DCN 174

Office of the Deputy Under Secretary of Defense

Installations

BRAC Knowledge Base

BRAC 95
Defense Logistics Agency
Volume I of IV

1. Base Realignment and Closure
Detailed Analysis

2. DLA BRAC Charter
Internal Control Plan/Checklist
OSD Kickoff Memorandum
OSD Policy Memorandum

3. Meeting Minutes and Briefing Charts
Meetings with the Director
23 Janauary 1995
3 February 1995
7 February 1995

BRAC Knowledge Base
Room 3E1069, The Pentagon
Point of Contact: Mike McAndrew (703) 614-5356

BRAC Knowledge Base No. H9524 a, b, &c

Defense Logistics Agency

BASE REALIGNMENT AND CLOSURE DETAILED ANALYSIS

FEBRUARY 1995

Defense Logistics Agency

BASE REALIGNMENT AND CLOSURE DETAILED ANALYSIS

FEBRUARY 1995

Defense Logistics Agency

BASE REALIGNMENT AND CLOSURE DETAILED ANALYSIS

FEBRUARY 1995

DLA BRAC 95 Detailed Analysis

DEFENSE LOGISTICS AGENCY
BASE REALIGNMENT AND CLOSURE
DETAILED ANALYSIS

February 1995

TABLE OF CONTENTS

Executive Summary ..... **Part 1**

Introduction/Background ..... **Part 2**

Force Structure Plan ..... **Part 3**

Base Closure and Realignment Selection Process ..... **Part 4**

Description of Analyses ..... **Part 5**

- Overview **1.0**
- Installation Analysis **2.0**
- Command and Control
  - Defense Contract Management Districts **3.0**
  - Defense Distribution Regions **4.0**
  - Defense Reutilization and Marketing Operations East and West **5.0**
- Service/Support Activities **6.0**
- Inventory Control Points **7.0**
- Defense Distribution Depots **8.0**

Recommendations ..... **Part 6**

Budget Impacts ..... **Part 7**

Appendices ..... **Part 8**

- Acronyms ..... **A**
- Concepts of Operations ..... **B-G**
- Economic Impact Database ..... **H**

DLA BRAC 95 Detailed Analysis

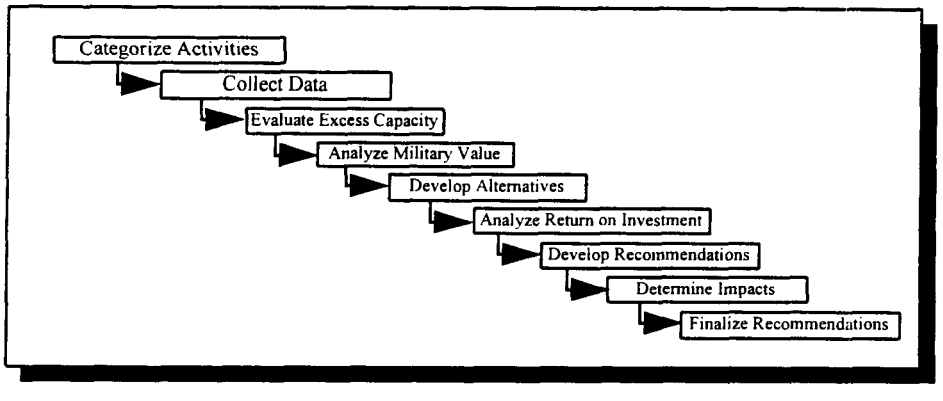
EXECUTIVE SUMMARY

The Defense Logistics Agency (DLA) is a combat support agency providing world-wide logistics support and related services throughout the Department of Defense (DoD) in the areas of contract management, supply management, and distribution management. The primary focus of the Agency is to support the warfighter both in time of war and peace. DLA also supports humanitarian relief efforts in times of national emergency. DLA's vision is to be the provider of choice, around the clock and around the world, by providing logistics readiness and enabling weapon systems acquisition at reduced cost.

The Agency's commitment to its customers is to provide high quality, responsive, affordable logistics services. The Base Realignment and Closure (BRAC) process provides the opportunity to examine the Agency's infrastructure and identify opportunities to effectively use excess space to consolidate or merge activities, achieve significant operating efficiencies, reduce costs, and leverage the synergy that exists among the Agency's logistics support functions.

The Defense Base Closure and Realignment Act of 1990 (Public Law 101-510, Title XXIX, as amended) and Section 2687 of Title 10, United States Code, established requirements and procedures for base realignments and closures within the DoD. The Act and related policy guidance from the Office of the Secretary of Defense (OSD) and Joint Cross Service Groups established the foundation for the BRAC analysis process which has been followed by DLA. DLA's analysis process incorporated applicable law, OSD guidance, including the DoD Selection Criteria, and DLA Decision Rules developed for the BRAC 95 process. The general steps in the DLA BRAC 95 Selection process are shown in the figure below:

Figure 1
DLA BRAC 95 Selection Process



Because of the breadth of DLA's customer support, our analysis considered projected DoD force structure impacts in terms of the types of support or services provided by DLA, i.e., contract management, supply management, and distribution management. To address these

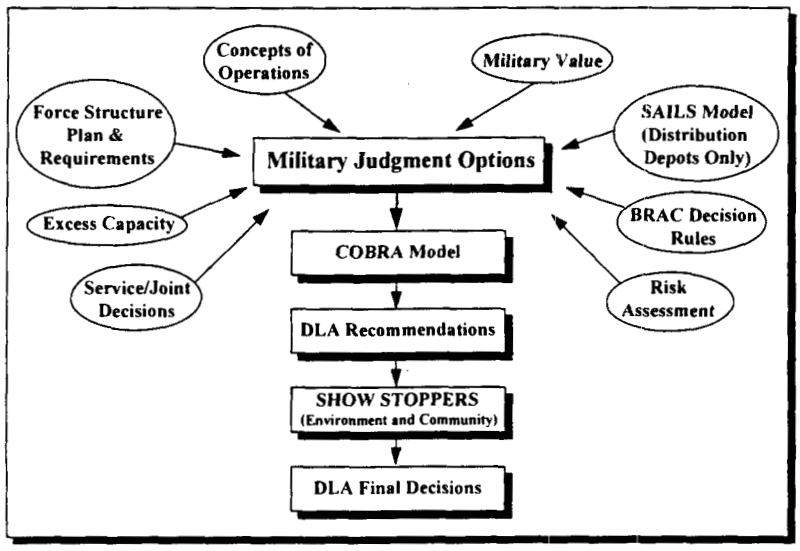
issues, the Agency has developed a strategic plan for our combat support mission. We have refined this plan through Concepts of Operations that were developed and approved for each of DLA's business areas and service and support centers.

The Concepts of Operations are broad planning documents. They discuss current and future operations of DLA activities with respect to general operating principles, improved support capability, management initiatives, and anticipated responses to future Military Service requirements expressed in part through the DoD Force Structure Plan.

The DLA BRAC Executive and Working Groups analyzed the Concepts of Operations and followed the steps in the selection process shown above. We categorized activities, collected data, conducted excess capacity and Military Value reviews, developed alternatives, analyzed return on investment scenarios, and developed recommendations. Economic, community, and environmental impact assessments were conducted to evaluate each recommendation in preparation for final review and approval by the Executive Group. Throughout the process, we were supported by the daily involvement of the DoD Inspector General's Office (DoDIG) who assumed responsibility for validating the certified field data and the use of that data in our analyses. Additional oversight was provided by auditors from the General Accounting Office (GAO) who had complete access to every step of the DLA process.

Many factors and types of analyses were considered during the evaluation process. They provided data points which, in consideration of law and DoD policy, allowed the DLA BRAC Executive Group to apply military judgment to the decision process, as illustrated below.

Figure 2
DLA BRAC Decision Tools



While each of these factors played a role, the major overarching influence throughout the process was the application of military judgment. Military judgment was critical to understanding the customer's requirements and assessing DLA's activities from the customer's perspective. Military judgment embodies the successful integration of the projected DoD Force Structure, anticipated logistics support requirements, and Agency business strategies that will enable DLA to continue as the warfighter's provider of choice around the clock and around the world.

The following recommendations reflect the application of effective, informed military judgment in our detailed analysis process. These recommendations are submitted by the Director, DLA for consideration in the BRAC 95 process. Individual recommendations, reflecting the intent of the Concepts of Operations, maximize the opportunity to provide our customers with high quality, responsive, and affordable logistics support well into the next century. The recommendations have an anticipated total one-time cost of $342 million in FY 96 dollars. The net of all costs and savings during the implementation period is a savings of $113 million. An annual recurring savings of $120 million is achieved beginning in FY 01. The net present value of the costs and savings over 20 years is a savings of $1,277 million. The DLA BRAC 95 recommendations are summarized below:

Relocation

Defense Contract Management District West (DCMDW), El Segundo, CA. This is a redirect of the BRAC 93 Commission recommendation. Relocate the DCMDW to Government property in the Los Angeles area, or to space obtained from exchange of land for space between the Navy and the Port Authority/City of Long Beach, or to a purchased office building.

Realignment

Defense Contract Management Command International (DCMCI), Dayton, OH. Realign the DCMCI (Gentile Air Force Station), Dayton, OH and merge its mission into the Defense Contract Management Command Headquarters, Ft. Belvoir, VA.

Defense Distribution Depot Columbus, OH (DDCO). Realign DDCO and designate it as a storage site for slow moving/war reserve material. Active material remaining at DDCO at the time of realignment will be attrited. Remaining stockage will consist of slow moving items.

Closure

Defense Distribution Depot Memphis, TN (DDMT). Close DDMT. Material remaining at DDMT at the time of closure will be relocated to available storage space within the DoD

Distribution System. All DLA activity will cease at this location upon completion of this action.

Closure, Except

Defense Distribution Depot Ogden, UT (DDOU). Close DDOU. Material remaining at DDOU at the time of closure will be relocated to available storage space within the DoD Distribution System. A cantoned area for Army reserve activities will remain. All DLA activity will cease at this location upon completion of this action.

Disestablishment

Defense Contract Management District South (DCMDS), Marietta, GA. Disestablish DCMDS and relocate its missions to Defense Contract Management District Northeast, Boston, MA and Defense Contract Management District West, El Segundo, CA.

Defense Industrial Supply Center (DISC), Philadelphia, PA. Disestablish DISC and realign DCSC and DGSC to distribute the management of Federal Supply Classes (FSC). Create one Inventory Control Point (ICP) for the management of Troop and General Support items at Philadelphia, PA. Create two ICPs for the management of Weapon System related FSCs at Columbus, OH and Richmond, VA.

Defense Distribution Depot Letterkenny, PA (DDLP). Disestablish DDLP. Material remaining at DDLP at the time of disestablishment will be relocated to available storage space within the DoD Distribution System.

Defense Distribution Depot Red River, TX (DDRT). Disestablish DDRT. Material remaining at DDRT at the time of disestablishment will be relocated to available storage space within the DoD Distribution System.

DLA BRAC 95 Detailed Analysis

INTRODUCTION/BACKGROUND

The Defense Base Closure and Realignment Act of 1990 (Public Law 101-510, Title XXIX, as amended) and Section 2687 of Title 10, United States Code, established requirements and procedures for base realignments and closures within the Department of Defense (DoD). The Act and related policy guidance from the Office of the Secretary of Defense (OSD) and Joint Cross Service Groups established the foundation for the Base Realignment and Closure (BRAC) analysis process which has been followed by the Defense Logistics Agency (DLA).

DLA is a combat support agency providing world-wide logistics support and related services throughout the DoD. The primary focus of the Agency is to support the warfighter in times of war and peace. DLA also supports humanitarian relief efforts. DLA's vision is to be the provider of choice, providing logistics readiness and enabling weapon systems acquisition at reduced cost. We accomplish this by leveraging our corporate resources against global logistics targets and finding savings through teaming, improved business practices, and technological breakthroughs.

The Agency's commitment to its customers is to provide high quality, responsive, affordable logistics support and services. The BRAC process provides DLA the opportunity to examine its infrastructure and identify opportunities to effectively use excess space to consolidate or merge activities, to close unneeded bases, achieve significant operating efficiencies, reduce costs, and leverage the synergy that exists among the Agency's logistics support functions.

