL: Process Days Should show Continual Reduction



AGMC uses 7 systems as "pacing items" (3 aircraft, 3 component and 1 missile system), capturing about 30% of the quarterly production. A year long effort to reduce turn around time in all areas, particularly in the Minuteman III (MMIII) missile, has greatly reduced process days. In Oct 93, AGMC successfully completed a program in the MMIII area to reduce turn around time and work in process by producing, over 8 months, the 35 oldest and highest cost units in house.

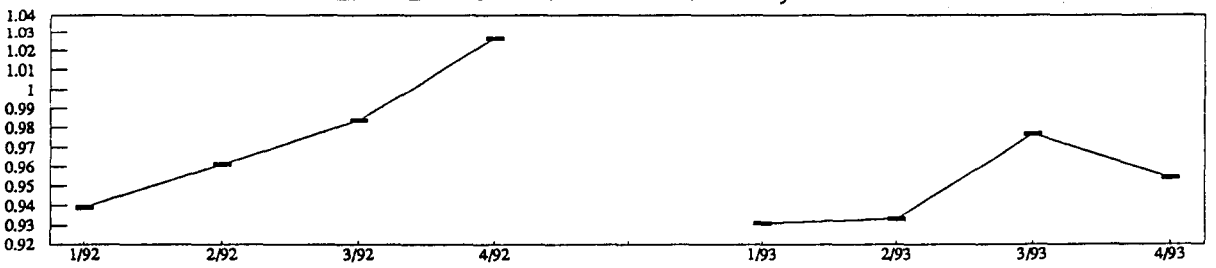
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



An incentive induced early in March 93 resulted in a reduction of 251 DMIF personnel (direct labor force - 183 PEs). This reduction caused a significant change in our 3rd and 4th Qtr FY93 direct labor hours and labor hour cost.

AEROSPACE GUIDANCE AND METROLOGY CENTER

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	21900000	23200000	24400000	22600000	20300000	19800000	32200000	10000000
Total Cost ($)	17700000	18600000	22600000	26200000	19466000	17929000	31255000	9054000
Direct Materials ($)	3690000	4054000	3664000	4511000	3957000	4575000	5333000	2485000
Throughput ($)	18210000	19146000	20736000	18089000	16343000	15225000	26867000	7515000
Operating Expense ($)	14010000	14546000	18936000	21689000	15509000	13354000	25922000	6569000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	18210000	19146000	20736000	18089000	16343000	15225000	26867000	7515000
Longterm Inventory ($)	182045192	161089125	157587471	153873617	153627378	152125269	151005859	147948833
INDEX	0.10	0.12	0.13	0.12	0.11	0.10	0.18	0.05

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Components Scheduled	4220	4086	4921	4044	3379	2941	2855	2995
Components Completed	4146	3839	4319	3668	3099	2688	2545	2812
INDEX	0.98	0.94	0.88	0.91	0.92	0.91	0.89	0.94

PROCESS DAYS

DATE INDUCTED - DATE COMPLETED = PROCESS DAYS

Components Process Days								
Number of Items								
AVG PROCESS DAYS					64.00	40.00	35.00	32.00

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	23600000	49900000	75800000	101500000	20700000	45400000	70700000	95200000
Cum Budg Cost ($)	21000000	43500000	65200000	87300000	20100000	44400000	69100000	93700000
Budgeted NOR INDEX	1.12	1.15	1.16	1.16	1.03	1.02	1.02	1.02
Cum Actual Revenue ($)	21900000	45100000	69500000	92100000	20300000	40100000	72300000	82300000
Cum Actual Cost ($)	17700000	36300000	58900000	85100000	19466000	37395000	68650000	77704000
Actual NOR INDEX	1.24	1.24	1.18	1.08	1.04	1.07	1.05	1.06
NOR INDEX	1.10	1.08	1.01	0.93	1.01	1.05	1.03	1.04

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	19500000	40500000	61600000	82500000	21600000	45300000	69100000	93700000
Budgeted Total DLH	335323	689974	1041895	1379825	279802	573612	873642	1165012
Bud Labor Hour Cost	$58.15	$58.70	$59.12	$59.79	$77.20	$78.97	$79.09	$80.43
Total Actual Cost ($)	17800000	36600000	56300000	78900000	19300000	38900000	57500000	73300000
Actual Total DLH	325889	648566	967787	1285103	268532	527816	744189	954964
Actual Labor Hour Cost	$54.62	$56.43	$58.17	$61.40	$71.87	$73.70	$77.27	$76.76
Labor Hour Cost INDEX	0.94	0.96	0.98	1.03	0.93	0.93	0.98	0.95

OGDEN AIR LOGISTICS CENTER
HILL AFB, UT

MAJOR WORKLOAD ACCOMPLISHED:

F/RF-4 Phantom, F-16 Fighting Falcon, LGM-30 Minuteman Missile, LGM-118A Peacekeeper Missile, GBU-15 Laser Guided Bomb, Simulators/Training Devices, AGM-65 Maverick Missile, Cruise Missiles, Landing Gear, Wheels & Brakes, Air Munitions, Explosives, Photonics, Aircraft Instruments, and Aircraft Guns

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	5264
Military:	322

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

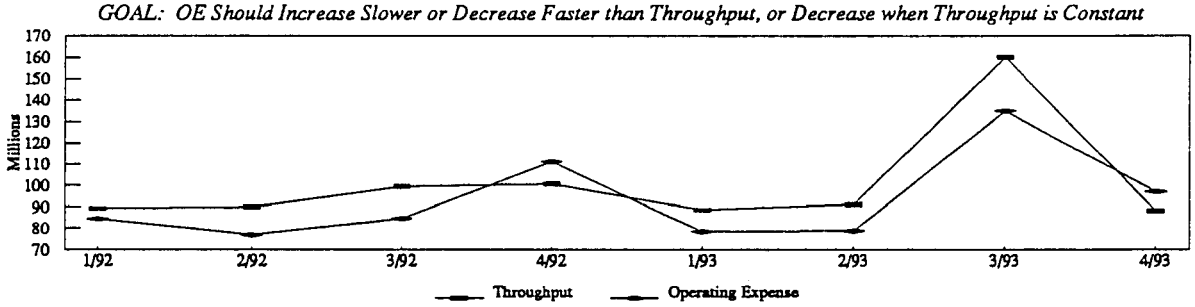
$467,945,000

Ogden Air Logistics Center's operations indicators show some variation from quarter to quarter. This is expected due to the nature of the depot workload. However, there are at least two items of interest that have had a significant impact on the performance of these indicators. During the 1st Qtr FY93, DMRD 94 became effective, which required the costs of Reparable Support Division (RSD) material be added to the data systems that track production costs and revenue. RSD material is used to repair an item that belongs to an organization other than the depot (such as Air Combat Command). The costs associated with this material are then considered in the profit and loss aspect of depot performance, which makes those costs more accurate when considering the total cost of doing business. When the data systems were reprogrammed to address RSD material, the systems did not consistently recognize the costs in the debit and credit accounting format. Most of these problems have been resolved; there are a few, however, which are being dealt with on a case by case basis. The second item was a change in the accounting procedures called "Revenue Recognition". In the past some of the costs and most of the revenues were counted on the data system once the end product was completed. Under revenue recognition, costs and revenues are counted as the product moves through the WIP phase. This new procedure became effective during the 3rd Qtr FY93, at which time costs and revenues accumulated to date for those items in the WIP were added to the system in a "lump sum" entry. This caused the costs to be artifically high for the Qtr. Both of these items will have a short term impact on these performance measures. OO-ALC has made a major commitment to depot competition for workload, winning 9 of 13.

OGDEN AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

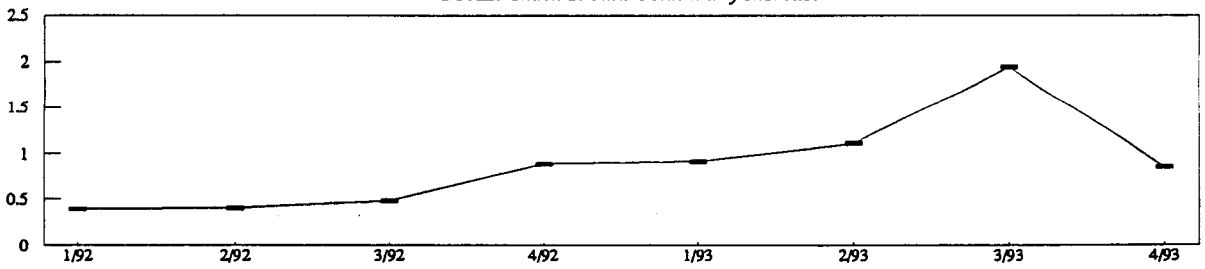
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



At the beginning of FY93, data system problems resulted from the implementation of DMRD 904, the system was prevented from recognizing all of the costs and revenues accumulated during the Qtr. The large increase in total cost and revenue during 3rd Qtr FY93 was due to the change in revenue recognition. These have since returned to normal, but OE in 4th Qtr FY93 was higher than T due to cost accruals taken during FY93 rather than FY94.

CAPITAL INVESTMENT EFFECTIVENESS

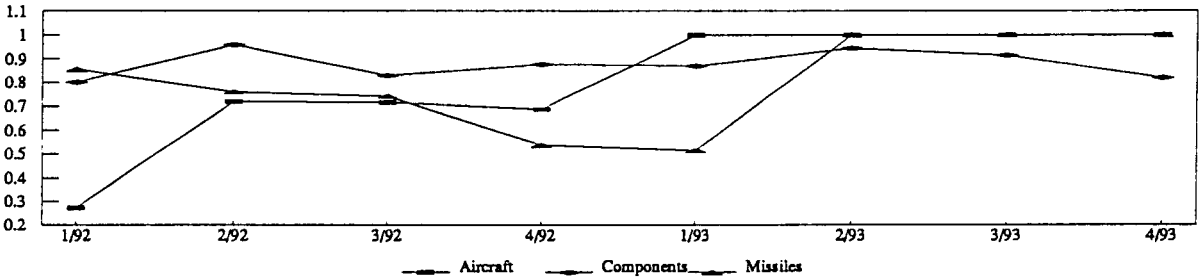
GOAL: Index Should Continually Increase



The inception of DMRD 904 resulted in data system problems that caused the system to show costs and sales to be lower than they actually were during 1st Qtr FY93. The accounting procedure change in revenue recognition (costs and sales) has caused throughput to be artificially high in 3rd Qtr FY93. The trend in 4th Qtr FY93 returned to a point below 2nd Qtr FY93 due to an increase in capital equipment which was caused by a "wall to wall" inventory of capital equipment.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

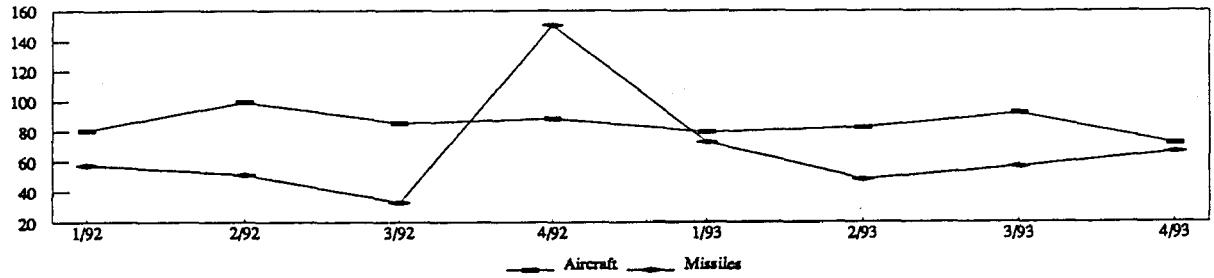


An in depth focus on customer satisfaction and successful working relationships has helped improve aircraft and missile performance over the past three quarters. Components dropped during 4th Qtr FY93 due to "workload priority" issues.

OGDEN AIR LOGISTICS CENTER

PROCESS DAYS

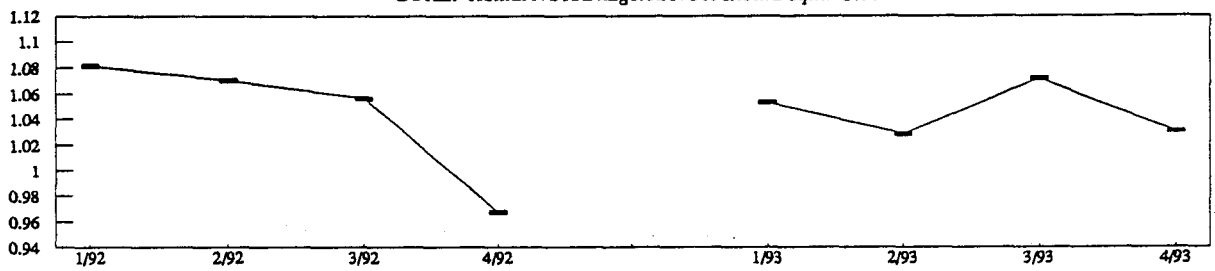
GOAL: Process Days Should show Continual Reduction



Due to the nature of the repair function at the depot, each aircraft, missile or component requires a different maintenance function to be performed on each unit. Because of this situation, the trend line of this indicator will not be consistent from one quarter to the next for each of the workloads. The flow days data collection for components is currently being developed. Data reporting will begin with 1st Qtr FY94.