Effectively supporting our customers was a primary concern throughout this analysis. Our charter includes the requirement to surge in full support of two simultaneous major regional conflicts. While meeting this surge requirement has geographic and infrastructure implications for the distribution business area, our ability to support our customers primarily relies on the knowledge and expertise of our people, the capability of our systems, and our commitment to the warfighter. With these concepts in mind, we conducted our analysis by following the guidance prescribed for the 1995 BRAC process. Effective, informed military judgment was paramount to evaluating our options and developing recommendations that were made in the best interest of the Agency, the Department of Defense, and our ultimate customers: the warfighters themselves.

DLA applied the various Business Area Concepts of Operations to reflect the impacts of the DoD Force Structure Plan on the Agency and identify current and future mission requirements. These projected requirements were a primary input to the 1995 BRAC process in assessing potential opportunities for base realignment and/or closure. Individual recommendations, reflecting the intent of these planning documents, maximize the opportunity to provide our customers with high quality, responsive, and affordable logistics

support well into the next century. The Concepts of Operations are included as appendices to this report.

This report presents the Agency's base realignment and closure recommendations and supporting rationale for consideration by the Secretary of Defense in the 1995 BRAC process. The recommendations reflect the application of effective, informed military judgment: the successful integration of the projected DoD Force Structure, anticipated logistics support requirements, and Agency business strategies that will enable DLA to continue as the warfighter's provider of choice around the clock and around the world.

FORCE STRUCTURE PLAN

DLA is the principal combat support agency of the Department of Defense (DoD). As such, DLA provides world-wide logistics support and services to the Military Departments, other Defense Agencies, and certain allied nations. DLA, however, is not directly identified in the DoD Force Structure Plan. The level and intensity of the support and services DLA provides does vary with respect to the size and composition of the forces which it supports.

Because of the breadth of DLA's customer support, it is necessary to consider projected DoD force structure impacts in terms of the types of support or services provided by DLA: contract management, supply management, and distribution management. For example, reduced Military Department procurement budgets will have various effects on DLA business areas through impacts on the number of items managed by ICPs, the number of issues made from distribution depots, the amount of material flowing through reutilization and marketing offices, and the level of contract management support required. In addition, certain external influences such as changes to Federal procurement policy also affect the manner in which DLA provides logistics support and services.

To address these issues, the Agency has developed a strategic plan for our combat support mission. We have refined this plan through Concepts of Operations that were developed and approved for each of the following business areas and service and support centers:

- Contract Management
- Distribution Management
- Supply Management
- Defense Reutilization and Marketing Service
- Defense Logistics Services Center
- DLA Systems Design Center

The Concepts of Operations are broad planning documents. They discuss current and future operations of DLA activities with respect to general operating principles, improved support capability, management initiatives, and anticipated responses to future Military Service requirements. They serve to effectively link customer support initiatives, changing technology, and emerging management practices to changes in the overall structure of the Defense establishment as reflected in the DoD Force Structure Plan.

DLA BRAC 95 Detailed Analysis

BASE CLOSURE AND REALIGNMENT SELECTION PROCESS

Overview of guidance, process relationships, and staffing

The Defense Logistics Agency 1995 Base Realignment and Closure study process was guided by existing legislation and by Department of Defense policy. Public Law 101-510 requires that BRAC decisions be based on a DoD Force Structure Plan for the Armed Forces. This plan assesses possible threats to the national security during a six year period. As DLA is not directly identified in the DoD Force Structure Plan, Concepts of Operations (Appendices) were developed to translate the effects of the Force Structure Plan within DLA mission planning.

DoD guidance explicitly required application of the same selection criteria used in the previous BRAC study rounds, as shown below. DoD also required the use of the latest version of the Cost of Base Realignment Actions (COBRA) model for determining return on investment. For BRAC 95, several Joint Cross-Service Groups were empowered to develop factors or measures for applying the criteria in common support areas and for determining cost and economic impact. DLA actively participated in the Depot Maintenance Cross-Service Group.

Figure 1
DoD BRAC Selection Criteria

Military Value:

1. The current and future mission requirements and the impact on operational readiness of the DoD's total force.
2. The availability and condition of land, facilities, and associated airspace at both the existing and potential receiving locations.
3. The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations.
4. The cost and manpower implications.

Return on Investment:

5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.

Impacts:

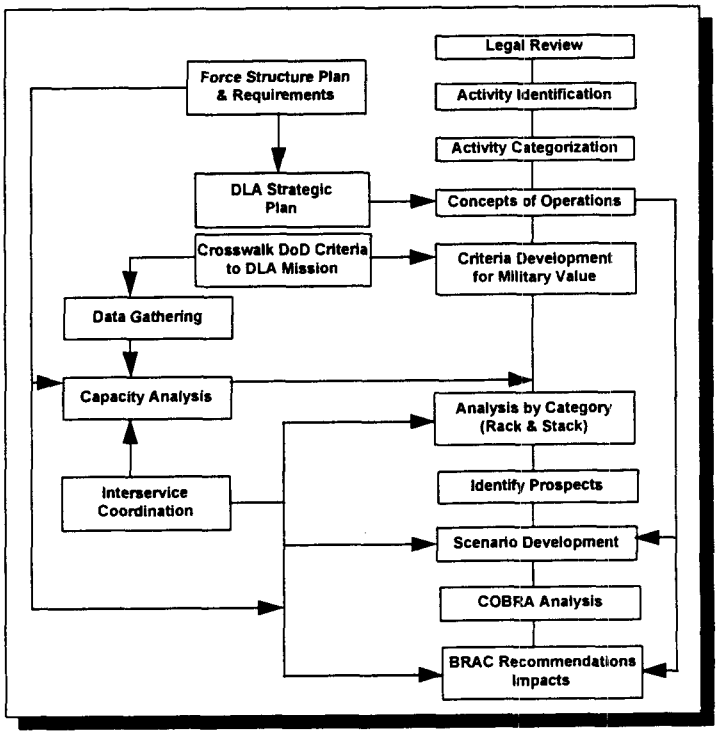
6. The economic impact on communities.
7. The ability of both the existing and potential receiving communities' infrastructure to support forces, missions and personnel.
8. The environmental impact.

DLA activities were grouped into categories and subcategories by similarity of missions, capabilities, or attributes. Activities were evaluated by category to determine if excess capacity, i.e. physical space, remained based on resource levels anticipated in the DLA

Program Objectives Memorandum (POM). The Military Value Criteria 1-4 in Figure 1 were used to conduct a Military Value analysis of candidate DLA activities. Evaluations were performed by applying DLA's Measures of Merit tailored to each category or subcategory. These measures are fully described later in this section. Realignment and closure scenarios were developed and evaluated based on military judgment, which integrated a knowledge of DLA's Strategic Plan, the Concepts of Operations, and an informed assessment of acceptable mission risk. The COBRA model then calculated return on investment for each scenario. Finally, impact assessments were performed for selected scenarios. Impact assessments included economic, community infrastructure, and environmental concerns.

Completing our analysis involved a wide variety of processes, responsibilities, and experienced personnel. An overview of the processes, influences, and relationships are shown below. It is important to note that the repeated application of capacity analysis, Concepts of Operations, interservice coordination, and force structure implications were critical at several stages within the process. Personnel were organized to support this process from across the Agency. In addition, we were supported by the daily involvement of the DoD Inspector General's Office (DoDIG). The DoDIG assumed responsibility for validating the certified field data and the use of that data through our analysis process. Auditors from the General Accounting Office (GAO) provided oversight throughout the DLA process.

Figure 2
DLA BRAC Process Relationships



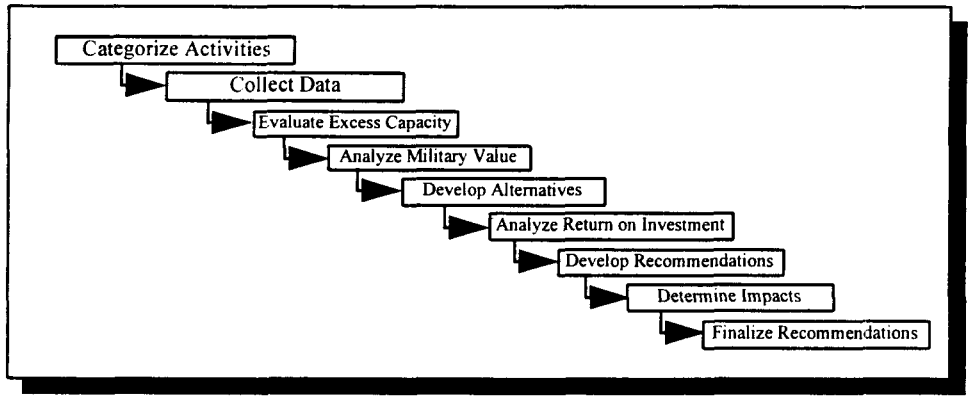
DLA BRAC study organization

The Director, DLA established a DLA Base Realignment and Closure Executive Group comprised of appropriate senior executives from the Agency's business and staff areas. The Group included both senior level civilian and military personnel, and was chaired by the Principal Deputy Director, DLA.

The Executive Group served as senior advisors to direct the 1995 study effort and present DLA activity realignment and closure candidates for the Director's final recommendation to the Secretary of Defense. Voting members of the Executive Group represented DLA's Contract Management, Supply, and Distribution business areas in addition to representation from the Corporate Administration business area, Comptroller, and General Counsel. Non-voting members provided insight from various staff functions including Installation Services, Environmental Policy, Information Services, and Congressional and Public Affairs.

A DLA BRAC Working Group was also established under the direction of the Executive Group. The Working Group consisted of a core team of full-time technical experts as well as Headquarters and field experts made available on an as needed basis. During the course of the BRAC study effort, the Working Group developed analytical tools, collected and analyzed certified data, developed and evaluated alternative scenarios for Executive Group consideration, conducted sensitivity analyses, and compiled documentation to support the final DLA recommendations. The DLA BRAC analysis process is illustrated in Figure 3 below.

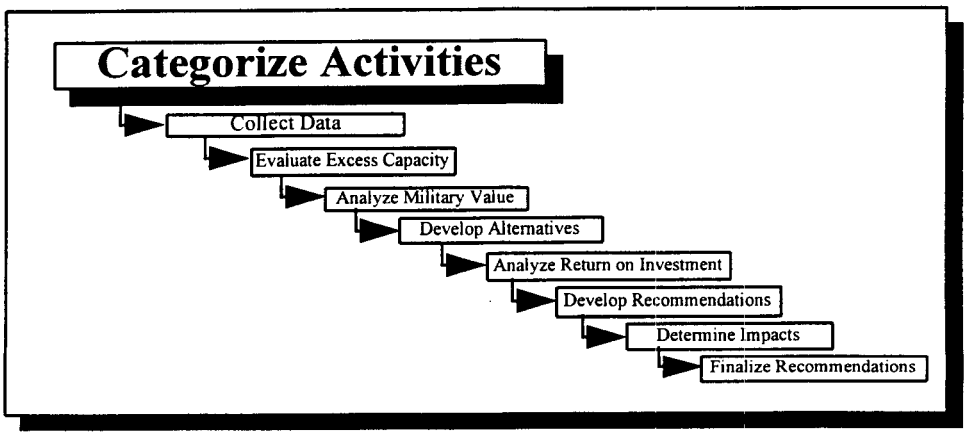
Figure 3
DLA BRAC Analysis Process



To successfully complete this effort, the DLA BRAC analysis process followed the requirements of applicable law and DoD policy guidance to ensure that all DLA activities were evaluated fairly and equitably. Formal charters were developed for the Executive

Group and the Working Group. At the beginning of the BRAC 95 process, audit and internal control plans were developed to document the collection and use of accurate certified data in the analysis and decision process which is described in the following sections.

Figure 4
Step 1 - Categorize Activities



Categorize activities

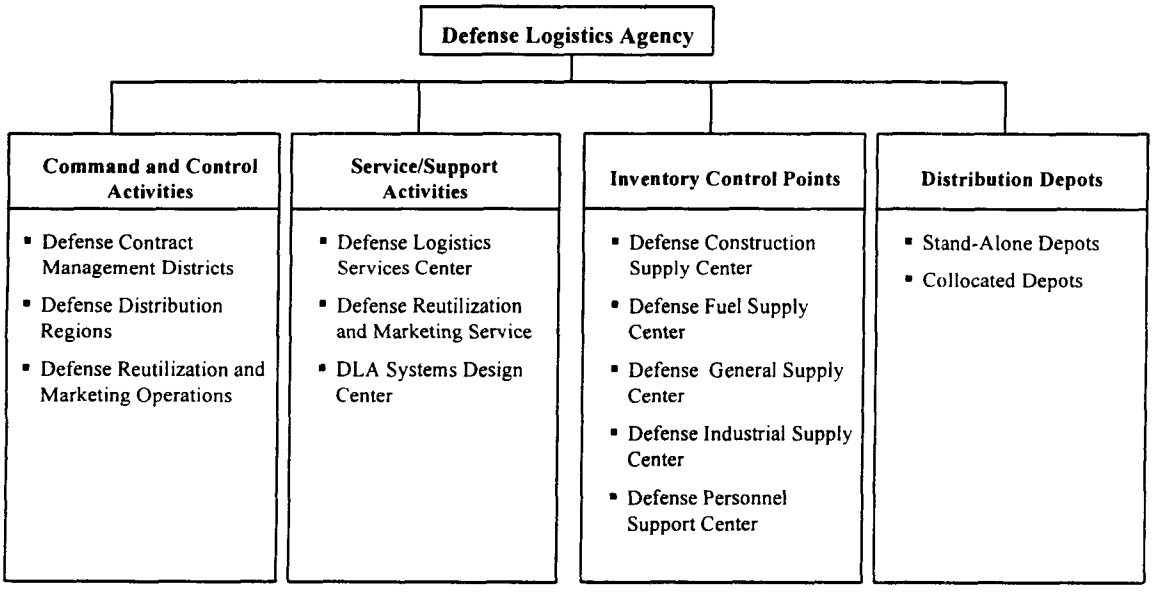
To evaluate DLA's infrastructure and activities for potential realignments or closures, the Executive Group first aggregated activities into categories and subcategories based on similarity of mission, capabilities, and attributes. The categories were derived from the broad missions of the Agency: command and control, distribution of materiel, contract management, inventory control, and logistics service and support functions. From these mission functions, the following categories were defined:

- Command and Control
- Distribution Depots
- Inventory Control Points
- Service/Support Activities

Subcategories were defined within the Command and Control and Distribution Depot categories to ensure that these activities were evaluated in a fair and consistent manner. The Command and Control category was comprised of subcategories for Defense Contract Management District (DCMD) Headquarters, including the Defense Contract Management Command International (DCMCI), the Defense Distribution Region Headquarters, and the Defense Reutilization and Marketing Service Operation Centers. The Service/Support

category included activities that do not have peer organizations within DLA because of their unique nature, mission, and function. The Inventory Control Points category consisted of supply centers for the major commodities managed by DLA. The Distribution Depots category consisted of all distribution depots within the continental United States. This grouping was further subdivided into Stand-Alone Depots (i.e., large independent wholesale distribution centers) and Collocated Depots (distribution centers collocated with their primary customer). Activities considered within each category and subcategory are shown below.

Figure 5
Mission Function Categories



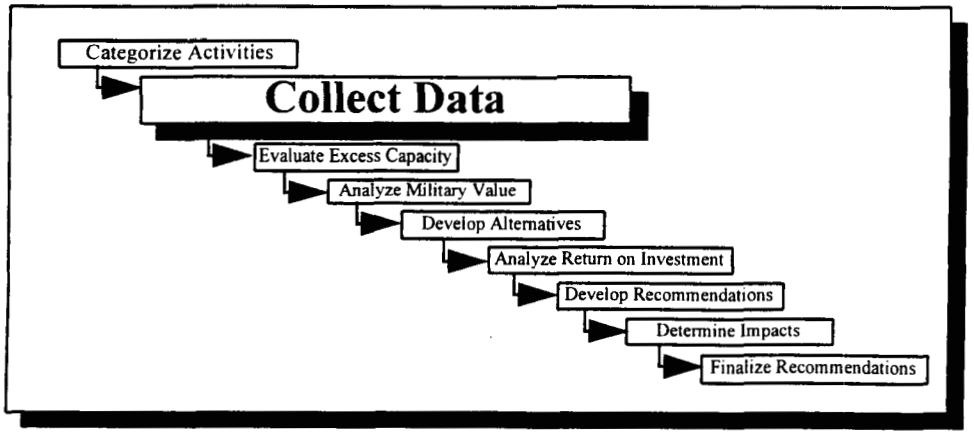
Where possible, activities were compared to peers of similar function and size. DCMCI was evaluated separately from the DCMDs since its workload is not comparable to the DCMDs. Military Value for the Defense Personnel Support Center (DPSC) and the Defense Fuel Supply Center (DFSC) Inventory Control Points, were evaluated separately since the nature of the workload managed at these activities prevented peer comparisons of mission scope diversity. Activities identified for closure as a result of previous BRAC decisions were not evaluated. DLA BRAC 95 categories, subcategories, and activities are shown on the following page.

The six installations which DLA operates under Army permit were also evaluated. Those installations house several DLA activities or organizations, which were evaluated within their respective categories. Analyzing the Military Value, the installation as a whole integrated the activity analyses, as well as infrastructures issues attendant on being the installation operation.

Figure 6
DLA BRAC Categories

Command and Control		
Contract Management Districts		
DCMDN	Defense Contract Management District Northeast	Boston, MA
DCMDS	Defense Contract Management District South	Marietta, GA
DCMDW	Defense Contract Management District West	El Segundo, CA
DCMCI	Defense Contract Management Command International	Dayton, OH
Distribution Regions		
DDRE	Defense Distribution Region East	New Cumberland, PA
DDRW	Defense Distribution Region West	Stockton, CA
Reutilization & Marketing Operations		
DRMSE	Defense Reutilization & Marketing Service Operations East	Columbus, OH
DRMSW	Defense Reutilization & Marketing Service Operations West	Ogden, UT
Distribution Depots		
Stand-Alone Depots		
DDCO	Defense Depot Columbus	Columbus, OH
DDMT	Defense Depot Memphis	Memphis, TN
DDOU	Defense Depot Ogden	Ogden, UT
DDRV	Defense Depot Richmond	Richmond, VA
DDJC	Defense Depot San Joaquin	Tracy/Stockton, CA
DDSP	Defense Depot Susquehanna	New Cumberland-Mechanicsburg, PA
Collocated Depots		
DDAA	Defense Depot Anniston	Anniston, AL
DDAG	Defense Depot Albany	Albany, GA
DDBC	Defense Depot Barstow	Barstow, CA
DDCN	Defense Depot Cherry Point	Cherry Point, NC
DDCT	Defense Depot Corpus Christi	Corpus Christi, TX
DDHU	Defense Depot Hill	Ogden, UT
DDJF	Defense Depot Jacksonville	Jacksonville, FL
DDLP	Defense Depot Letterkenny	Chambersburg, PA
DDMC	Defense Depot McClellan	Sacramento, CA
DDNV	Defense Depot Norfolk	Norfolk, VA
DDOO	Defense Depot Oklahoma City	Oklahoma City, OK
DDPW	Defense Depot Puget Sound	Puget Sound, WA
DDRT	Defense Depot Red River	Texarkana, TX
DDDC	Defense Depot San Diego	San Diego, CA
DDST	Defense Depot San Antonio	San Antonio, TX
DDTP	Defense Depot Tobyhanna	Tobyhanna, PA
DDWG	Defense Depot Warner Robins	Warner Robins, GA
Inventory Control Points		
DCSC	Defense Construction Supply Center	Columbus, OH
DFSC	Defense Fuel Supply Center	Alexandria, VA
DGSC	Defense General Supply Center	Richmond, VA
DISC	Defense Industrial Supply Center	Philadelphia, PA
DPSC	Defense Personnel Support Center	Philadelphia, PA
Service/Support Activities		
DLSC	Defense Logistics Services Center	Battle Creek, MI
DRMS	Defense Reutilization and Marketing Service	Battle Creek, MI
DSDC	DLA Systems Design Center	Columbus, OH

Figure 7
Step 2 - Collect Data



Collect data

Comprehensive data calls covering costs, personnel, mission performance, technology infrastructure, facility condition, tenant activities, and services provided or received were designed to support analysis of excess capacity, Military Value, and economic, environmental and community impacts. Data elements were identified by the DLA BRAC Working Group following meetings with various Headquarters and field functional experts. Data call questionnaires were developed in consultation with Headquarters functional personnel and field experts for each category of activities. The data call questionnaires were carefully designed to ensure uniform interpretation of questions, level of detail, and documentation requirements. Sources for the data were specified to the greatest extent practical. A workshop was held to orient representatives from all involved DLA activities on the questionnaire's contents, requirements, and procedures. Additional workshops were held to provide further guidance to representatives from the distribution depots.

Environmental data

Environmental questions reflected agreed upon common data elements developed by a DoD Joint Cross-Service Group, as well as elements reflecting the unique nature of DLA installations. Detailed environmental questionnaires were sent to those field activity commanders where DLA is the host activity. These facilities are permitted to DLA by a Military Service which retains title to the real property. Activities which are tenants of another Service or DLA activity were asked to coordinate with their host activity in responding to a limited set of questions. All activities (including those in leased space) were required to respond to questions regarding the Clean Air Act.

Facility data

The Norfolk Public Works Center (PWC), working under a contract to develop master planning data for DLA ICPs and distribution regions and depots, provided input to DLA's field commanders for use in responding to data call questions dealing with the installation's buildings and facilities. The DLA Operations Support Office (DOSO) provided a space utilization survey of all administrative space to activity commanders and facility condition inspection reports to commanders of the DCMDs and other activities in leased space. The accuracy of PWC and DOSO data was verified by local activity facility engineers and was certified by the field activity commander for use in the BRAC analysis.

Role of internal controls and external audits

A DLA Internal Control Plan for the collection and analysis of data was developed for the BRAC 95 process. It incorporated lessons learned during BRAC 93. The plan was reviewed and approved by the DoDIG and representatives of the GAO. The plan, issued 23 May 1994, provided overall policy guidance and procedures to ensure that data was:

- Consistent and standardized
- Accurate and complete
- Certified as required by law
- Verifiable by business area functional experts
- Audited by internal and external audit and inspection agencies
- Replicable using documentation developed during data collection

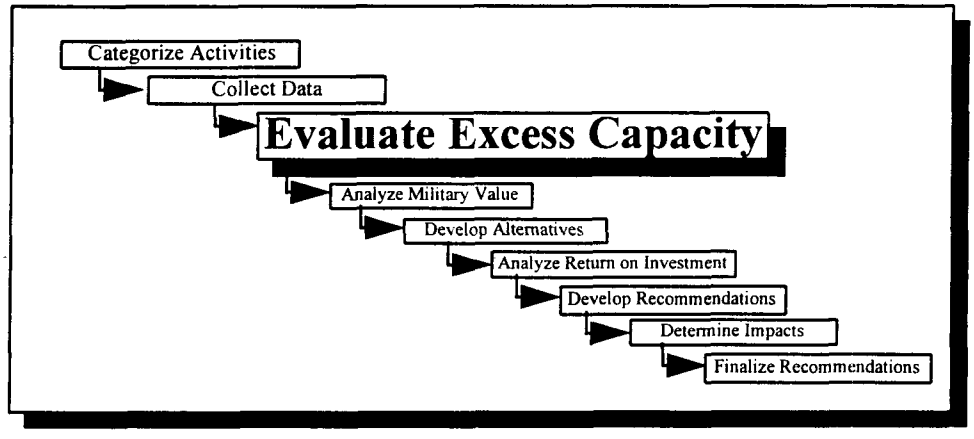
A DLA BRAC Internal Control Checklist was developed as a working document to ensure that data was collected according to the data collection plan and to document an audit trail for third party verification. The Internal Control Checklist provided field commanders with reasonable assurance that data could be certified as accurate and complete. To further ensure the validity of field data, functional experts on the DLA BRAC Working Group traveled to all field activities. Additional visits were made to those activities requesting assistance in responding to the data call.

The DoDIG worked with the Agency to validate the responses to the data call questionnaires. DoDIG personnel fully participated in the DLA BRAC Executive and Working Group meetings and observed the Working Group analysis process. Teams of DoDIG, DLA Office of Internal Review, and DLA field personnel ensured that accurate and supportable data was used throughout the DLA BRAC review process by verifying data and assessing the adequacy of audit trails. To maintain independence, field auditors did not review the data

collection process of any activity within the same category or subcategory as his or her own activity.