NET OPERATING RESULTS

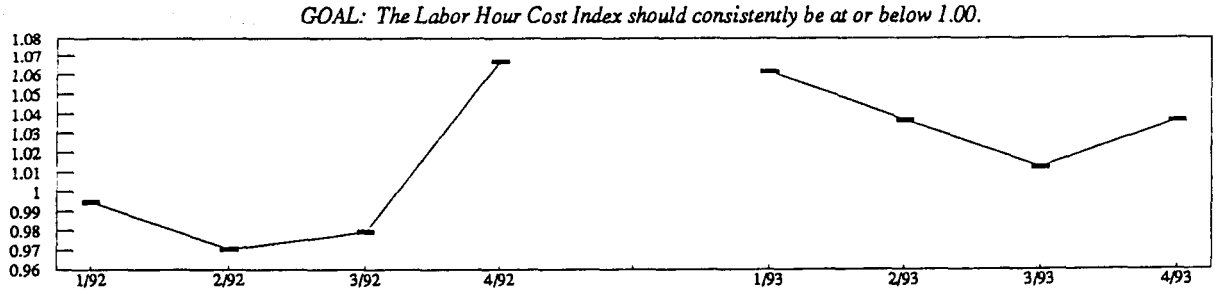
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The downward movement of 4th Qtr FY92 data was due to the fact that more work was accomplished and more sales occurred during the quarter than had been estimated in the planning and budgeting phase. With the new workloads that are coming on line, as a result of competition, we anticipate our Net Operating Results to continue at a similar level as the recent trend.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



The increase during 4th Qtr FY92 was due to a headquarters directed change in unfunded depreciation, which caused the actual cost figures to be higher than those estimated in the planning and budget phase. Continuous process improvement initiatives are being used to drive costs and hours even lower, which are resulting in benefits that are passed on to our customers.

OGDEN AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	99536687	100881391	107685332	109269683	94469584	118478007	173399132	102308869
Total Cost ($)	94695429	87814244	92864914	119638982	84290145	105944813	148133848	111076294
Direct Materials ($)	10183730	10846995	8142405	8562180	5727736	27109843	13187951	13866514
Throughput ($)	89352957	90034396	99542927	100707503	88741848	91368164	160211181	88442355
Operating Expense ($)	84511699	76967249	84722509	111076802	78562409	78834970	134945897	97209780

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	89352957	90034396	99542927	100707503	88741848	91368164	160211181	88442355
Longterm Inventory ($)	226586995	220996278	207352469	112862938	96481634	82873535	82067497	103667859
INDEX	0.39	0.41	0.48	0.89	0.92	1.10	1.95	0.85

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	84	78	95	99	86	84	74	66
Aircraft Completed	23	56	68	68	86	84	74	66
INDEX	0.27	0.72	0.72	0.69	1.00	1.00	1.00	1.00
Components Scheduled	28557	22537	22751	21452	20845	20650	19967	23524
Components Completed	22892	21631	18877	18832	18153	19523	18293	19292
INDEX	0.80	0.96	0.83	0.88	0.87	0.95	0.92	0.82
Missiles Scheduled	35	54	54	80	70	36	41	39
Missiles Completed	30	41	40	43	36	36	41	39
INDEX	0.86	0.76	0.74	0.54	0.51	1.00	1.00	1.00

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days								
Number of Items								
AVG PROCESS DAYS	80.40	99.40	85.50	88.50	79.50	82.80	92.20	72.00
Missiles Process Days								
Number of Items								
AVG PROCESS DAYS	57.60	51.30	32.70	150.60	72.80	48.50	56.70	66.20

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	99830000	194119000	291175000	390245000	94469000	228316000	336991000	450223000
Cum Budg Cost ($)	102707000	189220000	274990000	357335000	88785000	209724000	316290000	426665000
Budgeted NOR INDEX	0.97	1.03	1.06	1.09	1.06	1.09	1.07	1.06
Cum Actual Revenue ($)	99536687	200418078	308103410	417373093	94469584	212947591	386346723	488655592
Cum Actual Cost ($)	94695429	182509673	275374587	395013569	84290145	190234958	338368806	449445100
Actual NOR INDEX	1.05	1.10	1.12	1.06	1.12	1.12	1.14	1.09
NOR INDEX	1.08	1.07	1.06	0.97	1.05	1.03	1.07	1.03

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	87929000	177273000	265411000	352411000	90175215	203138000	311596000	420453000
Budgeted Total DLH	1636274	3247756	4859239	6495513	1703164	3354717	5032074	6735238
Bud Labor Hour Cost	$53.74	$54.58	$54.62	$54.25	$52.95	$60.55	$61.92	$62.43
Total Actual Cost ($)	87101610	175022325	267703449	388454337	90175218	202190348	298836564	407467689
Actual Total DLH	1629084	3304182	5004170	6710040	1604374	3220679	4765986	6296586
Actual Labor Hour Cost	$53.47	$52.97	$53.50	$57.89	$56.21	$62.78	$62.70	$64.71
Labor Hour Cost INDEX	0.99	0.97	0.98	1.07	1.06	1.04	1.01	1.04

OKLAHOMA CITY AIR LOGISTICS CENTER
TINKER AFB, OK

MAJOR WORKLOAD ACCOMPLISHED:

Bombers (B-52, B-1, B-2), Tankers (KC-135), and other large fixed wing aircraft (E-3), missile and jet engines, aircraft and engine components, and exchangeable components for all AF weapon systems (pneudraulics/pneumatics, oxygen/gas generating equipment, engine instruments, unique avionics and software).

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6020
Military:	128

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

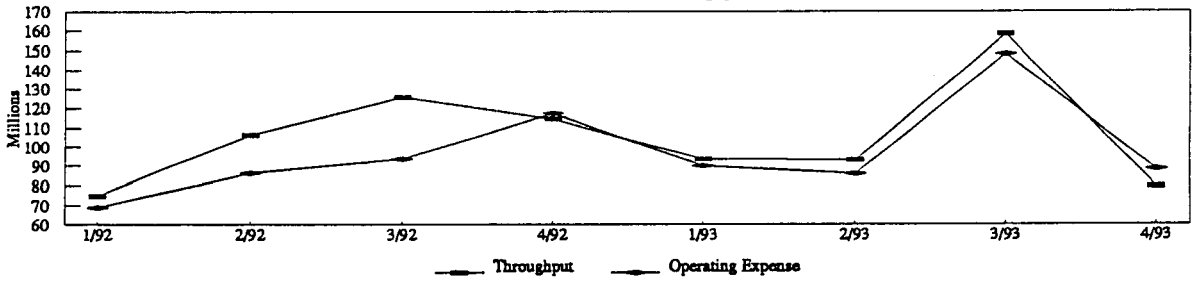
$678,660,000

The operations indicators for Throughput and Operating Expense significantly increase each quarter as a result of policies such as the FY93 sales prices and costs including exchange material which was previously "free issue". Other policies contributing to Throughput and Operating Expense are the inclusion of incremental revenue and costs being reflected for the first time in FY93. The Net Operating Results is also affected by the incremental revenue policy. The first quarter revenue for FY93 primarily reflects workload sold at FY92 prices which do not include exchange material costs; however, increases in subsequent quarters reflect the inclusion of exchange material costs. Exhange material costs heavily influence the increase in FY93 costs compared to FY92 costs. Each quarter cost increases due to the grandfathering policy where items ordered prior to 1 Oct 92 were free issue. Actual DPAH are significantly less than budgeted due to non-generation of two level workload as planned and early out separations causing fixed costs to be spread over fewer hours.

OKLAHOMA CITY AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

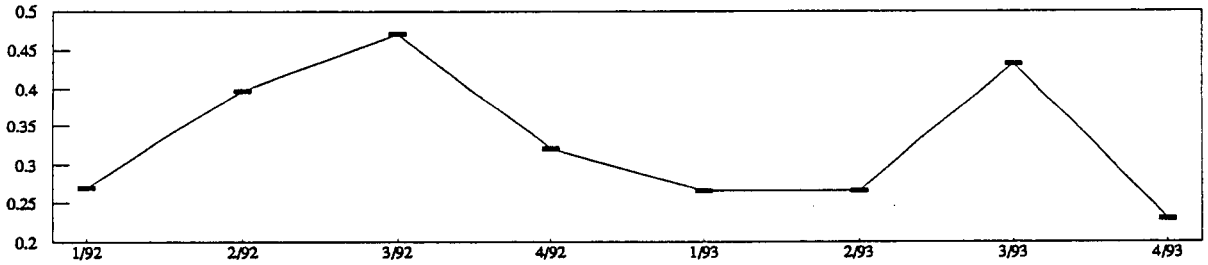
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



RSD items ordered in FY92 were free issue. FY93 sales prices and costs include the cost of RSD material. Revenue and cost increased in 3rd Qtr FY93 due to implementation of incremental revenue policy. T&OE decreased in 4th Qtr FY93 due to a system correction for conversion to exchange pricing for direct material. OE exceeded T due to reduced workload causing fixed costs to be spread over fewer hours of work.

CAPITAL INVESTMENT EFFECTIVENESS

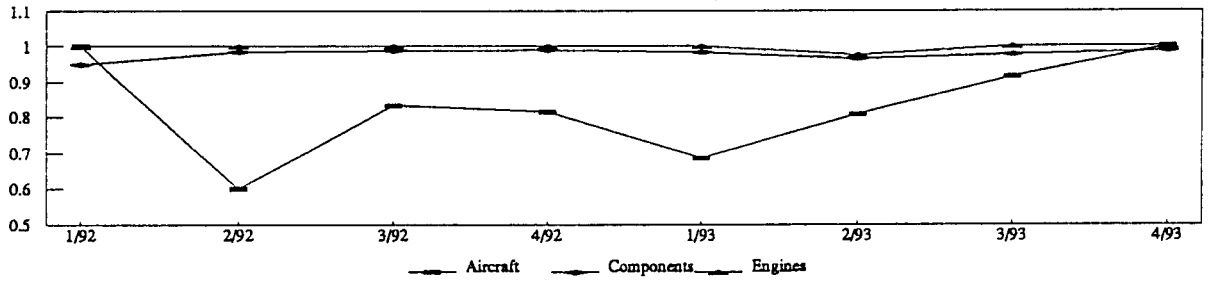
GOAL: Index Should Continually Increase



The increase in long term inventory for 4th Qtr FY92 is result of updating building depreciation (GO35 IDEAL System). The increase for 3rd Qtr FY93 is a result of Non-DMBA equipment transferred to "Contributed to Assets."

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

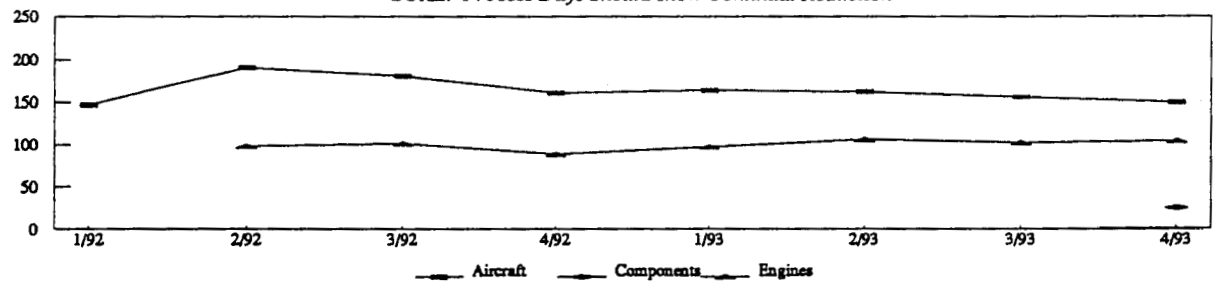


Aircraft schedule from 2nd Qtr FY92 to 1st Qtr FY93 was affected by corrosion/structural problems on -135 aircraft and engine/landing gear problems on B-1B. The Engine schedule for 2nd Qtr FY93 was slipped due to parts and personnel shortages. Approximately 11 percent of the Engine Workforce took advantage of the early out. Exchangeables schedule was affected by late arrival of assets and parts and continued problems with test equipment.

OKLAHOMA CITY AIR LOGISTICS CENTER

PROCESS DAYS

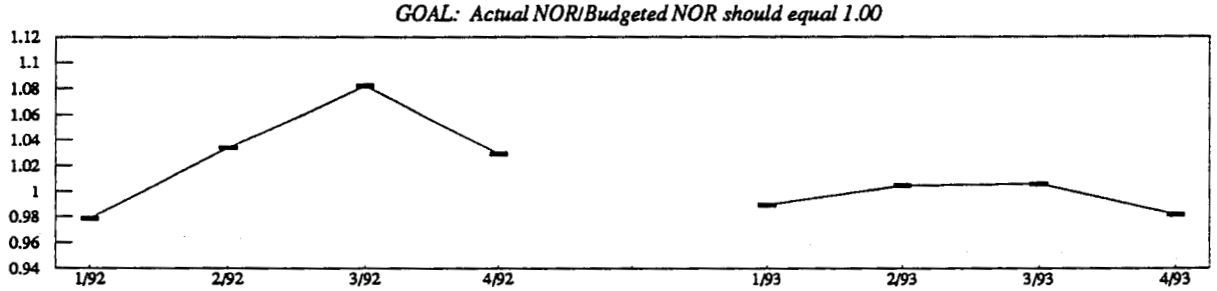
GOAL: Process Days Should show Continual Reduction



The decrease in process days for aircraft reflects a series of ongoing process reviews/improvements and the incorporation of PDMSS. Two engines are being tracked: the TF33-103 and the TF30-P111. Actual process days for Exchangeables is a manual effort and ten items will be tracked beginning 4th Qtr FY93.

NET OPERATING RESULTS

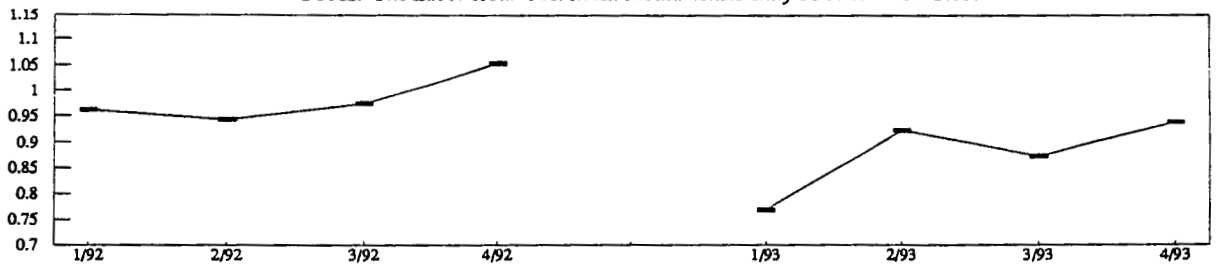
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Budgeted data does not include incremental revenue and costs; however, actual data does include incremental revenue and costs beginning in 3rd Qtr FY93. Actual revenue and costs are under budget due to reduced production hours (638K) driven by changes in aircraft and engine schedules and early-out personnel separations.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



FY93 costs increased due to the inclusion of exchange material which was free issue in FY92. Actual DPAH are under budget due to reductions in the aircraft and engine schedules and early-out personnel separations.

OKLAHOMA CITY AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	103423683	136799633	151434797	142117015	117502000	138627163	233208862	153290905
Total Cost ($)	97749106	116740736	119549339	145188233	113852000	131353149	223252393	162147819
Direct Materials ($)	28657685	30360055	25891605	27717121	23895981	45511616	75000527	73942834
Throughput ($)	74765998	106439578	125543192	114399894	93606019	93115547	158208335	79348071
Operating Expense ($)	69091421	86380681	93657734	117471112	89956019	85841533	148251866	88204985

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	74765998	106439578	125543192	114399894	93606019	93115547	158208335	79348071
Longterm Inventory ($)	277048311	267587212	266318085	357008492	351988721	350285649	365792000	345470647
INDEX	0.27	0.40	0.47	0.32	0.27	0.27	0.43	0.23

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	18	25	24	27	16	26	24	23
Aircraft Completed	18	15	20	22	11	21	22	23
INDEX	1.00	0.60	0.83	0.81	0.69	0.81	0.92	1.00
Components Scheduled	38960	42307	38615	30568	26859	28365	21800	22241
Components Completed	36993	41623	38124	30223	26393	27363	21300	21936
INDEX	0.95	0.98	0.99	0.99	0.98	0.96	0.98	0.99
Engines Scheduled	258	269	276	244	240	245	258	259
Engines Completed	258	269	276	244	240	239	258	259
INDEX	1.00	1.00	1.00	1.00	1.00	0.98	1.00	1.00

PROCESS DAYS

DATE INDUCTED - DATED COMPLETED = PROCESS DAYS

Aircraft Process Days								
Number of Items								
AVG PROCESS DAYS	146.70	190.60	180.60	160.20	163.60	161.50	155.40	149.20
Components Process Days								
Number of Items								
AVG PROCESS DAYS								24.80
Engines Process Days								
Number of Items								
AVG PROCESS DAYS		98.20	101.40	88.50	97.40	106.30	102.50	104.20

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	132960000	254018000	379493000	511752000	148801000	335215000	516948000	715069000
Cum Budg Cost ($)	122998000	234482000	350218000	472828000	142705000	322365000	497760000	689315000
Budgeted NOR INDEX	1.08	1.08	1.08	1.08	1.04	1.04	1.04	1.04
Cum Actual Revenue ($)	103423683	240223316	391658113	533775128	117502000	256129163	489338025	642628930
Cum Actual Cost ($)	97749106	214489842	334039181	479227414	113852000	245205149	468457542	630605361
Actual NOR INDEX	1.06	1.12	1.17	1.11	1.03	1.04	1.04	1.02
NOR INDEX	0.98	1.03	1.08	1.03	0.99	1.00	1.01	0.98

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	121132000	236729000	354443000	470573000	171443000	340932000	519857000	699902000
Budgeted Total DLH	1885947	3635417	5498676	7378524	1814193	3508224	5293716	7131928
Bud Labor Hour Cost	$64.23	$65.12	$64.46	$63.78	$94.50	$97.18	$98.20	$98.14
Total Actual Cost ($)	106563321	214438487	330560182	470017831	112839126	287826316	416035753	599381670
Actual Total DLH	1725497	3494091	5265139	7004697	1554166	3212236	4855629	6515892
Actual Labor Hour Cost	$61.76	$61.37	$62.78	$67.10	$72.60	$89.60	$85.68	$91.99
Labor Hour Cost INDEX	0.96	0.94	0.97	1.05	0.77	0.92	0.87	0.94

SACRAMENTO AIR LOGISTICS CENTER
McCLELLAN AFB, CA

MAJOR WORKLOAD ACCOMPLISHED:

F-111, F-15, A-10, KC-135, Communications-Electronics, Space Systems, Grond Power Generators

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	5190
Military:	222

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

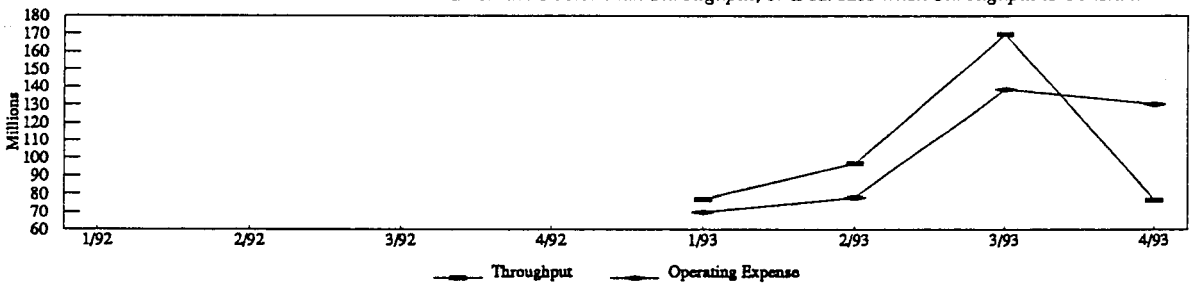
$428,000,000

SM-ALC provides worldwide logistics support for assigned aircraft systems, communications-electronic systems, space systems, and ground power generators. We maintain and repair the F-111, A-10, F-15 and KC-135. As the Air Force Center for Communications-Electronics, we manage, sustain, modify, test and repair over 200 communication systems. The inventory value of communication-electronic and space systems is $5 billion. As the predominant space and logistics support facility in DOD, we manage ground control equipment which in turn monitors the health and well being of satellites and other space vehicles. SM-ALC is the High Technology Center for Very High Speed Integrated Circuits, fiber optics and the Center of Excellence for advanced composites. SM-ALC operates a worldwide, one of a kind, fighter sized non-destructive inspection facility and the only industrial nuclear reactor in DOD. We have proven capability in repairing, overhauling, and modifying entire categories of complex avionic components, as well as testing and performing diagnostic analysis of intertial navigation systems, repair testers, instrument repair, flight control and navigation flight instruments.

SACRAMENTO AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

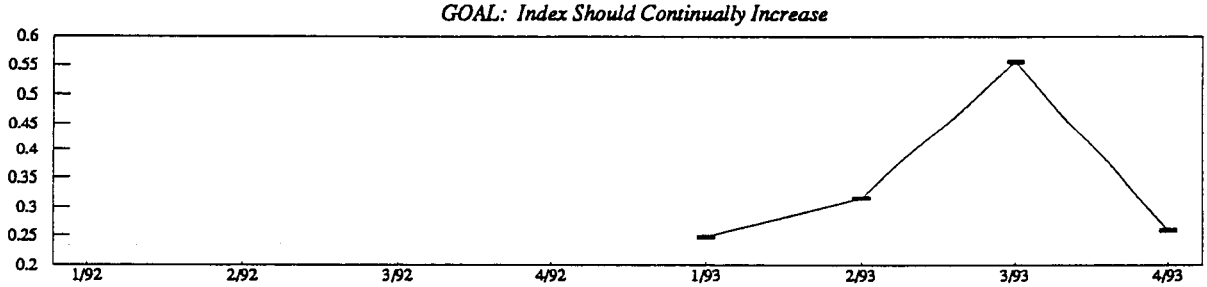
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Target budget does not include revenue recognition, whereas actual budget includes revenue recognition. This results in both sides of the equation not being equal. The data therefore is not meaningful.

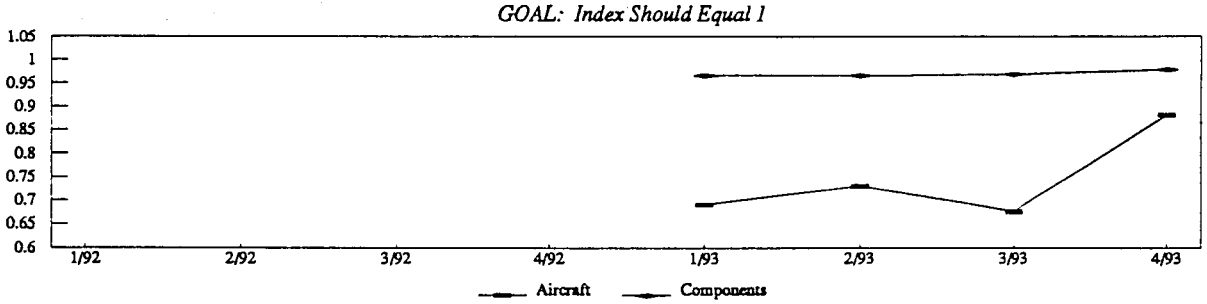
CAPITAL INVESTMENT EFFECTIVENESS

GOAL: Index Should Continually Increase



SCHEDULE INDICATOR

GOAL: Index Should Equal 1

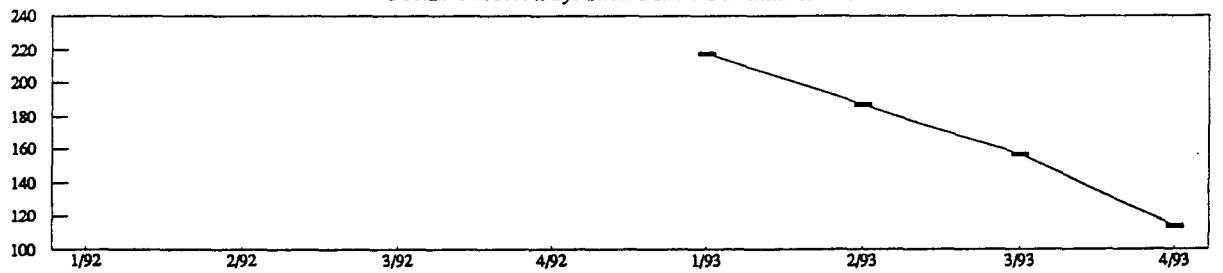


Aircraft scheduled and aircraft completed (on time) as used on this chart reflects final negotiated AMREP because there has not been any official change to AFMC 55-305 limiting Aircraft and Missile Maintenance, Production Compression Report (AMREP) extensions to the first 30 days. This chart is based on "official criteria".

SACRAMENTO AIR LOGISTICS CENTER

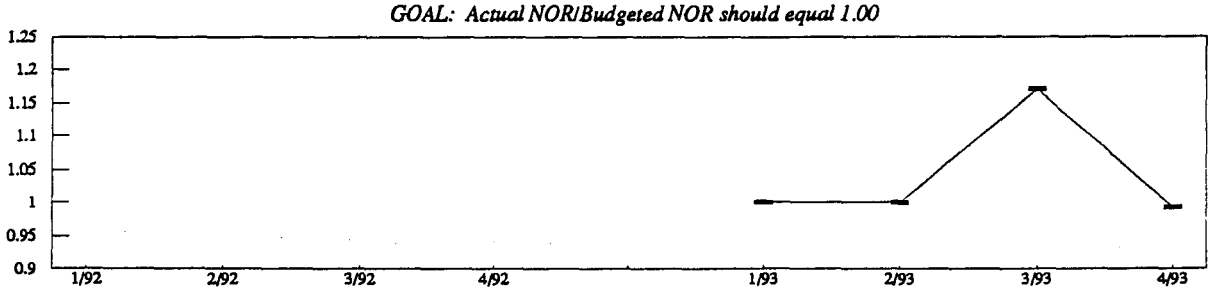
PROCESS DAYS

GOAL: Process Days Should show Continual Reduction



NET OPERATING RESULTS

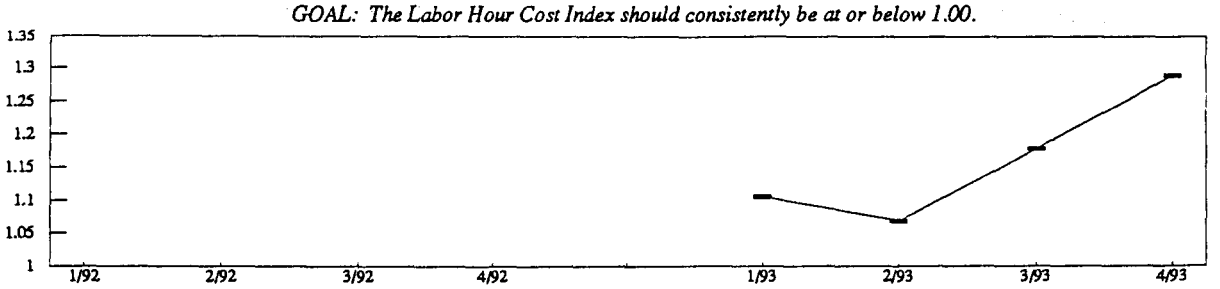
GOAL: Actual NOR/Budgeted NOR should equal 1.00



Target budget does not include revenue recognition, whereas actual budget includes revenue recognition. This results in both sides of the equation not being equal. The data therefore is not meaningful.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Target budget does not include revenue recognition, whereas actual budget includes revenue recognition. This results in both sides of the equation not being equal. The data therefore is not meaningful.