The GAO is required to provide the Congress and the Defense Base Closure and Realignment Commission with a report on the DoD BRAC 95 recommendations and selection process by 15 April 1995. GAO auditors began their review of the DLA BRAC 95 process in March 1994. GAO representatives attended Executive Group meetings, observed the Working Group analysis process, and visited selected field activities to observe the data collection and data validation process.

Figure 8
Step 3 - Evaluate Excess Capacity



Evaluate excess capacity

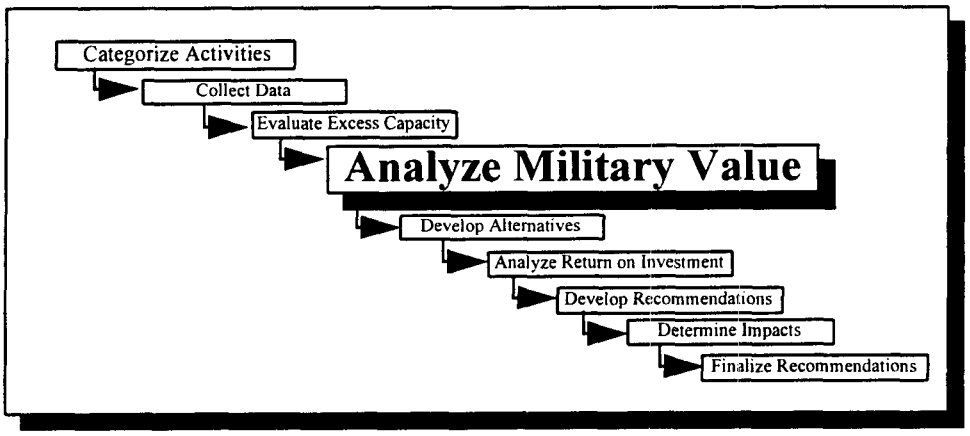
DLA conducted an excess capacity analysis for each of the BRAC activity categories and subcategories. The intent of this analysis was to determine the Agency's usage of physical space and compare it with anticipated requirements. Where significant amounts of excess capacity were found, these sites could be considered as possible receiver sites in potential realignment recommendations. Capacity requirements were developed with respect to the following influences:

- Projections for Military Service draw downs in the DoD Force Structure Plan
- Military Service basing and operational changes, including the impact of the DoD Joint Cross Service Groups
- Initiatives expected to improve DLA operational efficiencies and effectiveness

The Working Group developed a series of objective questions for each DLA activity to determine the total amount of physical space and capacity available and used at each DLA location. Activity commanders could refer to administrative space surveys conducted by DOSO if necessary.

Excess capacity considerations included total space available (administrative and warehouse), space required by the current base population, space used, space available or space which could be renovated to accommodate changes, and buildable acreage. Information on available DoD and Federal properties in the immediate area and available commercial space within the Metropolitan Statistical Area was also collected. Capacity analysis excluded the consideration of land or facilities which were unavailable for use because of natural features, environmental concerns, or usage constraints such as historic sites. Responses to excess capacity surveys were objective in nature and were not subjectively evaluated or ranked. The results of the excess capacity evaluation were used to support BRAC scenario development and evaluate potential realignment and closure options.

Figure 9
Step 4 - Analyze Military Value



Analyze Military Value

The purpose of the Military Value analysis was to determine the relative ranking of each activity with respect to other activities in the same category or subcategory. OSD provided the Services and the Defense Agencies with a list of selection criteria to be used as part of the Military Value analysis. The Military Value selection criteria shown in Figure 1, as part of the DoD Selection Criteria, were primarily concerned with:

- Mission requirements and impacts on operational readiness
- Availability and condition of land, facilities, and associated airspace

- Accommodation of contingency, mobilization, and future force requirements
- Cost and manpower implications

The DoD Military Value selection criteria were designed to broadly cover the many roles and missions of the Military Services and other DoD components. The DLA Executive Group determined that more distinctive measures should be developed to assess the Military Value of DLA activities. To accomplish this, DLA considered the four DoD Military Value selection criteria, in addition to reviewing the environmental conditions and characteristics at each installation. Combining these selection criteria resulted in the Measures of Merit developed by DLA for the 1993 BRAC process. These same Measures of Merit have been used again in the BRAC 95 process. The only modification was to change the name of Mission Essentiality to Mission Scope, which reflects the broader intent of the measure.

Figure 10
DLA Measures of Merit

Mission Scope (DoD Selection Criteria 1 and 3). The mission assigned to the installation/activity plays an essential role within DoD and additionally benefits non-DoD customers. The functions performed in accomplishing the missions(s) may be unique. The strategic location of the facility and span of control are important to effective mission accomplishment.

Mission Suitability (DoD Selection Criteria 1, 2, 3). The installation/activity supports assigned missions. Suitability includes the age and condition of facilities, quality of life, location, and proximity to transportation links.

Operational Efficiencies (DoD Selection Criteria 2 and 4). The installation/activity's mission is performed economically. Installation/activity operation costs include: transportation, mechanical system, (mechanized material handling equipment, etc.), space utilization, and personnel costs, and facility operating costs.

Expandability (DoD Selection Criteria 1, 2, 3). The installation/activity can accommodate new missions and increased workload, including sustained contingencies. Expandability considerations included requirements for space and infrastructure, community encroachment, and increased workload.

To refine our analysis, we drew upon our BRAC 93 experience and functional expertise from the business areas and field activities. Several Executive and Working Group meetings were held to discuss the best measures of Mission Scope, Mission Suitability, Operational Efficiencies, and Expandability for each category and subcategory in our analysis. These meetings were designed to tailor the Measures of Merit for each category and subcategory and to establish an evaluation process in advance of the Executive Group's review of any data call inputs.

Subelements were developed under each Measure of Merit in order to more specifically evaluate each activity. Functional representatives developed the subelements by assessing the relationship between the Agency's Strategic Plan, Concepts of Operations, and the appropriate Measures of Merit using a 1,000 point scale. Formulas for point allocation were developed to ensure that data was interpreted objectively and consistently.

Allocation of points for Military Value

Two different methodologies were used to allocate points to the Military Value analyses. The first, or primary method, was to allocate points based upon the relationship of the responses received from the various activities within each category. When using this method, the activity with the best answer for each question received 100 percent of the points. All other activities received a percentage of the available points based on the ratio of the value of their reply to the value of the best answer received. For example, if the best answer received for a given question was 100, the activity would get 100 percent of the available points for that question. If another activity responded with 80 as their answer, they would receive 80 percent (80 divided by 100) of the available points. This method did not work well, however, if the best answer to a question was a zero or a one. In those instances, a second method of awarding points was used.

Like the primary method, the second method assigned the best answer 100 percent of the available points, but the worst answer receives zero points. Answers with values between the best and worst get a percentage of the points relative to the range of the replies. For example, if answers provided for a particular question had values of 0, 1 and 20, and the best answer was 0, the 0 answer gets 100 percent of the available points, 20 gets no points, and 1 gets 95 percent of the points.

Points were awarded to each activity using the certified data provided in the data call responses. Points were tallied to arrive at a final score for each activity's Military Value. The results of this analysis were presented to the DLA BRAC Executive Group for each activity category and subcategory. The identity of the individual activities was masked to facilitate an objective review and comparison with other activities in the same category or subcategory.

DLA's Military Value analysis addressed a wide variety of concerns

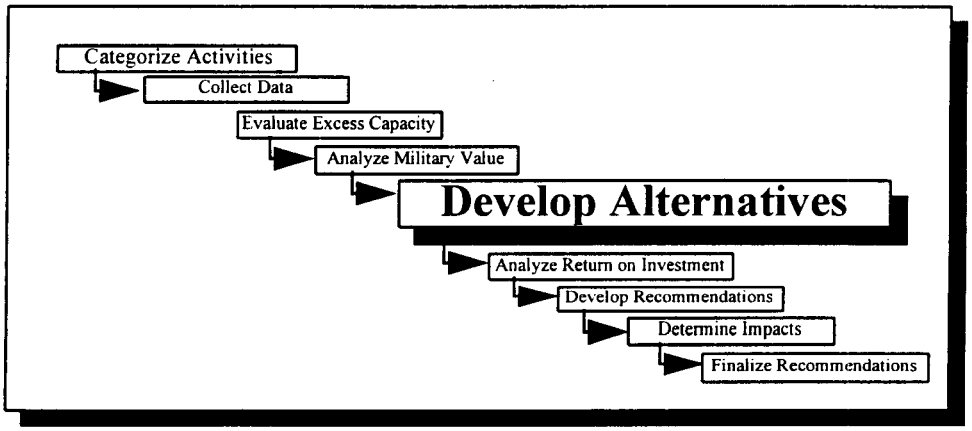
Several factors influenced the development of DLA's Measures of Merit and the subsequent Military Value analysis. In addition to OSD guidance, these factors included the following:

- The Force Structure Plan
- The DLA Corporate Plan

- The DLA Strategic Plan
- DLA Concepts of Operations
- Infrastructure reduction and storage management plans
- Military Service coordination
- Installation analyses
- Expanded environmental data call and analysis requirements

While each of these factors had a role in the Military Value analysis, the major overarching influence throughout the evaluation was the application of informed military judgment. Military judgment was critical to understanding the customer's requirements and assessing our activities from the customer's perspective. Where quantitative data resulted in relatively close numeric scores between competing activities, military judgment was applied to ensure that evaluations were made in the best interest of DoD. Potential alternatives for base realignment and closure actions were thus developed based on the results of Military Value analysis, other BRAC analyses and the application of sound military judgment.

Figure 11
Step 5 - Develop Alternatives



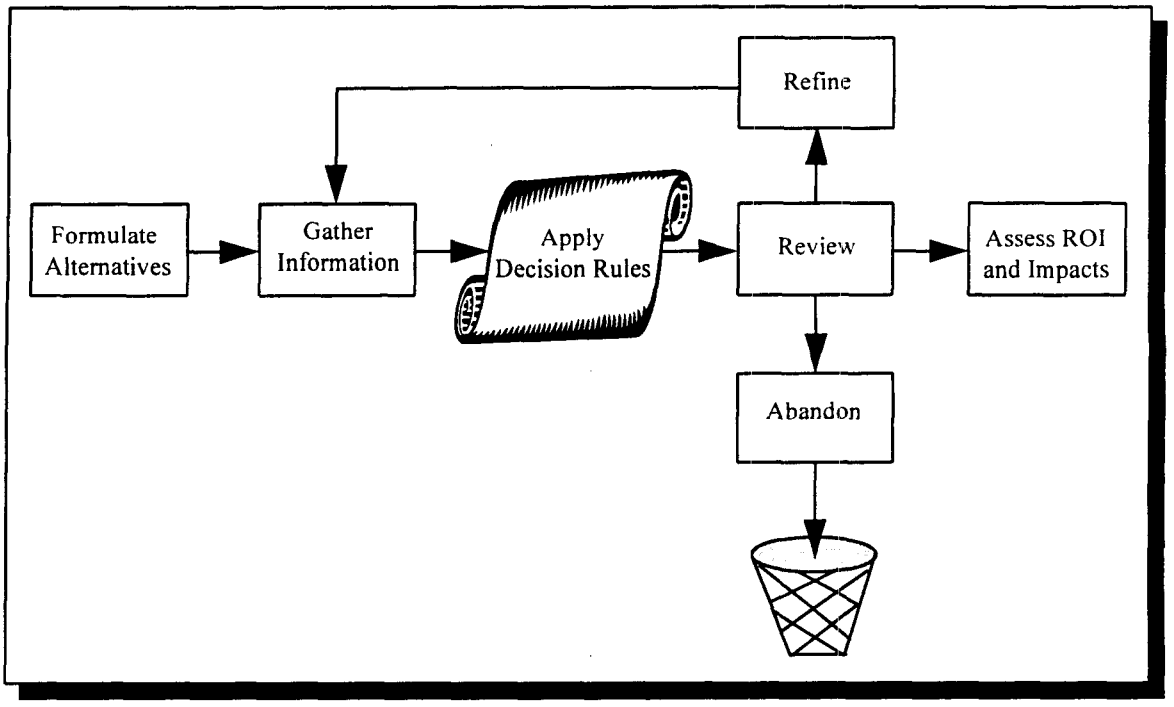
Develop alternatives

The next step in the DLA BRAC analysis sequence was to identify potential realignment or closure candidates and eliminate the remaining activities from further consideration. Military Value, in conjunction with military judgment, was the primary consideration in determining prospective realignment or closure candidates.

The operating philosophies expressed in the DLA Strategic Plan and the Business Area Concepts of Operations formed the basis of all scenarios considered by the Executive Group.

Future mission requirements were based on workload projections which took into consideration the DoD Force Structure Plan, long-term DoD streamlining initiatives, the National Performance Review, and DLA efficiency and effectiveness improvements. An overview of the process to develop BRAC alternatives is described below:

Figure 12
Developing and Refining Alternatives



Applying previous experience and military judgment led to the process shown above. Once an alternative was conceived, it was evaluated for reasonableness and then either refined or abandoned.

The DLA Base Realignment and Closure Working Group developed potential realignment and closure alternatives within the parameters established by the Executive Group. This included the consideration of Military Service decisions. Alternative scenarios were evaluated to ensure that they conformed to the DLA Strategic Plan and Business Area Concepts of Operations. DLA worked closely with each Military Service Base Realignment and Closure office during this process to identify and consider potential excess space for joint use, to evaluate the impact of Military Service recommendations on DLA activities which are tenants on Army/Navy/Marine Corps/Air Force installations, and to ensure that the impact of Service recommendations on the DLA business base was appropriately factored into our recommendations. Interservice communication was particularly critical in the distribution category because closure of a Service maintenance depot, the primary customer of most of

DLA's Collocated Distribution Depots, would significantly impact the value of that distribution depot relative to the remainder of the Defense Distribution System.

Reasonable alternatives were then presented to the DLA BRAC Executive Group for initial review. The Executive Group applied a series of decision rules to evaluate an alternative and determine if that alternative should be abandoned, refined, or kept for further analysis. The decision rules used to develop and initially evaluate proposed alternatives are shown below.

Figure 13
Decision Rules for Scenario Evaluation

- Consistent with the law, base decisions on the DoD Force Structure Plan and the DoD Selection Criteria
- Achieve an infrastructure consistent with the DLA Strategic Plan and Business Areas Concepts of Operations
- Consistent with above, seek the most cost-effective infrastructure by (not in rank order):
  - -- Minimize infrastructure costs;
  - -- Close as a top priority;
  - -- Eliminate duplications;
  - -- Maximize use of shared overhead;
  - -- Optimize use of remaining DLA space;
  - -- Maximize cross-Service utilization of bases and support;
  - -- Get out of leased space and on to DoD-owned installations
- Military judgment will be the overarching criteria for all decisions -- Optimally satisfy the 4 military value criteria by balancing outputs of all analyses to achieve maximum military benefit.

Only those alternatives meeting the decision rules were retained for further analysis. The following patterns emerged among alternatives for each category:

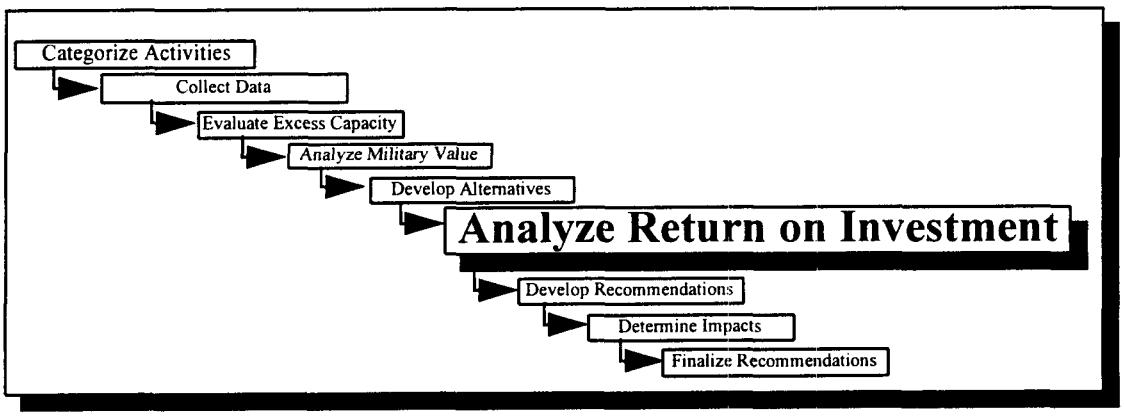
- Command and Control: Military judgment determined the need for the oversight capability, the level of oversight required by an organization and the amount of risk the Agency was willing to accept
- Service/Support Activities: Activities were considered for right-sizing

- Distribution Depots: Alternatives regarding the Collocated Depot subcategory were driven by Military Service decisions regarding the collocated primary customer. Stand-Alone Depot alternatives were evaluated based on Military Value analysis, military judgment, and capacity requirements

- Inventory Control Points: Military Value analysis generally identified those activities where realignment or closure might be detrimental to mission performance and customer satisfaction. Remaining activities were subject to further analysis

As individual alternatives were developed and selected for further analysis, the DLA BRAC Working Group subjected those scenarios to the next step: analyzing return on investment (ROI) through the use of the COBRA model. The figure below identifies the ROI analysis step within the context of the DLA BRAC analysis process.

Figure 14
Step 6 - Analyze Return on Investment



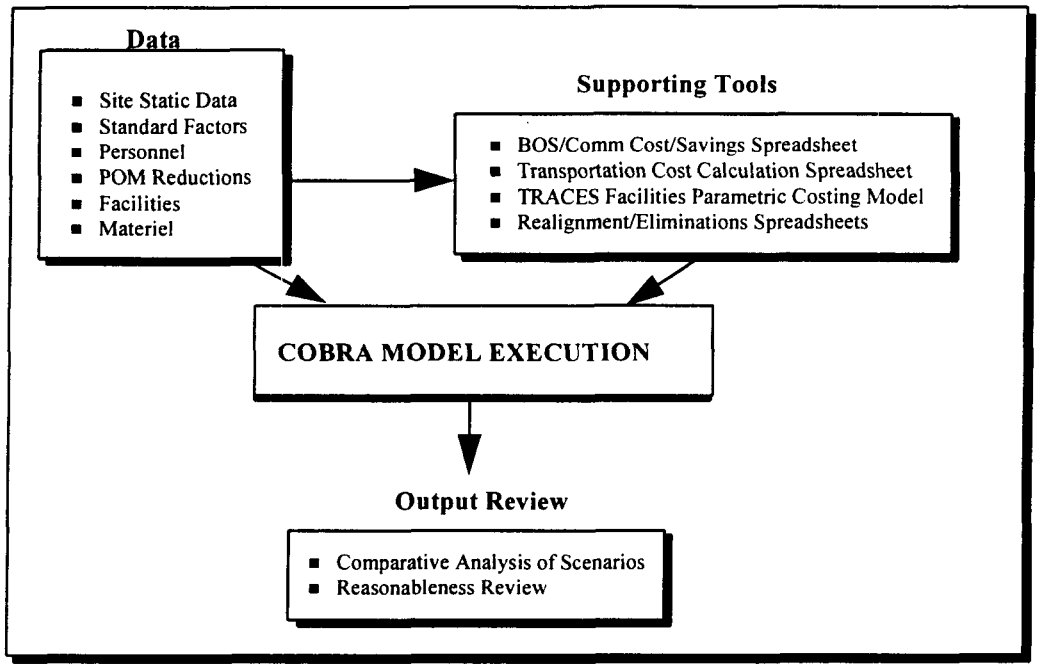
Analyze return on investment

The DLA BRAC Working Group evaluated potential realignment and closure scenarios using the Cost of Base Realignment Actions (COBRA) model as directed by DoD BRAC policy. Data for the model consists of DoD standard factors, DLA standard factors, static base data, and scenario-specific data which describes the actions and costs involved in a realignment or closure scenario. DoD standard factors used in the model were developed by a DoD Joint Process Action Team chartered to examine and improve the BRAC 93 COBRA model and its execution. Agency-wide standard factors were developed from field-certified data and data

collected and certified by Headquarters organizations. Activity static information was gathered from field-certified data and OSD policy memo guidance.

For BRAC 95 scenario analyses, DLA used a variety of data and support tools to ensure that scenario costs and savings estimates were accurate and reasonable. The various data and support tools, and their relation to each other, are indicated below:

Figure 15
Cost/Savings Analysis Process



COBRA model data preparation

First, to identify personnel actions in selected scenarios, DLA calculated realignments and eliminations based upon projected workload. Calculations accounted for personnel reductions planned in the POM. These reductions were treated as force structure reductions, and resulted in no BRAC savings.

Facilities assessments were done on each scenario to determine Military Construction (MILCON) requirements. The results of category excess capacity analyses were used to assess facilities availability. Cost estimates for MILCON were generated using a variety of tools, including COBRA, Tri-Service historical construction costs, and the Tri-Service Automated Cost Engineering System (TRACES), a parametric cost modeling tool.

DLA also included various one-time costs and cost avoidances into realignment and closure scenarios. When considering distribution depot actions, packaging and transportation costs were developed off-line. These costs were estimated based on projected stock levels after implementation of DLA stock reduction plans. When realigning ICPs and DCMDs, costs were included for the movement of laboratory equipment, data processing equipment, and the purchase of systems furniture where necessary. DLA also accounted for cost avoidances associated with programmed MILCON projects.

Off-line non-labor Base Operating Support calculations

DLA developed an independent approach to determine costs and savings associated with non-labor base operating support (BOS) and communications. The COBRA model normally performs these calculations by saving losing site costs and extrapolating receiving site costs for arriving personnel. Because DLA scenarios combine activities with dissimilar cost structures, COBRA-generated BOS calculations do not always accurately portray BOS impacts resulting from realignment actions. For example, when moving an activity with a high cost structure (such as an ICP) to one with a low cost structure (such as a depot), the model saves all existing ICP costs, and extrapolates depot costs for the arriving ICP mission. This results in an overstatement in savings.

To address this problem, DLA developed a spreadsheet to calculate non-labor BOS and communications costs and savings impacts off-line. Instead of basing future costs on the receiving site's cost structure, DLA used an approach that carries losing site BOS non-labor costs to the receiving site. For purposes of COBRA execution, two states of nature were considered: realignment and closure. "Realignment" was defined as the movement of an activity such that the command structure would stay in place. "Closure" was defined as the disestablishment of an activity's command.

For each activity considered in DLA BRAC analyses, total non-labor costs were segregated into the following categories:

- Save Nothing
- Save All (Command-Related Costs)
- Save All (Facilities-Related Costs)
- Save on a Per-Person Basis for Each Person Eliminated

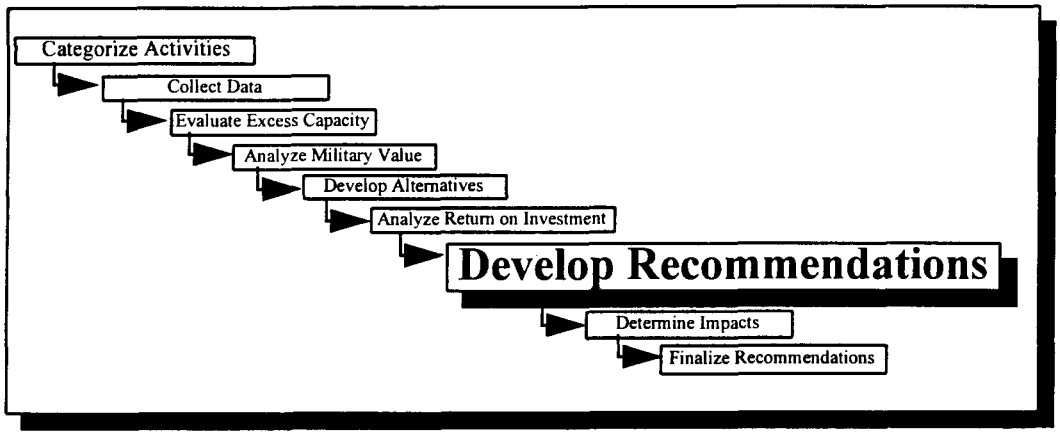
When COBRA scenarios were developed, the BOS and communications spreadsheet calculated cost and savings impacts on each losing activity's costs. Variables that impacted savings were personnel eliminations, whether the facility was closed, and whether the command was disestablished. Outputs from this spreadsheet were entered into the COBRA

model as miscellaneous recurring costs and savings. Both the DoDIG and the GAO reviewed DLA's methodology in this area and agreed that the approach was reasonable.