SACRAMENTO AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)					77812754	109303513	202402302	115396797
Total Cost ($)					70670158	90604249	170958547	168706901
Direct Materials ($)					671414	12363222	32592933	38531454
Throughput ($)					77141340	96940291	169809369	76865343
Operating Expense ($)					69998744	78241027	138365614	130175447

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)					77141340	96940291	169809369	76865343
Longterm Inventory ($)					311521589	306441546	304879562	297006083
INDEX					0.25	0.32	0.56	0.26

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled					42	52	34	34
Aircraft Completed					29	38	23	30
INDEX					0.69	0.73	0.68	0.88
Components Scheduled					26148	24706	24344	25290
Components Completed					25266	23889	23598	24756
INDEX					0.97	0.97	0.97	0.98

PROCESS DAYS

DATE INDUCTED - DATE COMPLETED = PROCESS DAYS

Aircraft Process Days								
Number of Items								
AVG PROCESS DAYS					218.00	187.00	157.00	114.00

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)					77812754	187116267	296792267	412040267
Cum Budg Cost ($)					70670157	161274406	296280406	405847406
Budgeted NOR INDEX					1.10	1.16	1.00	1.02
Cum Actual Revenue ($)					77812754	187116267	389518569	504915366
Cum Actual Cost ($)					70670158	161274407	332232954	500939855
Actual NOR INDEX					1.10	1.16	1.17	1.01
NOR INDEX					1.00	1.00	1.17	0.99

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)					70670157	161274406	296280406	405847406
Budgeted Total DLH					1621286	3266803	4824290	6367870
Bud Labor Hour Cost					$43.59	$49.37	$61.41	$63.73
Total Actual Cost ($)					70670158	161274407	332232954	500939855
Actual Total DLH					1467067	3057101	4592907	6106839
Actual Labor Hour Cost					$48.17	$52.75	$72.34	$82.03
Labor Hour Cost INDEX					1.11	1.07	1.18	1.29

WARNER ROBINS AIR LOGISTICS CENTER
ROBINS AFB, GA

MAJOR WORKLOAD ACCOMPLISHED:

F-15, C-130 & C-141 ,helicopters, various missiles, Electronic Warfare Systems and Avionics Systems, Vehicles & Special Operations Forces (SOF) aircraft.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	6142
Military:	30

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

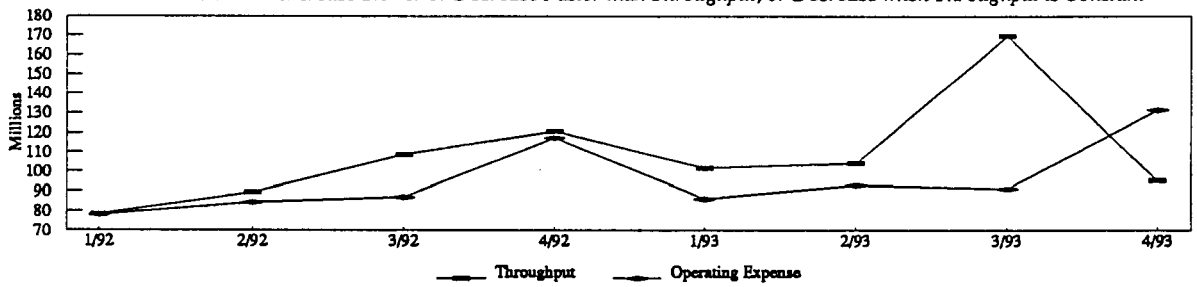
$483,740,000

WR-ALC has worldwide management responsibilities for the F-15, C-130, C-141, helicopters, various missiles, avionics, vehicles and worldwide management and engineering responsibilities for all SOF aircraft. The Center also manages approximately 190,000 items that range from gunnery equipment to aerospace communications and navigation equipment. Robins is a leader in managing and maintaining high technology systems in the areas of avionics and electronic warfare. These tasks require some of the most sophisticated equipment and skills anywhere in the world. A modification and upgrade to HC-130P/N aircraft to enable SOF helicopter refueling in low and medium threat environments, designated Combat Shadow, was successfully completed in Jan 93, on time and in budget. As a result of the first kitproof effort, production installs began at Robins in June 93. Additionally, utilizing the organic resources of WR-ALC, the Global Positioning System modification addition on the nation's number one tactical airlift aircraft, the MC-130H Combat Talon II, is ahead of schedule. In Oct 93, the C-130 Executive Program Review was held and the unanimous consensus among the MAJCOMs is that WR-ALC is the preferred source of repair for the C-130. Also, in Aug 93, when 45 C-141B aircraft were restricted from flight and the weephole problem impacted other aircraft production, the Center accepted the goal of returning as many unrestricted and repaired aircraft to the field units as soon as possible. We have currently returned 118 aircraft to service against a goal of 110 by Dec 93. We continue to evaluate our progress against our goals and make every effort to ensure full support to our customers.

WARNER ROBINS AIR LOGISTICS CENTER

THROUGHPUT & OPERATING EXPENSE

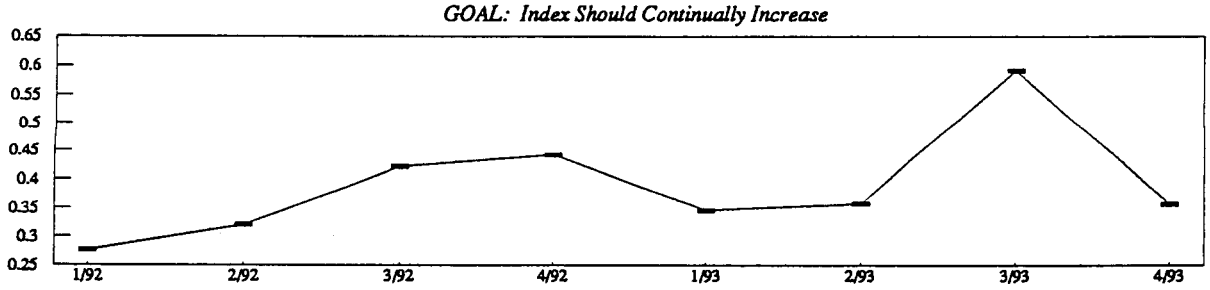
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



Direct material costs are unusually high because of systems problems with D035K and G004H capturing RSD cost resulting in inaccuracies in FY93 data. The problems caused excessive material expenses and exaggerated total costs for the quarters, thus lowering throughput. These problems have been corrected for the 4th Qtr FY93 input.

CAPITAL INVESTMENT EFFECTIVENESS

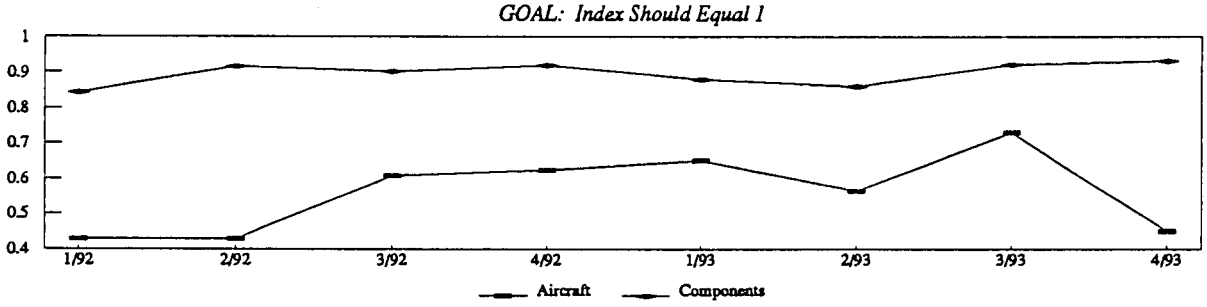
GOAL: Index Should Continually Increase



Increases in Throughput caused by implementation of DMRD 904 created material variances which directly impact capital investment effectiveness.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

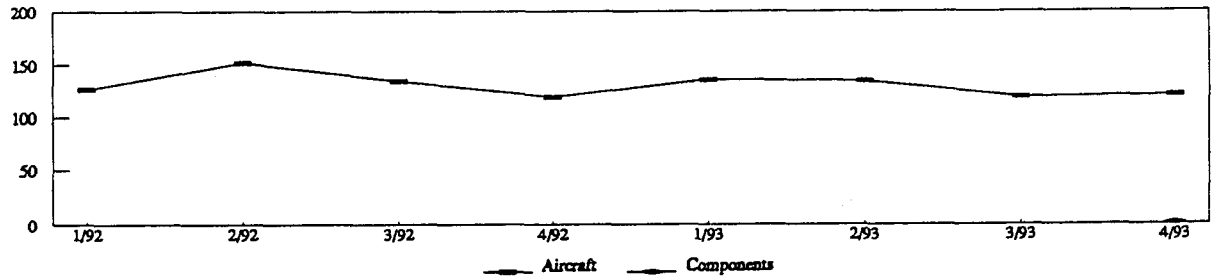


C-141 weephole defects became a safety of flight for the entire fleet in FY93. Production priorities were shifted to this problem at the expense of PDM. After the weephole problem has been overcome (projected for the end of February 94), emphasis will again be placed on PDM.

WARNER ROBINS AIR LOGISTICS CENTER

PROCESS DAYS

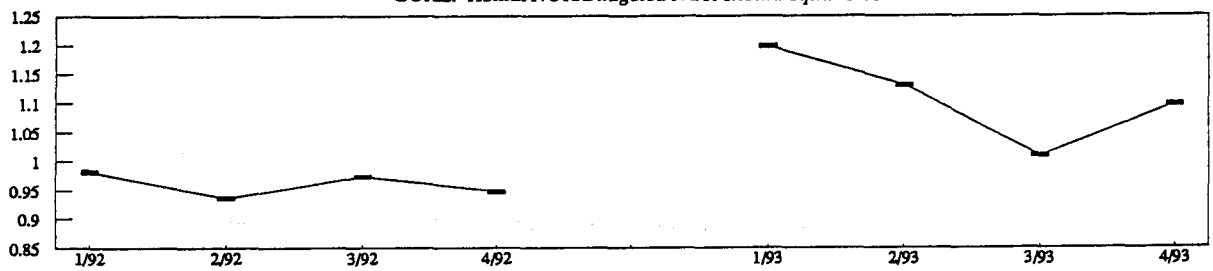
GOAL: Process Days Should show Continual Reduction



Increase in process days are the result of C-141 weep hole problems and unscheduled repairs during PDM. Exchangeable process days based on a sample of 113 items completed in 133 days. Using a total quality and product team approach, WR-ALC accelerated C-141 weephole repair which returned 62 aircraft to service. The WR-ALC goal is to return a maximum number of unrestricted aircraft to the customer as soon as possible.

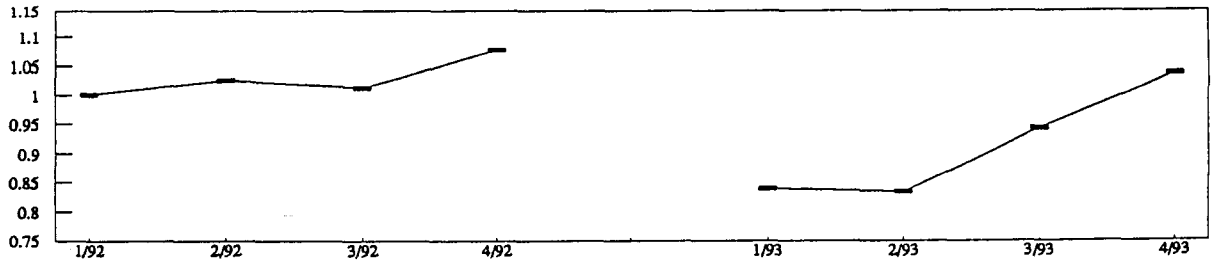
NET OPERATING RESULTS

GOAL: Actual NOR/Budgeted NOR should equal 1.00



LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Increases in 3rd Qtr FY93 are the result of overtime expended in support of the F-141 Center Box Wing project. 4th Qtr FY93 reflects an acceleartion factor applied in Sep to adjust for leave and personnel benefits.

WARNER ROBINS AIR LOGISTICS CENTER

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)	95338000	110884000	127832000	140733000	120016000	118443000	224659000	132683000
Total Cost ($)	94921000	105979000	105870000	137377000	104296000	107109000	146352000	168816000
Direct Materials ($)	16774000	21503000	18869000	19945000	18127000	13982000	55132000	37302000
Throughput ($)	78564000	89381000	108963000	120788000	101889000	104461000	169527000	95381000
Operating Expense ($)	78147000	84476000	87001000	117432000	86169000	93127000	91220000	131514000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	78564000	89381000	108963000	120788000	101889000	104461000	169527000	95381000
Longterm Inventory ($)	283851000	279021000	258660000	273501000	294130000	292109000	286146000	267119000
INDEX	0.28	0.32	0.42	0.44	0.35	0.36	0.59	0.36

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Aircraft Scheduled	21	14	23	24	23	23	26	20
Aircraft Completed	9	6	14	15	15	13	19	9
INDEX	0.43	0.43	0.61	0.63	0.65	0.57	0.73	0.45
Components Scheduled	34156	29600	30890	24634	27116	26126	26650	25846
Components Completed	28815	27110	27849	22632	23856	22498	24564	24076
INDEX	0.84	0.92	0.90	0.92	0.88	0.86	0.92	0.93

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Aircraft Process Days								
Number of Items								
AVG PROCESS DAYS	126.60	151.90	134.10	118.50	135.70	134.50	118.50	120.30
Components Process Days								
Number of Items								
AVG PROCESS DAYS								1.20

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	106804000	230882000	355497000	479043000	115562000	244490000	378739000	510124000
Cum Budg Cost ($)	104525000	210713000	318018000	424999000	120386000	245015000	369707000	494646000
Budgeted NOR INDEX	1.02	1.10	1.12	1.13	0.96	1.00	1.02	1.03
Cum Actual Revenue ($)	95338000	206222000	334055000	474788000	120015000	238459000	369707000	595800000
Cum Actual Cost ($)	94921000	200901000	306772000	444149000	104296000	211405000	357757000	526573000
Actual NOR INDEX	1.00	1.03	1.09	1.07	1.15	1.13	1.03	1.13
NOR INDEX	0.98	0.94	0.97	0.95	1.20	1.13	1.01	1.10