Return on investment review and presentation

After DLA executed the COBRA model, comparative analyses were conducted to ensure that scenario assumptions were consistent, and cost and savings outputs were reasonable and supportable. Though savings was not a major driver in the decision process, net present values and steady state savings for each alternative were presented to the Executive Group during the decision process.

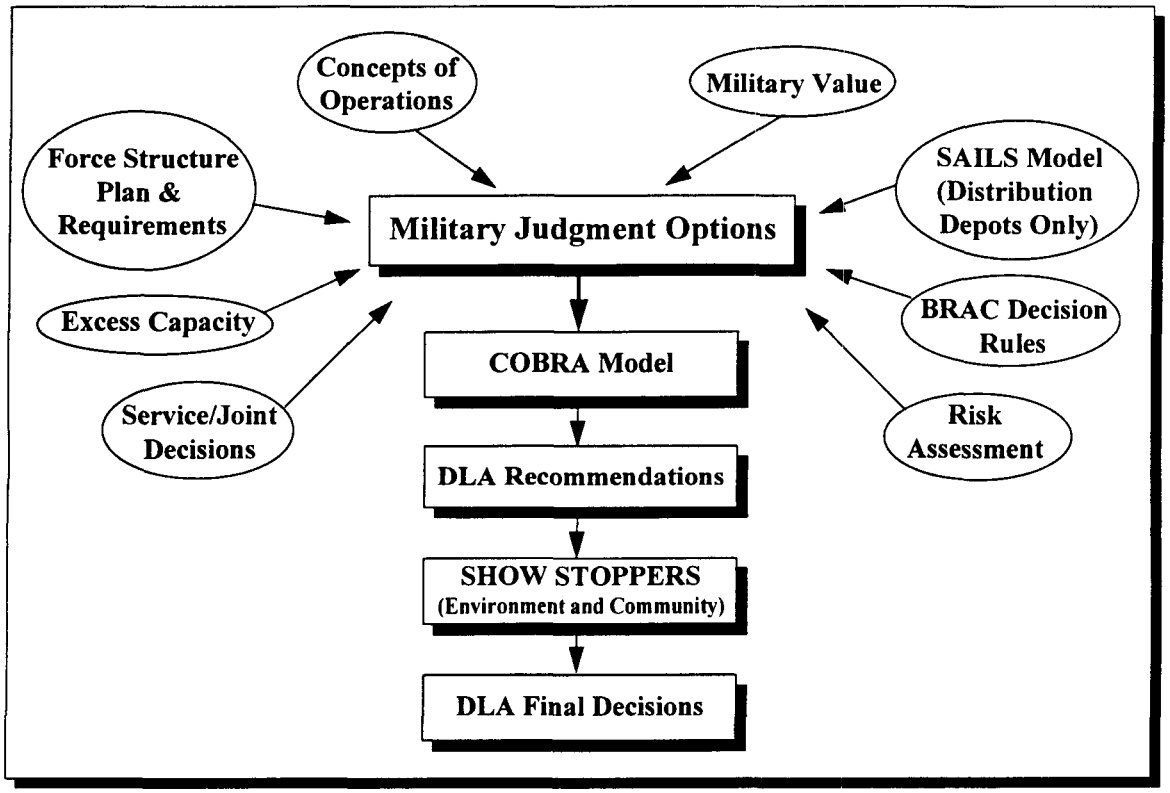
Figure 16
Step 7 - Develop Recommendations



Develop recommendations

After base realignment and closure scenarios were evaluated with the COBRA model, the analysis results were reviewed by the DLA BRAC Working Group and presented to the Executive Group for further consideration. Each scenario was extensively reviewed, discussed, and analyzed during a series of Executive Group meetings. During the deliberations, the Executive Group evaluated each scenario with respect to the applicable Business Area's Concept of Operations, the DLA Strategic Plan, the DLA Corporate Plan, and the projected Force Structure Plan.

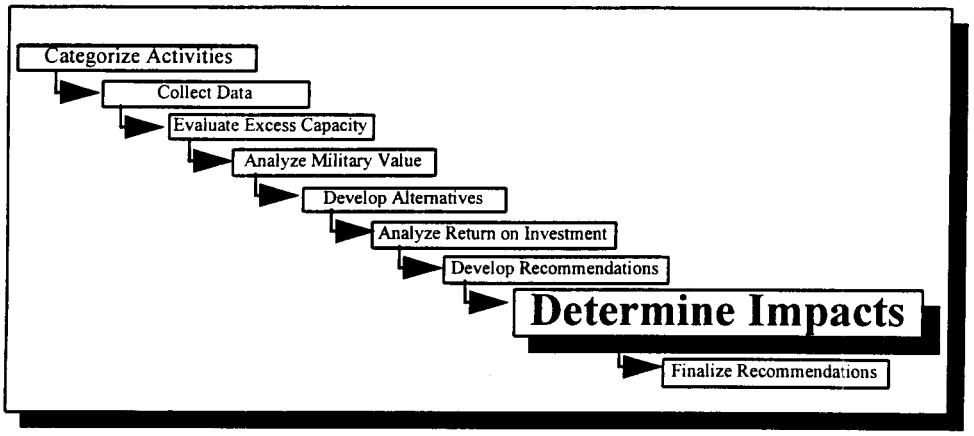
Figure 17
DLA BRAC Decision Tools



Each scenario was considered in terms of its overall risk, benefit, and cost to the strategic direction of DLA and the interests of DoD. The Executive Group's deliberative process included confirmation that the scenario development process and COBRA evaluation process adhered to OSD policy and guidance, DoD Selection Criteria, data certification, internal controls, excess capacity evaluation, Military Value evaluation, and DLA BRAC Decision Rules.

Based on its review and best military judgment, the Executive Group made individual recommendations to the Director, DLA. Individual recommendations were then aggregated and once again reviewed for consistency and accuracy. After the conditional approval of the Director, DLA, recommendations were then returned to the Working Group for economic, community infrastructure, and environmental impact assessments.

Figure 18
Step 8 - Determine Impacts



Determine impacts

After a recommendation had been reviewed and conditionally approved by the Director, DLA, the DLA BRAC Executive Group returned it to the Working Group for extensive impact analysis. The intent of the impact analysis was to determine if a recommendation had unacceptable adverse economic, infrastructure, or environmental consequences. The DLA Working Group conducted impact analyses and reported its findings to the Executive Group for further consideration of each recommendation. The following sections describe the economic, infrastructure, and environmental impact analyses conducted by the DLA BRAC Working Group.

Economic impact

The economic impact on communities was evaluated with the Economic Impact Database distributed by DoD for use in accordance with DoD BRAC policy guidance. The Economic Impact Database reported changes to the unemployment of metropolitan statistical areas affected by DLA BRAC scenarios. The database combined personnel data from the COBRA model, including military, civilian, and contractor personnel, to develop net and percentage employment impact calculations for affected communities as a result of implementing a COBRA scenario. The model included both direct and indirect employment effects on local communities.

Community infrastructure impact

As directed in the DoD Selection Criteria, the selection process included an assessment of "the ability of both the existing and potential receiving communities' infrastructure to support forces, missions, and personnel" (DoD Selection Criterion 7). This assessment is required for communities involved in the recommendations developed through the BRAC process. Our

assessment process consisted of gathering the following data for affected communities and then presenting information for Executive Group deliberation and decision:

- Community Economics (Bond ratings and cost of living indicators)
- Transportation (Public transport, airports, and road systems)
- Utilities (Energy, Water, Electrical, Sewer, and Solid Waste)
- Work Force Availability (Civilian staffing flexibility and local recruitment potential)
- Housing (New housing starts and availability)
- Education (Facilities and graduation statistics)
- Health Care (Accessibility and service ratios)
- Crime (Violent crime and property crime data)
- Climate/Environment (Weather conditions and air quality)

The Executive Group concluded that the data did not present any evidence or indication that would preclude a recommended receiving community from absorbing the additional forces, missions, and personnel proposed in the recommended realignment scenarios. The Executive Group further concluded that the data provided evidence of the ability of the infrastructure of DLA's existing communities to support existing levels of forces, missions, and personnel.

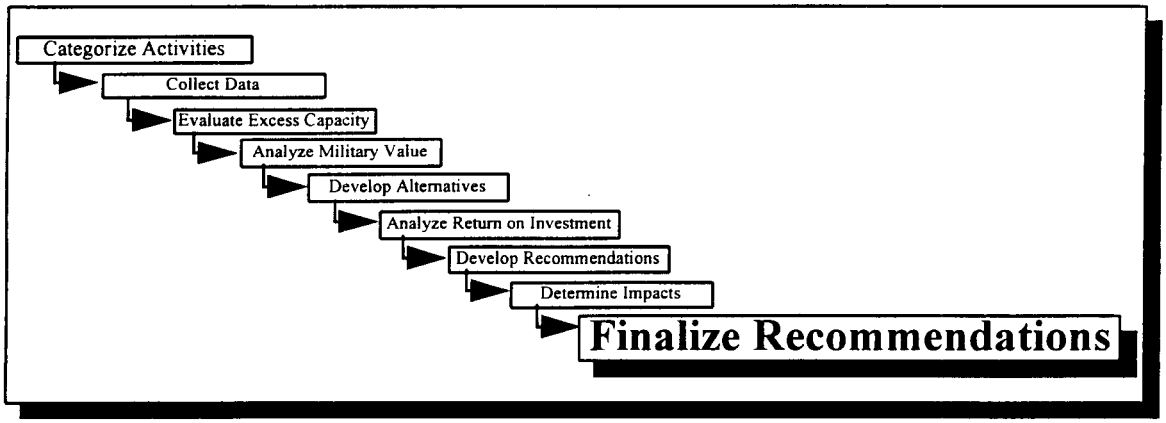
Environmental impact

In accordance with the criteria set forth by DoD, DLA considered the environmental impacts for both host and tenant activities in the BRAC 95 process. Our assessment process involved collecting data in the following areas:

- Comprehensive Environmental Response, Compensation, and Liability Act
- Resource Conservation and Recovery Act (RCRA)
  - -- Subtitle C: Hazardous Waste
  - -- Subtitle D: Solid Waste
  - -- Subtitle I: Underground Storage Tanks (UST)
- Natural Resources
  - -- Wetlands and Sensitive Habitats
  - -- Threatened or Endangered Species
  - -- Farmlands and Forested Areas
  - -- Historical and Cultural Resources
  - -- Minerals and Energy
- Asbestos/Radon/Polychlorinated Biphenols (PCBs)/Lead-Based Paint
- Air Quality
- Water Quality (Groundwater, potable, surface, and wastewater)

Upon receipt of the certified data calls, responses were reviewed, entered into a database, and analyzed for possible environmental constraints associated with each installation activity and potential BRAC action. No critical issues were raised regarding the environmental impact assessment, and thus the recommendations were approved by the DLA BRAC Executive Group.

Figure 19
Step 9 - Finalize Recommendations



Finalize recommendations

Upon completion of the impact assessments, recommendations were returned to the DLA BRAC Executive Group. The Working Group presented the results of the impact analyses and supported additional Executive Group deliberations. The Executive Group discussed the impact assessments, conducted an extensive review of each recommendation, and approved selected recommendations.

The final approved recommendations were then prepared for inclusion in this report. Preparation included gathering supporting documentation, writing narrative descriptions of the analysis process, and preparing this report for submission to OSD. By completing this effort, the DLA BRAC Executive and Working Groups have fulfilled the requirements of the BRAC process, including compliance with the statutory, policy, and administrative guidance in a fully documented and audited process that included the following controls:

- DLA has created and followed an internal control plan to ensure unbiased, uniform, and accurate data collection, analysis, and certification

- DLA has provided free and open access to DoDIG, GAO, and internal auditors throughout the entire process

DESCRIPTION OF ANALYSES

Overview

The following sections describe the results of the detailed analysis performed by the members of the DLA BRAC 95 Executive and Working Groups. The individual analyses have been organized by their respective DLA BRAC 95 categories and subcategories. The analyses are presented in the following order:

Figure 1.1
Organization of Analyses

Title/Category	Subcategory	Section
Overview		1
Installation Analysis Overview		2
Command and Control Activities		3-5
	Contract Management Districts	3
	Distribution Regions	4
	Reutilization and Marketing Operations	5
Service/Support Activities		6
	Defense Logistics Services Center	6
	Defense Reutilization and Marketing Service	6
	DLA Systems Design Center	6
Inventory Control Points		7
Distribution Depots		8
	Stand-Alone Depots	8
	Collocated Depots	8

Each section begins with a description of the DLA BRAC 95 category or subcategory followed by a summary of the Excess Capacity and Military Value analyses performed. Summaries of return on investment analysis and impact assessments are also presented for categories and subcategories where further analysis was required. Each section concludes with a brief summary describing the approved DLA BRAC Executive Group recommendations for the appropriate category or subcategory.