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	104525000	210713000	318018000	424999000	120386000	245015000	369707000	494646000
Budgeted Total DLH	1838000	3751000	5673000	7575000	1776000	3610000	5510000	7402000
Bud Labor Hour Cost	$56.87	$56.18	$56.06	$56.11	$67.78	$67.87	$67.10	$66.83
Total Actual Cost ($)	94921000	200901000	306772000	444149000	104296000	211405000	357757000	526573000
Actual Total DLH	1666000	3483000	5399000	7352000	1832000	3737000	5655000	7595000
Actual Labor Hour Cost	$56.98	$57.68	$56.82	$60.41	$56.93	$56.57	$63.26	$69.33
Labor Hour Cost INDEX	1.00	1.03	1.01	1.08	0.84	0.83	0.94	1.04

MARINE CORPS
DEPOT MAINTENANCE ACTIVITIES

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA
ALBANY, GA

MAJOR WORKLOAD ACCOMPLISHED:

Communications and Electronics Equipment, Combat Vehicles, Ordnance and Weapons, Automotive Equipment, Amphibious Vehicles and Equipment, Construction Equipment, General Purpose Equipment, Automatic Test Support Equipment and Calibration Support.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1080
Military:	8

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

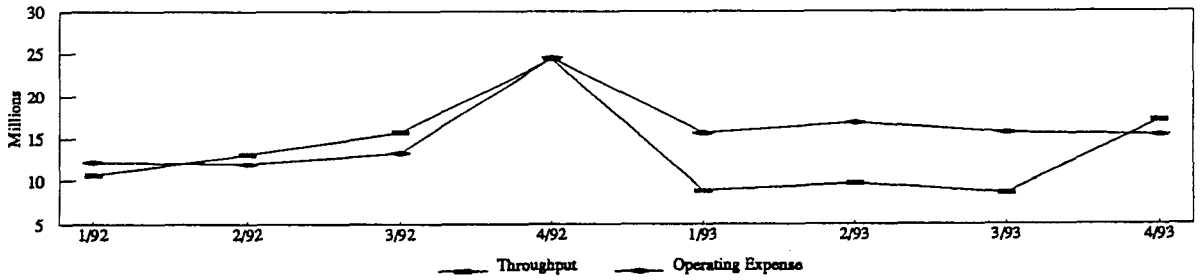
$99,414,000

In both FY92 and FY93, there was a planned loss of accumulated operating results directed by the Defense Business Operating Fund (DBOF). This loss was achieved through a negative surcharge applied against our total stable labor rate therefore reducing our revenue. In addition, workload increased significantly to meet priority maritime prepositioned ships (MPS) requirements and Southwest Asia rollback requirements. During this period, additional temporary employees were hired to meet workload requirements which increased costs significantly. For these reasons, the indicators as identified in this report may vary from the goal as explained and justified in the narrative for each indicator.

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA

THROUGHPUT & OPERATING EXPENSE

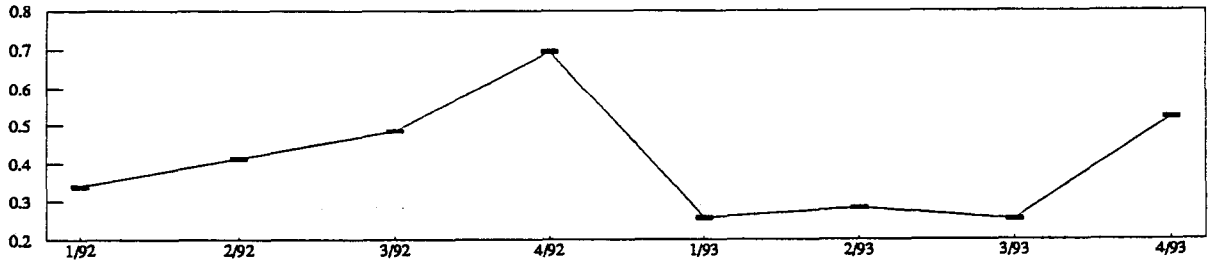
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



FY92 Throughput and Operating Expense remained relatively constant. In FY93, there was a planned loss in Revenue of $16,041,000 which caused Throughput to be lower than Operating Expense.

CAPITAL INVESTMENT EFFECTIVENESS

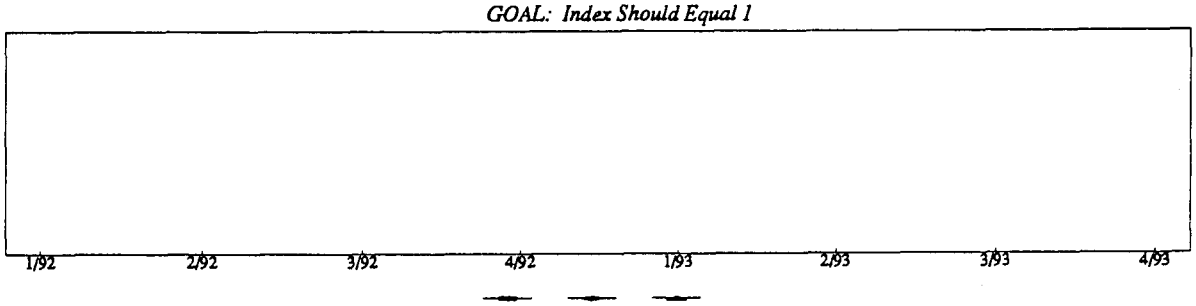
GOAL: Index Should Continually Increase



Due to planned loss of Revenue in FY93, Throughput decreased significantly, therefore decreasing investment ratio. In both 4th Qtr FY92 and FY93, the investment ratio increases significantly as a result of increases in workload to reduce carryover.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

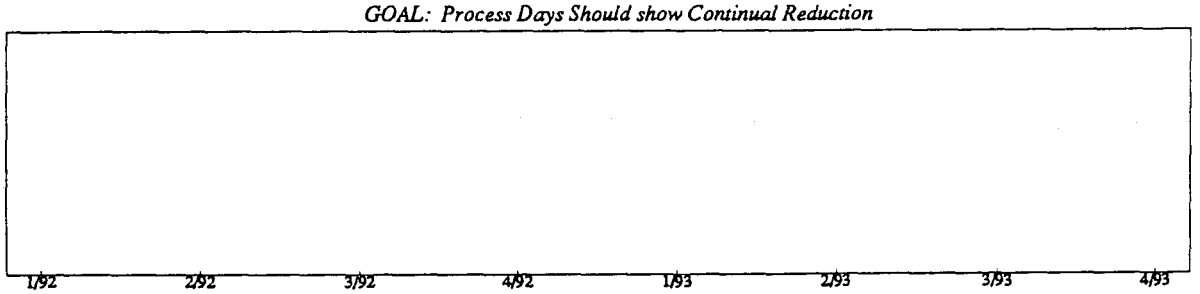


The Marine Corps is not required to submit Schedule Indicator Data.

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA

PROCESS DAYS

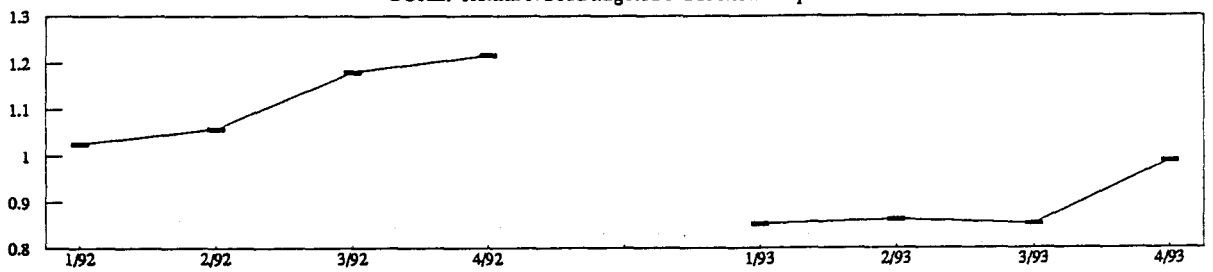
GOAL: Process Days Should show Continual Reduction



At this time, sufficient data is not available in our current system to compute actual process days as calculated in the Depot Maintenance Operations Indicators Handbook. Repair Division is currently implementing a business plan along with a system that will track process days for every item inducted into the depot.

NET OPERATING RESULTS

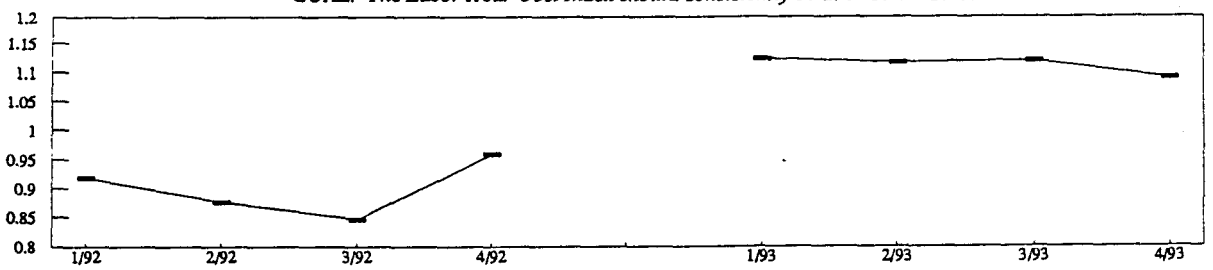
GOAL: Actual NOR/Budgeted NOR should equal 1.00



In FY92, Revenue and Cost substantially exceeded budget due to an increase in workload to meet Maritime Prepositioned Ships (MPS) requirements and Southwest Asia rollback requirements.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



In FY93, cost exceeded budget due to an increase in temporary employees and an increase in overtime, both required to meet workload requirements. In addition, indirect expenses increased substantially to support the direct effort.

MARINE CORPS DEPOT MAINT ACTIVITY, ALBANY GA

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	15712423	18497188	21812195	30601965	14188692	15760664	15170737	22596734
Total Cost ($)	17266576	17344680	19409236	30734418	20949214	22843917	22218733	20889077
Direct Materials ($)	5051383	5384697	6107611	6220254	5331948	6043467	6573224	5530171
Throughput ($)	10661040	13112491	15704584	24381711	8856744	9717197	8597513	17066563
Operating Expense ($)	12215193	11959983	13301625	24514164	15617266	16800450	15645509	15358906

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	10661040	13112491	15704584	24381711	8856744	9717197	8597513	17066563
Longterm Inventory ($)	31472156	31666694	32418476	34976409	34428132	34332652	33895261	32795977
INDEX	0.34	0.41	0.48	0.70	0.26	0.28	0.25	0.52

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	13893000	27537000	39515000	51314000	14193000	28726000	43925000	59453000
Cum Budg Cost ($)	15704000	29552000	45152000	61064000	17961000	36384000	55712000	75494000
Budgeted NOR INDEX	0.88	0.93	0.88	0.84	0.79	0.79	0.79	0.79
Cum Actual Revenue ($)	15712423	34209611	56021806	86623771	14188692	29949356	45120093	67716827
Cum Actual Cost ($)	17294536	34660830	54188393	84754910	21039948	43947530	67013462	86900941
Actual NOR INDEX	0.91	0.99	1.03	1.02	0.67	0.68	0.67	0.78
NOR INDEX	1.03	1.06	1.18	1.22	0.85	0.86	0.85	0.99

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	15704000	29552000	45152000	61064000	17961000	36384000	55712000	75494000
Budgeted Total DLH	255719	511438	775312	1039396	353086	715236	1095199	1484220
Bud Labor Hour Cost	$61.41	$57.78	$58.24	$58.75	$50.87	$50.87	$50.87	$50.86
Total Actual Cost ($)	17294536	34660830	54188393	84754910	21039948	43947530	67013462	86900941
Actual Total DLH	306728	684639	1099601	1504488	368456	773889	1176617	1568741
Actual Labor Hour Cost	$56.38	$50.63	$49.28	$56.33	$57.10	$56.79	$56.95	$55.40
Labor Hour Cost INDEX	0.92	0.88	0.85	0.96	1.12	1.12	1.12	1.09

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA
BARSTOW, CA

MAJOR WORKLOAD ACCOMPLISHED:

Missiles, Communications and Electronics Equipment, Combat Vehicles, Ordnance and Weapons, Automotive Equipment, Amphibious Vehicles and Equipment, Construction Equipment, and General Purpose Equipment

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	1095
Military:	8

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

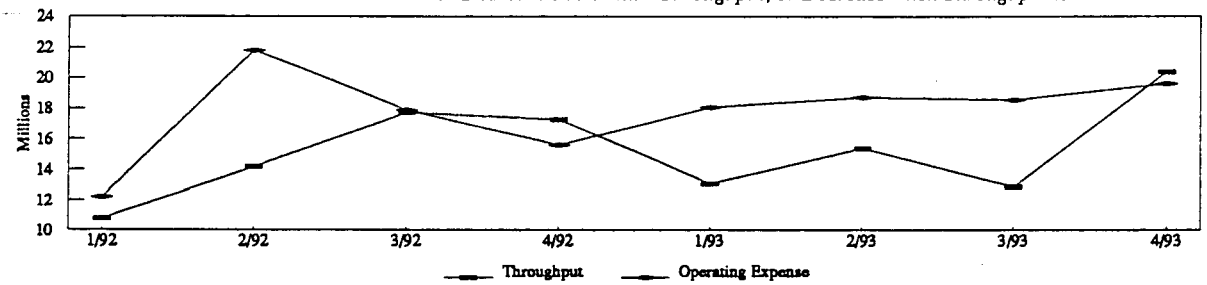
$102,807,000

During FY92 and 93, there were planned losses which directly affected revenue and operating results. The planned losses were directed so operating results could be brought to zero. Workload increased between FY92 and FY93 with the return of asstes from Southwest Asia. To accomplish the increased workload, additional personnel have been temporarily brought on board. Due to the increased workload, Throughput, Operating Expense, and Labor Costs were directly affected. Further detailed information has been provided within this report. The information shown for FY92 and 93 is within tolerances. The overall trend of all indicators for Barstow (MC3) were positive.

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA

THROUGHPUT & OPERATING EXPENSE

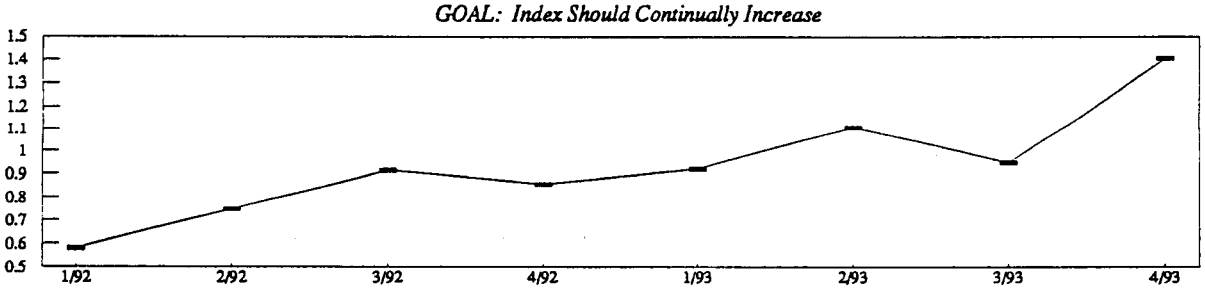
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



FY92 had a first-time payment of $1.5M FECA and over a $2.5M adjustment by MCIF Accounts Payable. Hours increased with the additional temporary personnel on-board. The personnel count increased by 104 between the first and second quarters. There was a planned loss in the budget for FY93.

CAPITAL INVESTMENT EFFECTIVENESS

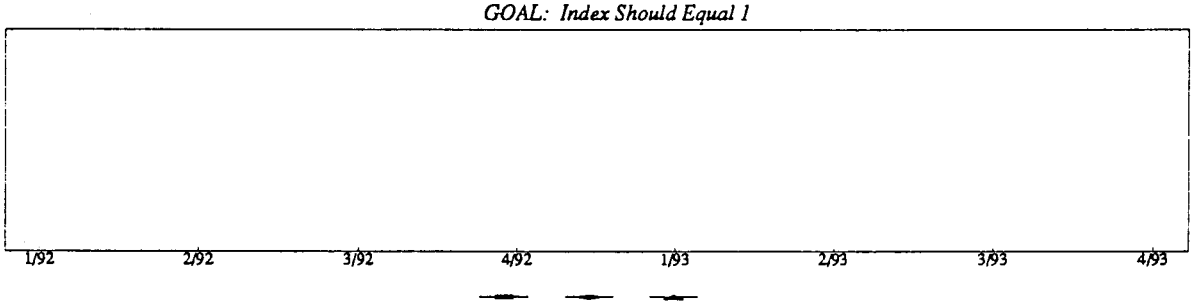
GOAL: Index Should Continually Increase



Yearend closeout and an increase in production to complete work for items returned from Southwest Asia causes a slight decrease in 4th Qtr FY92.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

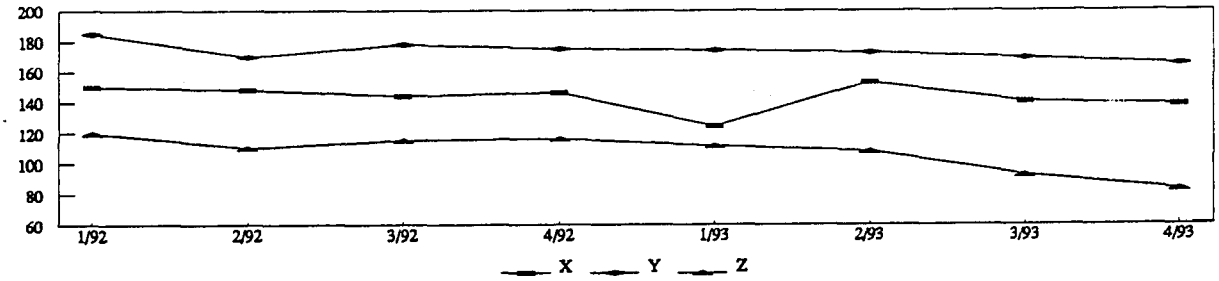


Marince Corps is not required to furnish Schedule Indicator data.

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA

PROCESS DAYS

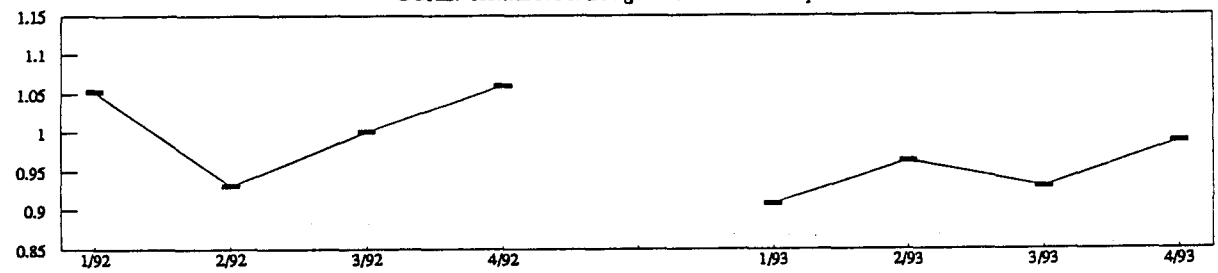
GOAL: Process Days Should show Continual Reduction



The increase in X process days during 2nd Qtr FY93 was due to the physical relocation of the line and a change in the process from a stall method to an assembly line. The 8 month processing time for the Y line includes a 30 - 45 day pre-processing/staging queue.

NET OPERATING RESULTS

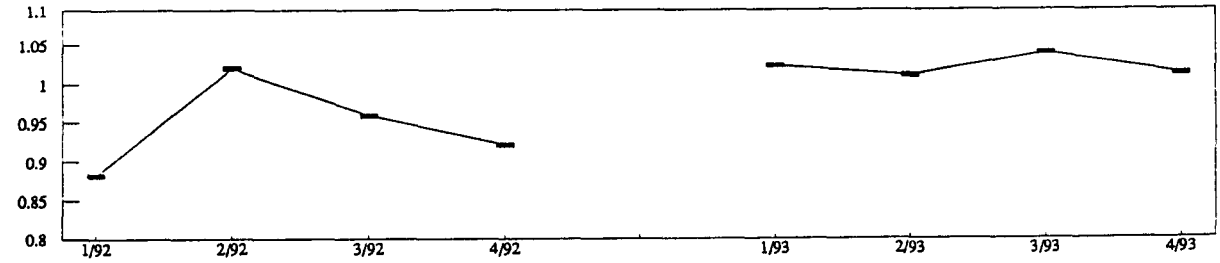
GOAL: Actual NOR/Budgeted NOR should equal 1.00



FY92 included adjustment for depreciation of $2,253,757. Adjustment required when depreciation changed from unfunded to funded cost. There was a planned loss of $9.52 per hour. Loss was directed to reduce accumulated operating results to 0 by end of FY92. A cash redistribution from Albany to Barstow was made for $4M and was done to provide an equitable basis for FY93 rates. FY93 included planned loss of $8.04 per hour as directed in budget guidance. This loss required to 0 out accumulated operating result.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



In FY93, Barstow worked 1,550,311 Direct Labor Hours, of which, 375,937 hours were overtime. Overtime increased by 26% over FY92 due to the return of assets from Southwest Asia.

MARINE CORPS DEPOT MAINT ACTIVITY, BARSTOW CA

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue ($)	14993000	23102000	24411000	24092000	19037000	22705000	20163000	27827000
Total Cost ($)	16435000	30739000	24580000	22405000	24035000	26065000	25844000	27048000
Direct Materials ($)	4220000	8924000	6681000	6816000	5952000	7336000	7277000	7444000
Throughput ($)	10773000	14178000	17730000	17276000	13085000	15369000	12886000	20383000
Operating Expense ($)	12215000	21815000	17899000	15589000	18083000	18729000	18567000	19604000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)	10773000	14178000	17730000	17276000	13085000	15369000	12886000	20383000
Longterm Inventory ($)	18503000	18922000	19372000	20150000	14212000	13851000	13606000	14505000
INDEX	0.58	0.75	0.92	0.86	0.92	1.11	0.95	1.41

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

X Process Days	2550	5032	5616	2336	4102	6108	5740	2898
Number of Items	17	34	39	16	33	40	41	21
AVG PROCESS DAYS	150.00	148.00	144.00	146.00	124.30	152.70	140.00	138.00
Y Process Days	4255	7480	2136	2100	7138	8803	7436	4455
Number of Items	23	44	12	12	41	51	44	27
AVG PROCESS DAYS	185.00	170.00	178.00	175.00	174.10	172.61	169.00	165.00
Z Process Days	3720	9350	3335	2204	3336	5924	4232	4067
Number of Items	31	85	29	19	30	55	46	49
AVG PROCESS DAYS	120.00	110.00	115.00	116.00	111.20	107.71	92.00	83.00

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)	15662000	31364000	47552000	63739000	22403000	44445000	67571000	90696000
Cum Budg Cost ($)	18081000	36182000	54626000	73490000	25702000	51404000	77106000	102807000
Budgeted NOR INDEX	0.87	0.87	0.87	0.87	0.87	0.86	0.88	0.88
Cum Actual Revenue ($)	14993000	38096000	62506000	86598000	19037000	41742000	61905000	89732000
Cum Actual Cost ($)	16435000	47174000	71754000	94159000	24035000	50100000	75944000	102992000
Actual NOR INDEX	0.91	0.81	0.87	0.92	0.79	0.83	0.82	0.87
NOR INDEX	1.05	0.93	1.00	1.06	0.91	0.96	0.93	0.99

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)	18081000	36162000	54826000	73490000	25702000	51404000	77106000	102807000
Budgeted Total DLH	235000	470000	713000	956000	387000	767000	1167000	1566000
Bud Labor Hour Cost	$76.94	$76.94	$76.89	$76.87	$66.41	$67.02	$66.07	$65.65
Total Actual Cost ($)	16486000	47174000	71754000	94159000	24035000	50100000	75944000	102992000
Actual Total DLH	243000	601000	973000	1329000	354000	740000	1106000	1550000
Actual Labor Hour Cost	$67.84	$78.49	$73.75	$70.85	$67.90	$67.70	$68.67	$66.45
Labor Hour Cost INDEX	0.88	1.02	0.96	0.92	1.02	1.01	1.04	1.01

DEFENSE LOGISTICS AGENCY DEPOTS

DIRECTORATE OF IPE OPS, MECHANICSBURG PA
MECHANICSBURG, PA

MAJOR WORKLOAD ACCOMPLISHED:

Manage the DoD level maintenance program for Industrial Plant Equipment (IPE) including operations of all major DoD IPE repair, rebuild, retro-fit and remanufacturing facilities and provide on-site customer support world-wide.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	141
Military:	0

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$14,300,000

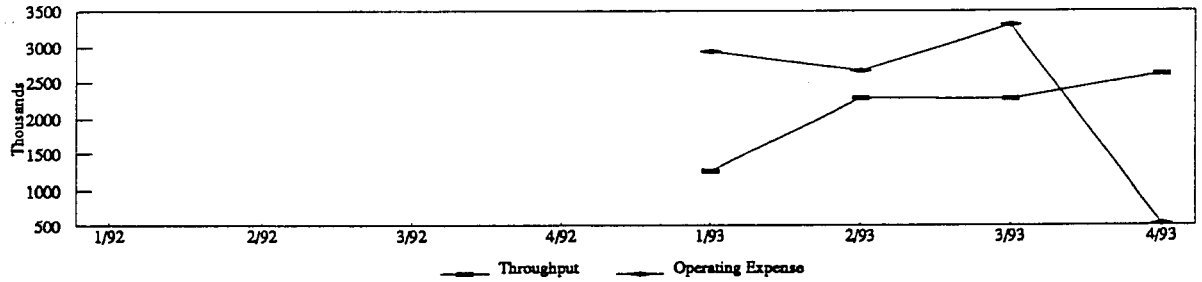
The IPE repair facilities repair and rebuild in-use industrial machinery and supply the needs of the Armed Forces in times of national emergency. In-house repair and rebuild of industrial machinery is performed at two maintenance sites located in Mechanicsburg, PA and Stockton, CA. Additionally, field service support is provided at individual customer sites by maintenance personnel from the two maintenance sites and Memphis field service support personnel. Field services available include assessments, repairs, inspections, and installations of machinery and accessories, plant design and layout, relocation and safety guarding.

Based on estimated workload from the Services, an average billable hourly rate was established to cover the cost of operations. The workload anticipated for FY93 did not materialize, resulting in a cumulative NOR ratio of .899 for the two sites at the end of the Fiscal Year. The goal was a NOR of 1.00.

DIRECTORATE OF IPE OPS, MECHANICSBURG PA

THROUGHPUT & OPERATING EXPENSE

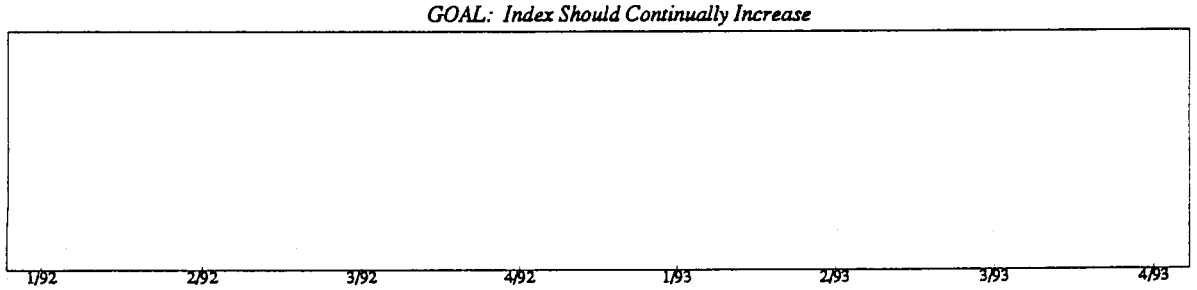
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



If revenue was equal to costs, Throughput and Operating Expenses would equal. Mechanicsburg operating expense exceeds Throughput by $1.02M.