INSTALLATION ANALYSIS

Category description

DLA operates six bases by Army permit as shown in the figure below. DLA activities act as the installation host at those bases. All were considered in the installation Military Value analysis where we compared the value of the bases to the DLA and DoD missions.

Figure 2.1
Installations Hosted by DLA

Activities included in this analysis were four distribution depot sites: New Cumberland, PA, Tracy/Sharpe, CA, Memphis, TN and Ogden, UT, and two inventory control point sites: Richmond, VA and Columbus, OH. The Tracy and Sharpe facilities were reviewed and evaluated as one installation because they are near to each other and operate as a single Stand-Alone depot. The host is responsible for providing total base support, including support to tenant activities whether they are assigned to the Department of Defense or to other federal government agencies.

The Columbus installation has the largest tenant population - over 3,500 people. Besides having two DLA tenants with significant missions (DSDC and DDCO), a large Defense Finance and Accounting Service Center (over 1,200 people), and a Defense Information Systems Agency megacenter (almost 500 people) are located there as well. Ogden has a tenant population of over 1,100, but more than 80 percent of this population is assigned to an Internal Revenue Service center. The only large tenant operation at Richmond is the distribution depot located there. Tracy/Sharpe's largest tenant is the Defense Distribution Region West (DDRW), while New Cumberland has some Army tenants (U.S. Army Logistics Evaluation Agency, U.S. Army Security Assistance Command, U.S. Army

Battalion) and Defense Distribution Region East (DDRE). The Memphis installation has a small tenant population.

Capacity analysis

Excess capacity for installations was reviewed in terms of additional personnel that could fit into existing administrative space on the installation. The analysis identified the number of additional people the installations could accommodate without paying for more space, although some rehabilitation might be required. The results of the excess capacity analysis are shown below.

Figure 2.2
Installation Excess Capacity Analysis

Activity	Existing Administrative Space (Sq Ft)	No. of additional people who can be accommodated in existing space
DCSC	1,493,835	4,565
New Cumberland	444,135	1,753
DGSC	608,454	1,723
Tracy/Sharpe	342,185	1,542
DDOU	347,816	1,372
DDMT	433,993	2,458

Excess capacity was based on the sum of total current existing administrative space, less any special use space, divided by the allowable net planning utilization rate of 130 square feet per person (referenced in DoD Manual 4270.1-M, DoD Construction Criteria). Installations having excesses to the allowable planning utilization rates have the capability to accept and house more missions and tenants.

Military Value analysis

Military Value for installations captured several critical areas. While many of these areas were similar to those reviewed in the activity category Military Value analyses, some were unique to the installation analysis.

To capture Mission Scope at each of the DLA installations, the number of significant missions at the installations was identified. Federal government organizations located on the installation having 300 or more personnel were considered as being significant. The 300 person threshold is consistent with BRAC law which applies at installations with at least 300 authorized civilian personnel. The number of personnel assigned to both DLA and non-DLA

authorized civilian personnel. The number of personnel assigned to both DLA and non-DLA tenant activities was also reviewed. This analysis provided an assessment of the magnitude of operations and potential operational disruptions if the installation were to close.

The Mission Suitability portion of the analysis assessed the age and condition of facilities at each installation in a manner similar to what was accomplished in the activity category analysis. In addition, the condition of the infrastructure (supporting systems outside the building's 5 foot perimeter) on the installation was separately assessed. This measurement compared the net present value of backlog of maintenance and repair costs plus cyclic costs per square foot of buildings supported.

The Operational Efficiencies category measured base operating support costs per base employee and real property maintenance cost per square foot.

The Expandability portion of the analysis was viewed as an important measure since an installation's ability to expand for contingencies and as a receiver of new missions becomes more important as DoD continues to downsize. The number of additional personnel that could be accommodated in existing administrative space was a subelement of this measure. Available land to build upon was also assessed based on a "worst case" scenario that would provide sufficient space to construct both an inventory control point and distribution complex. A total of 52 acres was determined to be the minimum necessary to accommodate this scenario. Installations having 52 acres or more were allotted the maximum Military Value points for this subelement. Another subelement to this analysis was the expandability of the installations' infrastructure. Additional capacity in terms of present excess capacity for electricity, water, and sewage was determined by considering the design capacity and peak demand based on historical consumption. Consideration of any environmental, historical or other inhibiting factors that could limit the installation's ability to expand was also assessed. In two cases, Tracy/Sharpe and Ogden, environmental issues would have to be considered if the installation were considered to receive additional missions and/or personnel. The following figure shows the topics and point values used in ranking Military Value. The next figure reflects the results of the Installations' Military Value analysis.

Figure 2.3
Installation Military Value Elements

Measure of Merit	Points
Mission Scope	**300**
Significant missions	(150)
DLA tenants	(100)
Non-DLA tenants	(50)
Mission Suitability	**200**
Age and condition of buildings	(125)
Condition of Infrastructure	(75)
Operational Efficiencies	**200**
Base Operating Support costs	(100)
Real property maintenance costs	(100)
Expandability	**300**
Facility/Installation expansion	(280)
Environmental, historical and other limiting factors	(20)
Total Points	**1000**

Figure 2.4
Installation Military Value Analysis Results

Installation	Mission Scope	Mission Suitability	Operational Efficiencies	Expandability	Total
Columbus, OH	298	85	106	278	**767**
New Cumberland, PA	212	90	164	215	**681**
Richmond, VA	139	191	110	209	**649**
Tracy/Sharpe, CA	167	111	136	209	**623**
Ogden, UT	96	137	174	204	**611**
Memphis, TN	49	127	158	225	**559**

Summary

The assessment of Installation Military Value was used to determine the relative ranking of each installation in the BRAC decision-making process. The assessment complies with the DLA BRAC Decision Rules by considering the minimization of infrastructure costs, favoring the maximum use of shared overhead, and providing data that could further optimize the use of remaining DLA space.

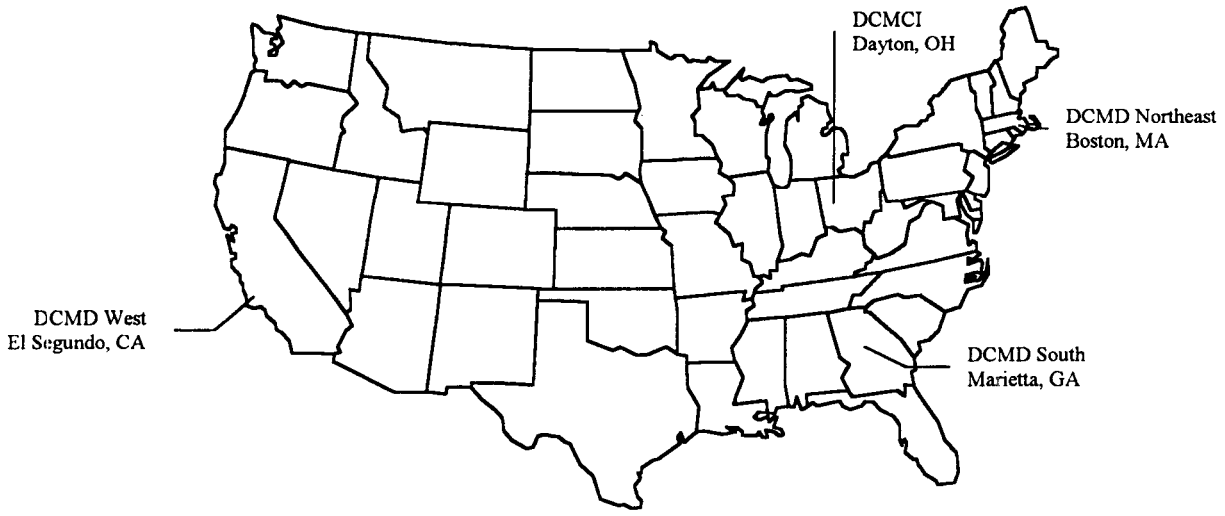
COMMAND AND CONTROL - DEFENSE CONTRACT MANAGEMENT DISTRICTS

Category Description (including DCMCI)

The DCMDs and DCMCI are subordinate organizations of DCMC. DCMC was created by Defense Management Review Decision 916 to provide world-wide contract management services for DoD organizations, other U.S. Government entities, foreign governments and international agencies. The three DCMDs are regional headquarters elements which provide command and control, including operational support and management oversight, to geographically dispersed subordinate activities. In addition to command and control, individual DCMDs maintain operational "Centers of Excellence," which provide technical support Command-wide. DCMDs also support and integrate Command reinvention efforts throughout their subordinate activities. DCMCI provides similar command, control and management oversight to subordinate activities located outside the continental United States.

DCMD Northeast is located in Boston, Massachusetts, DCMD South is located in Marietta, Georgia, and DCMD West is located in El Segundo, California. DCMCI is located in Dayton, Ohio but, as a result of BRAC 93, is scheduled to move to Columbus, Ohio in 1997.

Figure 3.1
DCMD Headquarters Locations



Capacity analysis

Excess capacity measured existing administrative space, space available to accommodate additional personnel, at a standard 130 net square feet per person and warehouse storage space for administrative support. The capacity analysis for DCMCI was accomplished as if it

were already relocated to Columbus, Ohio as scheduled in BRAC 93. A summary of the excess capacity results is shown in the following figure.

Figure 3.2
DCMD, Including DCMCI, Excess Capacity Analysis

Activity	Existing Administrative Space (Sq Ft)	No. of additional people who can be accommodated in existing space	Other Warehouse Storage Space (Sq Ft)	Utilization Rate Other Warehouse Storage Space
DCMDW	124,906	352	64,628	79%
DCMDS	127,349	374	NA	NA
DCMDN	169,517	525	NA	NA
DCMCI	19,390	0	NA	NA

The number of DCMDs can be evaluated in terms of the number of subordinate DCMAOs and DPROs for which operational support and management oversight is provided. A continuing decline in workload will further reduce the number of DCMAOs and DPROs resulting in reduced span of control reducing the requirement for the current three districts. The evaluation of declining workload was based on the following assumptions derived in part from implications and trends in the DoD Force Structure Plan:

- Decreasing procurement dollars
- Fewer major systems in full scale production
- More research and development contracts
- More maintenance, overhaul, and repair
- Reimbursable workload will grow as DCMC is asked to provide more administrative support to civilian agencies
- Services/agencies will delegate more to DCMC

An assessment of the appropriate number of DCMDs is, therefore, based on balancing span of control and existing workload. Responding to trends in the DoD Force Structure Plan the number of DCMAOs and DPROs will continue to decline. The number and location of those DCMAOs and DPROs are determined by the geographic location of the contractors to whom contracts are awarded.

Military Value analysis

Military Value for the DCMDs and DCMCI was assessed in four areas: Mission Scope, Mission Suitability, Operational Efficiencies, and Expandability. Mission Scope addressed the

need for the command and control functions performed and the diversity of the work performed by subordinate activities. Mission Suitability evaluated the relationship between the location of the activity and its subordinate elements, and the suitability of the facilities in which the activities are housed. Operational Efficiencies weighed the Base Operating Support and personnel costs. Expandability considered physical expansion capability and mobilization expansion. The following figure shows the topics and point values used in ranking Military Value.

Figure 3.3
DCMD Military Value Elements

Measure of Merit	Points
Mission Scope	**175**
Mission essential to DoD	(50)
Current/Future mission	(40)
Mission diversity	(85)
Mission Suitability	**375**
Location suitability	(175)
Facility suitability	(200)
Operational Efficiencies	**375**
Base Operating Support costs	(250)
Personnel costs	(125)
Expandability	**75**
Facility/Installation expansion	(75)
Mobilization expansion	yes/no
Total Points	**1000**

The Military Value analysis was used to determine the relative ranking of each DCMD within the category. Final results of ranking the DCMDs resulted in the DCMD Northeast achieving the highest Military Value score, with DCMD West ranking second and DCMD South attaining the lowest score as shown in the following figure.