CAPITAL INVESTMENT EFFECTIVENESS

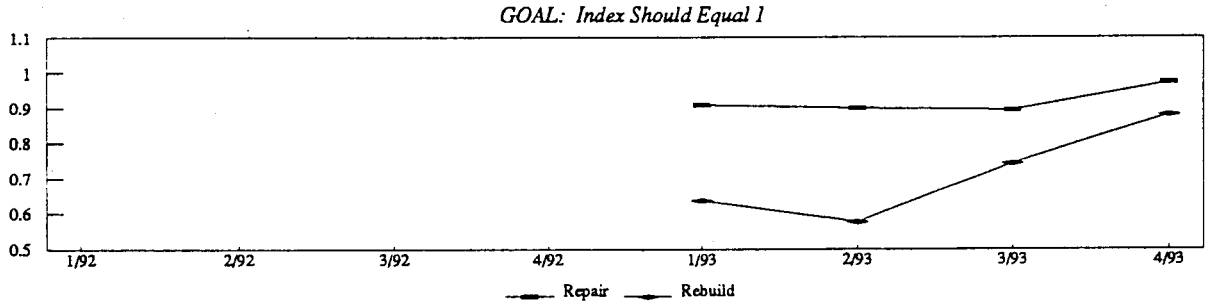
GOAL: Index Should Continually Increase



The book value of long term inventory assets for maintenance sites was not available in FY93. Applicable assets and depreciation values will be reconciled for FY94.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

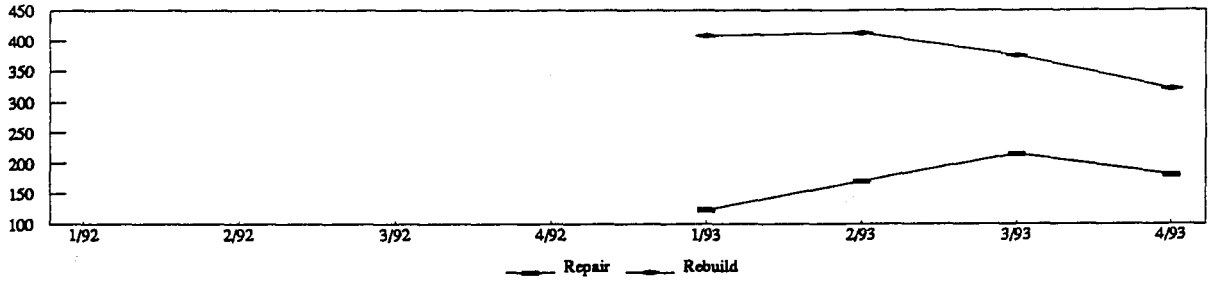


Negative narrative report.

DIRECTORATE OF IPE OPS, MECHANICSBURG PA

PROCESS DAYS

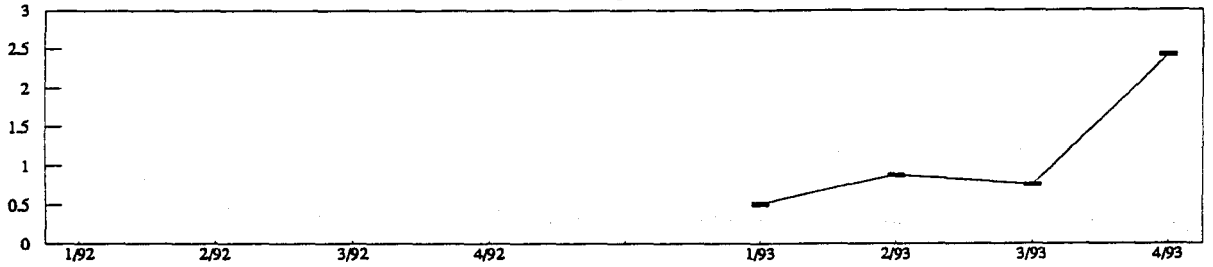
GOAL: Process Days Should show Continual Reduction



The customer changed requirements during the maintenance process requiring extensive engineering. Extensive parts leadtime was incurred for some castings and hard to get, one of a kind items.

NET OPERATING RESULTS

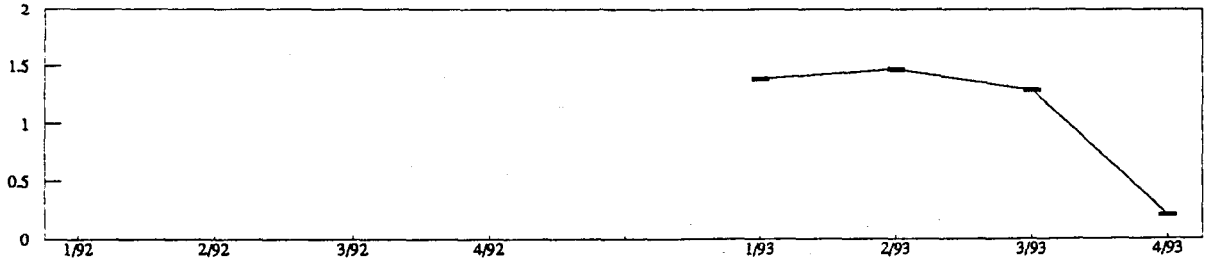
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The goal for the IPE Business Area is a NOR of equal to or greater than zero. For FY93, costs at Mechanicsburg exceeded revenue by 8%.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Expected workload did not materialize, but costs remained constant, resulting in a 4th Qtr hourly labor rate of $15.40. This is not an actual rate, but is the result of the 4th Qtr transfer of two former IPE missions to the DBOF Supply Business Area. When the transfer was implemented, indirect, general, and admin costs were allocated to those missions. The reallocation reduced the cumulative costs and is reflected in the lower 4th Qtr hourly rate. The cumulative FY93 hourly rate is $78.80.

DIRECTORATE OF IPE OPS, MECHANICSBURG PA

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)					1716000	2790000	3108000	3568000
Total Cost ($)					3401000	3173000	4151000	1477000
Direct Materials ($)					460000	508000	843000	950000
Throughput ($)					1256000	2282000	2265000	2618000
Operating Expense ($)					2941000	2665000	3308000	527000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)					1256000	2282000	2265000	2618000
Longterm Inventory ($)								
INDEX								

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Repair Scheduled					33	20	19	36
Repair Completed					30	18	17	35
INDEX					0.91	0.90	0.89	0.97
Rebuild Scheduled					22	33	35	25
Rebuild Completed					14	19	26	22
INDEX					0.64	0.58	0.74	0.88

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Repair Process Days					2845	1365	2143	2345
Number of Items					23	8	10	13
AVG PROCESS DAYS					123.70	170.63	214.30	180.38
Rebuild Process Days					13486	12395	11636	5446
Number of Items					33	30	31	17
AVG PROCESS DAYS					408.67	413.17	375.35	320.35

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)					3578000	3578000	3578000	3831000
Cum Budg Cost ($)					3578000	3578000	3578000	3831000
Budgeted NOR INDEX					1.00	1.00	1.00	1.00
Cum Actual Revenue ($)					1715000	2790000	3106000	3568000
Cum Actual Cost ($)					3401000	3173000	4151000	1477000
Actual NOR INDEX					0.50	0.88	0.75	2.42
NOR INDEX					0.50	0.88	0.75	2.42

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)					3109000	3109000	3109000	3311000
Budgeted Total DLH					41000	41000	41000	44000
Bud Labor Hour Cost					$75.83	$75.83	$75.83	$75.25
Total Actual Cost ($)					2941000	2665000	3308000	527000
Actual Total DLH					28000	24000	34000	34000
Actual Labor Hour Cost					$105.04	$111.04	$97.29	$15.50
Labor Hour Cost INDEX					1.39	1.46	1.28	0.21

DIRECTORATE OF IPE OPS, STOCKTON CA
STOCKTON, CA

MAJOR WORKLOAD ACCOMPLISHED:

Manage the DoD level maintenance program for Industrial Plant Equipment (IPE) including operations of all major DoD IPE repair, rebuild, retro-fit and remanufacturing facilities and provide on-site customer support world-wide.

DEPOT MAINTENANCE PERSONNEL LEVEL:

Civilian:	84
Military:	0

CURRENT YEAR INDUSTRIAL FUND BUDGET ($):

$8,300,000

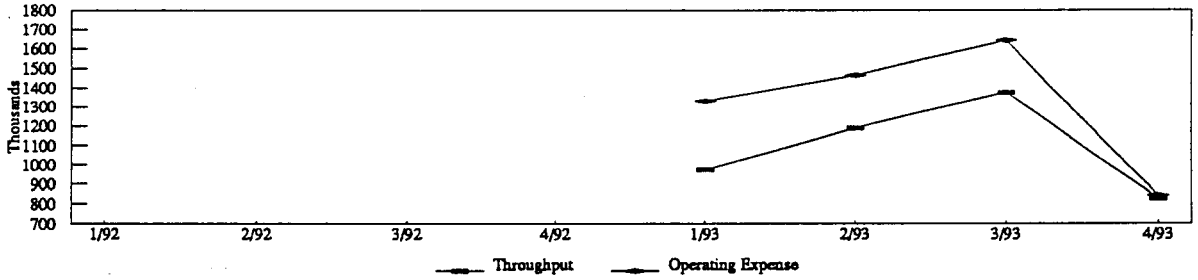
The IPE repair facilities repair and rebuild in-use industrial machinery and supply the needs of the Armed Forces in times of national emergency. In-house repair and rebuild of industrial machinery is performed at two maintenance sites located in Mechanicsburg, PA and Stockton, CA. Additionally, field service support is provided at individual customer sites by maintenance personnel from the two maintenance sites and Memphis field service support personnel. Field services available include assessments, repairs, inspections, and installations of machinery and accessories, plant design and layout, relocation and safety guarding.

Based on estimated workload from the Services, an average billable hourly rate was established to cover the cost of operations. The workload anticipated for FY93 did not materialize, resulting in a cumulative NOR ratio of .899 for the two sites at the end of the Fiscal Year. The goal was a NOR of 1.00.

DIRECTORATE OF IPE OPS, STOCKTON CA

THROUGHPUT & OPERATING EXPENSE

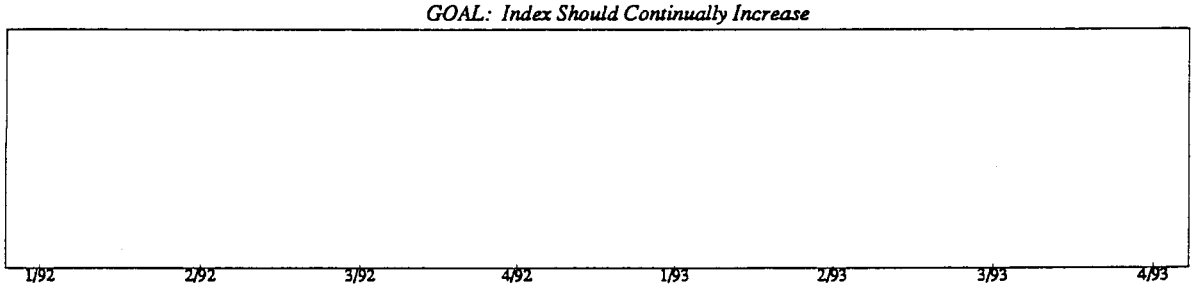
GOAL: OE Should Increase Slower or Decrease Faster than Throughput, or Decrease when Throughput is Constant



If revenue was equal to costs, Throughput and Operating Expenses would equal. Stockton operating expense exceeds Throughput by $9.12M.

CAPITAL INVESTMENT EFFECTIVENESS

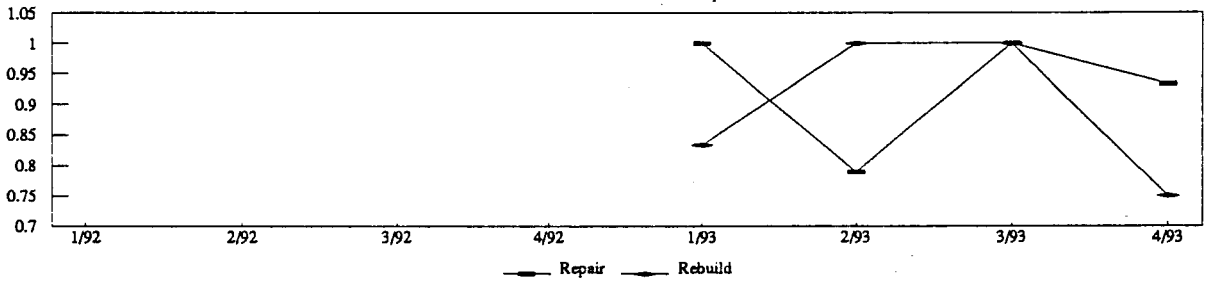
GOAL: Index Should Continually Increase



The book value of long term inventory assets for maintenance sites was not available in FY93. Applicable assets and depreciation values will be reconciled for FY94.

SCHEDULE INDICATOR

GOAL: Index Should Equal 1

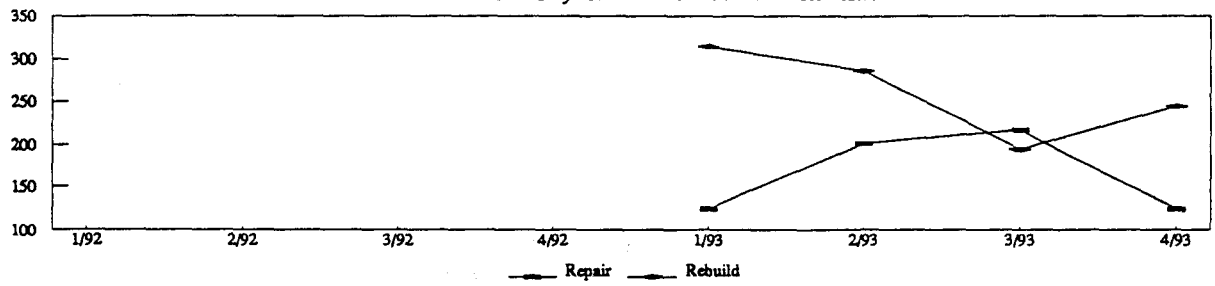


Negative narrative report.

DIRECTORATE OF IPE OPS, STOCKTON CA

PROCESS DAYS

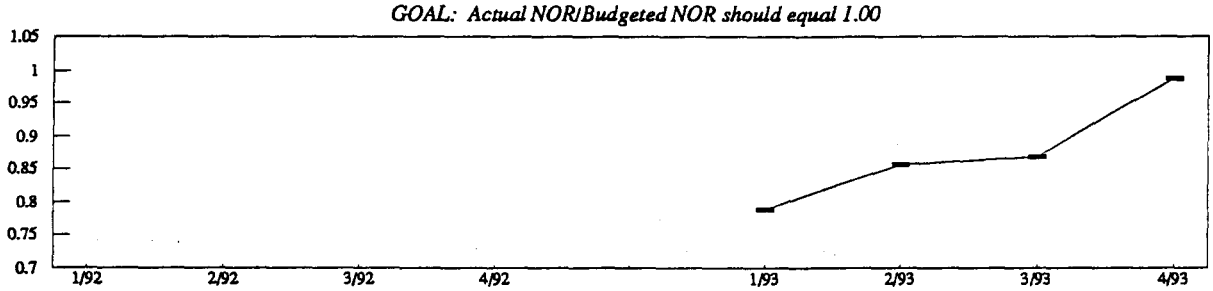
GOAL: Process Days Should show Continual Reduction



Negative narrative report.

NET OPERATING RESULTS

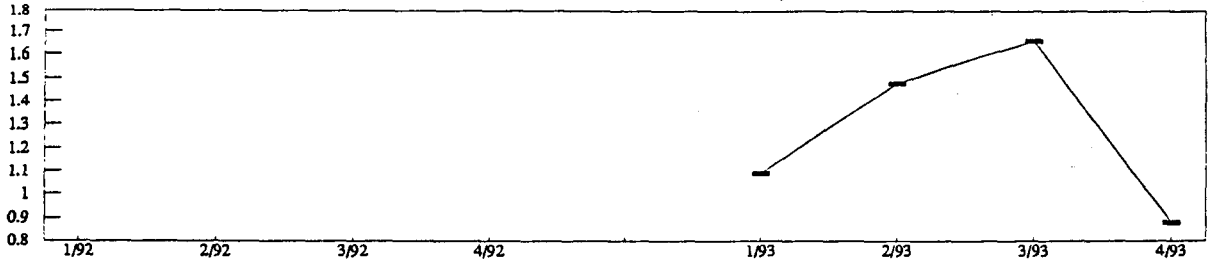
GOAL: Actual NOR/Budgeted NOR should equal 1.00



The goal for the IPE Business Area is a NOR of equal to or greater than zero. For FY93, costs at Stockton exceeded revenue by 13%.

LABOR HOUR COST

GOAL: The Labor Hour Cost Index should consistently be at or below 1.00.



Expected workload did not materialize, but costs remained constant, resulting in a 4th Qtr hourly labor rate of $64.00. This is not an actual rate, but is the result of the 4th Qtr transfer of two former IPE missions to the DBOF Supply Business Area. When the transfer was implemented, indirect, general, and admin costs were allocated to those missions. The reallocation reduced the cumulative costs and is reflected in the lower 4th Qtr hourly rate. The cumulative FY93 hourly rate is $94.93.

DIRECTORATE OF IPE OPS, STOCKTON CA

Quarter/Fiscal Year	1/92	2/92	3/92	4/92	1/93	2/93	3/93	4/93

THROUGHPUT & OPERATING EXPENSE

REVENUE-DIRECT MATERIAL = THROUGHPUT

TOTAL COST-DIRECT MATERIAL = OPERATING EXPENSE

Revenue($)					1335000	1660000	1769000	1353000
Total Cost ($)					1691000	1936000	2034000	1369000
Direct Materials ($)					361000	471000	392000	528000
Throughput ($)					974000	1189000	1377000	825000
Operating Expense ($)					1330000	1465000	1642000	841000

CAPITAL INVESTMENT EFFECTIVENESS

THROUGHPUT/LONGTERM INVENTORY

Throughput ($)					974000	1189000	1377000	825000
Longterm Inventory ($)								
INDEX								

SCHEDULE INDICATOR

UNITS COMPLETED ON TIME/UNITS SCHEDULED

Repair Scheduled					18	19	11	15
Repair Completed					18	15	11	14
INDEX					1.00	0.79	1.00	0.93
Rebuild Scheduled					6	3	9	12
Rebuild Completed					5	3	9	9
INDEX					0.83	1.00	1.00	0.75

PROCESS DAYS

TOTAL PROCESS DAYS/NUMBER OF ITEMS = AVERAGE PROCESS DAYS

Repair Process Days					2851	1209	1082	616
Number of Items					23	6	5	5
AVG PROCESS DAYS					123.96	201.50	216.40	123.20
Rebuild Process Days					11293	1431	388	2199
Number of Items					36	5	2	9
AVG PROCESS DAYS					313.69	286.20	194.00	244.33

NET OPERATING RESULTS

(CUM ACTUAL REVENUE/CUM ACTUAL COST) /

(CUM BUDGETED REVENUE/CUM BUDGETED COST)=NOR INDEX

Cum Budg Revenue ($)					2082000	2082000	2082000	1830000
Cum Budg Cost ($)					2082000	2082000	2082000	1830000
Budgeted NOR INDEX					1.00	1.00	1.00	1.00
Cum Actual Revenue ($)					1335000	1660000	1769000	1353000
Cum Actual Cost ($)					1691000	1936000	2034000	1369000
Actual NOR INDEX					0.79	0.86	0.87	0.99
NOR INDEX					0.79	0.86	0.87	0.99

LABOR HOUR COST

(CUMULATIVE TOTAL ACTUAL COST/CUMULATIVE ACTUAL TOTAL DLH) /

(CUMULATIVE TOTAL BUDGET COST/CUMULATIVE BUDGETED TOTAL DLH) = LABOR HOUR COST INDEX

Total Budgeted Cost ($)					1752000	1752000	1752000	1549000
Budgeted Total DLH					23000	23000	23000	21000
Bud Labor Hour Cost					$76.17	$76.17	$76.17	$73.76
Total Actual Cost ($)					1330000	1464000	1642000	841000
Actual Total DLH					16000	13000	13000	13000
Actual Labor Hour Cost					$83.13	$112.62	$126.31	$64.69
Labor Hour Cost INDEX					1.09	1.48	1.66	0.88

APPENDIX A

DMOIS REPORTING SERVICE DEPOT MAINTENANCE ACTIVITIES

ARMY

Anniston Army Depot
Corpus Christi Army Depot
Letterkenny Army Depot
Red River Army Depot
Tobyhanna Army Depot
Tooele Army Depot

NAVAIR

Naval Aviation Depot Cherry Point
Naval Aviation Depot Jacksonville
Naval Aviation Depot North Island
Naval Aviation Depot Pensacola

NAVSEA

Long Beach Naval Shipyard
Norfolk Naval Shipyard
Pearl Harbor Naval Shipyard
Portsmouth Naval Shipyard
Puget Sound Naval Shipyard

AIR FORCE

Aerospace Guidance and Metrology Center
Aerospace Maintenance and Regeneration Center
Ogden Air Logistics Center
Oklahoma City Air Logistics Center
Sacramento Air Logistics Center
San Antonio Air Logistics Center
Warner Robins Air Logistics Center

APPENDIX A (Cont.)

DMOIS REPORTING SERVICE DEPOT MAINTENANCE ACTIVITIES

MARINE CORPS

Marine Corps Logistics Base Albany
Marine Corps Logistics Base Barstow

DEFENSE LOGISTICS AGENCY

Directorate of Industrial Plant Equipment Operations Mechanicsburg
Directorate of Industrial Plant Equipment Operations Stockton

APPENDIX B

SERVICE/DLA POINTS OF CONTACT FOR DEPOT MAINTENANCE OPERATIONS INDICATOR REPORT DATA

ARMY

Mr John Metz

Address: Commander
US Army Depot System Command
Attn: AMSDS-RM-A (Mr John Metz)
Chambersburg, PA 17201-4170

Phone: DSN 570-9034 Commercial (717) 267-9034

NAVAIR

Ms Carol Gaines

Address: Commander
Naval Aviation Depot North Island
Attn: Code 521 (Ms Carol Gaines)
San Diego, CA 92135-5112

Phone: DSN 735-3027 Commercial (619) 545-3027

NAVSEA

Mr Jim Jeter

Address: Commander
Naval Sea Systems Command
Attn: SEA-07221 (Mr Jim Jeter)
Washington, DC 20362-5101

Phone: DSN 332-3859 Commercial (703) 602-3859

AIR FORCE

Ms Sandra Wimberly

Address: Headquarters
Air Force Materiel Command
Attn: LGPP (Ms Sandra Wimberly)
4375 Chidlaw Road Suite 6
Wright-Patterson AFB, OH 45433-5001

Phone: DSN 787-4307 Commercial (513) 257 -4307

APPENDIX B (Cont.)

SERVICE/DLA POINTS OF CONTACT FOR DEPOT MAINTENANCE PERFORMANCE MEASUREMENT SYSTEM DATA

MARINE CORPS

Mr Harold Eidson

Address: Commander Marine Corps Logistics Bases
Code 88-2 (Mr Harold Eidson)
814 Radford Blvd
Albany, GA 31704-5000

Phone: DSN 567-6803 Commercial (912) 439-6803

DEFENSE LOGISTICS AGENCY

Ms Mary Kay Cyrus

Address: Commander
Defense General Supply Center
Office of Planning and Resource Management
DGSC-RR (Ms Mary Kay Cyrus)
Richmond, VA 23297-5226

Phone: DSN 695-4522 Commercial (804) 279-4522

APPENDIX C

GLOSSARY

ACE	Armored Combat Earthmover
ACP	Aircraft Component Program
AFMC	Air Force Materiel Command
AGM	Air to Ground Missile
AGMC	Aerospace Guidance and Metrology Center
ALC	Air Logistics Center
AMREP	Aircraft and Missile Maintenance, Production Compression Report
ANAD	Anniston Army Depot
AVLB	Armored Vehicle Launched bridge
CCAD	Corpus Christi Army Depot
CECOM	US Army Communications Electronics Command
CHYPT	Naval Aviation Depot Cherry Point
CIE	Capital Investment Effectiveness
CMF	Consolidated Maintenance Facility
DBOF	Defense Business Operating Fund
DDMC	Defense Depot Maintenance Council
DESCOM	US Army Depot Systems Command
DFAS	Defense Finance and Accounting Service
DISC	Defense Industrial Supply Center
DLA	Defense Logistics Agency
DLR	Depot Level Reparable
DMA	Depot Maintenance Activity
DMIF	Depot Maintenance Industrial Fund
DMPMS	Depot Maintenance Performance Measurement System
DMRD	Defense Management Report Decision
DPAH	Direct Product Actual Hour
FUPP	Full Up Power Pack
GBU	Guided Bomb Unit
GDLS	General Dynamics Land Systems
IMU	Inertial Measurement Unit
INU	Inertial Navigation Unit
IPE	Industrial Plant Equipment
IRV	Improved Recovery Vehicle
ISA	Installation Supply Account

APPENDIX C (Cont.)

GLOSSARY

JAX	Naval Aviation Depot Jacksonville
JPCG-DM	Joint Policy Coordinating Group on Depot Maintenance
JPMG	Joint Performance Measurement Group
LBNSY	Long Beach Naval Shipyard
LEAD	Letterkenny Army Depot
LGM	Land Based Guided Missile
LHX	Light Helicopter, Experimental
MAJCOM	Major Command
MGCS	Missile Guidance and Control System
MGS	Missile Guidance System
MCLBA	Marine Corps Logistics Base Albany
MCLBB	Marine Corps Logistics Base Barstow
NADEP	Naval Aviation Depot
NADOC	Naval Aviation Depot Operations Center
NAVAIR	Naval Air Systems Command
NAVSEA	Naval Sea Systems Command
NICP	National Inventory Control Point
NNSY	Norfolk Naval Shipyard
NOR	Net Operating Results
NORIS	Naval Aviation Depot North Island
OC-ALC	Oklahoma City Air Logistics Center
OE	Operating Expense
OO-ALC	Ogden Air Logistics Center
OSD	Office of the Secretary of Defense
PCM	Pulse Code Modulation
PDM	Programmed Depot Maintenance
PHNSY	Pearl Harbor Naval Shipyard
PLMSA	Profit or Loss System for Management Analysis
PNCLA	Naval Aviation Depot Pensacola
PRON	Procurement Request Order Number
PSNSY	Puget Sound Naval Shipyard
PTNSY	Portsmouth Naval Shipyard

APPENDIX C (Cont.)

GLOSSARY

RIF	Reduction in Force
RRAD	Red River Army Depot
RSD	Reparable Support Division
SINCGARS	Single Channel Ground-Air Radio Communications System
SIP	Standard Inspection Procedure
SM-ALC	Sacramento Air Logistics Center
SOF	Special Operations Forces
TEAD	Tooele Army Depot
TMDE	Test Measurement and Diagnostic Equipment
TOAD	Tobyhanna Army Depot
TOW	Tube Launched, Optically Tracked, Wire Guided Missile
VERA	Voluntary Early Retirement Authority
VSIP	Voluntary Separation Incentive Pay
WIP	Work In Process
WR-ALC	Warner-Robins Air Logistics Center