Figure 3.4
DCMD Military Value Final Ranking

Activity	Mission Scope	Mission Suitability	Operational Efficiencies	Expandability	Total
DCMDN	171	247	334	43	**795**
DCMDW	126	280	238	45	**689**
DCMDS	132	211	259	54	**656**

A similar Military Value analysis was conducted for DCMCI but no points were awarded since it was not compared to the other DCMDs. Answers to questions are displayed in the figure below.

Figure 3.5
DCMCI Military Value Analysis

Mission Scope	
Is the DCMCI mission essential to DoD?	Yes
Does the DCMCI currently perform a unique mission?	Yes
Will the DCMCI perform a unique mission in the future?	Yes
How many DCMAOs report to DCMCI HQ?	13
How many personnel in the DCMAOs are supported?	582
DCMCI has lead responsibility for how many in the customer Program?	20
How many contractors are provided oversight by DCMCI?	1,120
How many contracts are provided oversight by DCMCI?	4,991
On what obligated dollar value does DCMCI provide oversight?	$10.4B
On what unliquidated dollar obligation does DCMCI provide oversight?	$2.7B
How many CACOs/DACOs are in the DCMCI?	0
How many ACAT I Programs are provided oversight?	0
Mission Suitability	
Is the location essential?	No
Is the DCMCI within the center of work concentration?	No
How many DCMAOs are within 150 miles of DCMCI HQ?	0
Does DCMCI have access to trains, planes, or bus transportation?	Yes
Is DCMCI located in DoD space?	Yes
What is the building condition?	Excellent
What is the building age?	0
Operational Efficiencies	
What are the Base Operating Costs per employee supported?	14,889
What is the RPM cost per square foot?	$12.27
What is the ISA cost?	0
What is the ratio of DCMCI HQ personnel to personnel supported?	14%
What are the general and administration cost per person supported?	$15,329
What is the direct cost per person supported?	$214
What is the indirect cost per person supported?	0
Expandability	
How many additional personnel can fit in present space?	0
Is there expansion room in the same building?	0
Is other DoD space available?	0
Are there any DoD buildable acres available?	0
Does the DCMCI have surge capability?	Yes

The results of this Military Value analysis were used as a starting point to determine which of the DCMDs, if any, should be recommended for closure or mission realignment. The objective was to determine the feasibility of vacating space while minimizing risk and gaining efficiencies and economies through a reduction in the number of oversight activities. It was determined that streamlining of the District organizations could be accomplished by moderately increasing the span of control at each District remaining after consolidation. This will entail, at implementation, reconfiguring the DCMDs by realigning responsibility for the operational activities, thereby reducing the number of current District facilities which currently perform operational support and management oversight.

The approved DCMC Concept of Operations calls for continuous review and analysis of the business base to appropriately size the command. It also specifies that administrative support, which is currently provided by districts to the subordinate offices will be provided in the most efficient and effective manner available. Therefore, prior to developing scenarios, the total number of personnel employed in the intermediate management level known as the DCMD was evaluated. This organization is comprised of both management and administrative personnel who perform command, control and support functions.

A DCMC Team looked at potential impacts of the DoD Force Structure Plan, the DLA POM, and the DCMC Concept of Operations. The baseline staffing was developed based on expected future efficiencies, ADP systems enhancements, continued reductions in the requirement for contract management, and a reduction in the number of subordinate activities. The baseline was then applied to all scenarios.

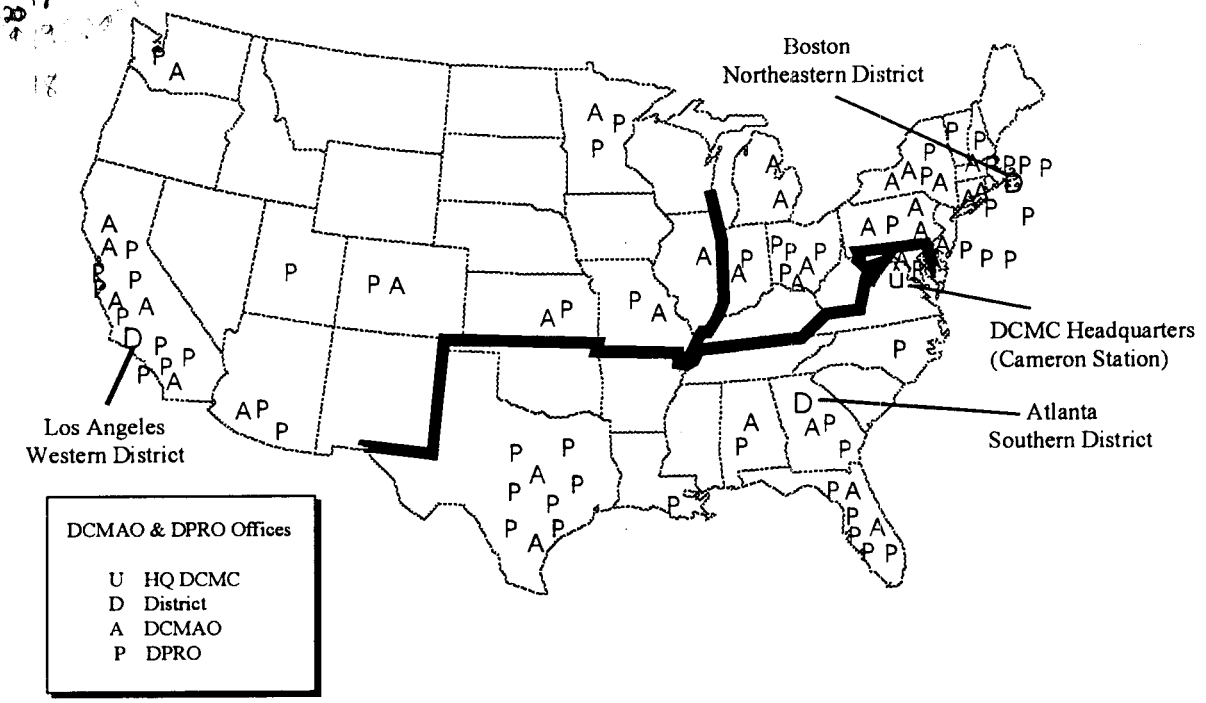
To determine the optimum location and configuration of DCMDs, a number of scenarios was evaluated which reconfigured the current three district structure into two Districts, as well as one large District. Using military judgment, it was determined that the scenario which realigned the current three Districts into one large District is not feasible due to span of control. The risk associated with the one District option was considered to be too high.

A two DCMD configuration carried a manageable level of risk and is consistent with our decision rules. Various scenarios reconfiguring the DCMDs from three to two were considered. Through the application of military judgment, which included knowledge of the DoD Force Structure Plan, and in consonance with the approved DCMC Concept of Operations and Strategic Plan, each scenario was independently evaluated for span of control, feasibility of providing oversight and support to more operating activities, net present value, and return on investment.

DCMD South

Through military judgment, it was determined that a presence on both the east and west coasts is required. Therefore, the disestablishment of DCMD South and retention of DCMDs West and Northeast were recommended. Due to the concentration of higher dollar value of contracts and the significant weapon-systems related workload in that geographical area, a DCMD presence on the West Coast is required. Therefore, DCMD West will be retained. DCMD Northeast was also reviewed. Again, a high concentration of workload in the Northeastern section of the United States was a great concern. There are a large number of DCMAOs and DPROs located within close proximity of DCMD Northeast. The number of contractors and the dollar value of contracts obligated were higher at DCMD Northeast than at DCMD South. The Military Value score for DCMD Northeast was higher than DCMD South (139 points).

Figure 3.6
DCMAO and DPRO Locations



The disestablishment of DCMD South resulted in the best balancing of span of control, in terms of activities provided oversight by the remaining DCMDs, service levels to both customers and contractors, least numbers of personnel affected, and was considered a manageable mission risk. This recommendation is consistent with the DLA BRAC 95 Decision Rules which mandate minimizing infrastructure costs, reducing or eliminating

duplication and maximizing use of shared overhead. A contingent of human resource and financial liaison personnel will remain in place to support DCMAOs and DPROs in the geographic area.

DCMCI

Like the DCMDs, DCMC International is also responsible for operational control and management oversight of field activities performing contract management services. All of its field activities are located outside of CONUS. DCMCI was excluded from analysis with its peer group since the number of contracts, the dollar value of contracts, and the number of contractors would not permit an equitable comparison.

The DCMCI mission could be performed from any locality. Various scenarios were analyzed with regard to DCMCI including merging it with one of the three DCMDs, splitting the function between the East and the West, merging it into a single large district, consolidating it with a DCMAO, and merging it with DCMC Headquarters. Military judgment determined that merging the DCMCI mission with DCMC Headquarters in the Washington, D.C. metropolitan area affords the opportunity to capitalize on management oversight and operational control and maximize use of shared overhead with HQ DLA and DCMC. It also affords the opportunity to take advantage of the location's proximity to the State Department and the International support infrastructure in Washington, D.C. and surrounding areas.

DCMD West

The DCMD West is currently located in GSA-leased administrative space in El Segundo, CA. The BRAC 93 Commission found it was cost effective for the DCMD West to move from leased space to DoD-owned property in Long Beach, CA. However, the President's Five-Point Revitalization Plan, which affords communities the opportunity to obtain installations without substantial compensation, has significantly impacted the Navy's ability to consummate the exchange of land at Long Beach. The Long Beach Naval Shipyard, which was another option, has been placed on the BRAC 95 list for closure. The Navy and the Port Authority/City of Long Beach have not arrived at any agreement which would identify a site for the DCMD West. In order to attain the significant savings which will result by moving the organization into DoD space, the BRAC 93 recommendation should be revised/expanded to incorporate purchase of an existing office building by the Navy on behalf of DLA. This is a redirect of the Commission's BRAC 93 recommendation.

Return on investment

DCMD South

The total estimated one-time cost to implement this recommendation is $ 3.8 million. The net savings during the implementation period is $17.9 million. Annual recurring savings after implementation are $6.1 million with a return on investment expected in one year. The net present value of the costs and savings over 20 years is a savings of $75.8 million.

DCMCI

The total estimated one-time cost to implement this recommendation is $3.1 million. The net savings during the implementation period is $8.7 million. Annual recurring savings after implementation are $3.1 million with a return on investment expected in one year. The net present value of the costs and savings over 20 years is a savings of $38.7 million.

DCMD West

The total estimated one-time cost to implement this recommendation is $10.3 million. The net savings during the implementation period is $10.9 million. Annual recurring savings after implementation are $4.2 million with a return on investment expected immediately. The net present value of the costs and savings over 20 years is a savings of $51.2 million.

Impact Assessment

Economic assessment

DCMD South. Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 275 jobs (169 direct jobs and 106 indirect jobs) over the 1996-to-2001 period in the Atlanta, Georgia metropolitan statistical area, which is less than 0.1 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential increase equal to less than 0.1 percent of employment in the area. The movement of personnel to DCMD Northeast will add 21 direct jobs and 13 indirect jobs for a total of 34 jobs within this region. These job increases will affect overall employment by less than one tenth of one percent. The overall cumulative economic impact for the Essex, Middlesex, Suffolk, Plymouth, and Norfolk Counties, MA MSA is 0.1 percent. The movement of personnel to DCMD West will add 22 direct jobs and 14 indirect jobs for a total increase of 36 jobs within this region. These job increases will affect overall employment by less than one tenth of one percent. The cumulative overall impact for the Los Angeles-Long Beach, CA MSA is -0.4 percent.

DCMCI. Since this action affects unexecuted relocations resulting from prior BRAC recommendations, it causes no net change in employment in the Columbus, Ohio metropolitan statistical area. However, the anticipated employment increase of less than 0.1 percent in the employment base in this area will not occur. The movement of personnel to DCMC HQ, at Ft. Belvoir, VA will add 52 direct jobs and 96 indirect jobs for a total increase of 148 jobs within this region. These increases will affect overall employment by less than one tenth of one percent. The overall cumulative impact for the Washington, D.C., MD, VA, and WV MSA is -0.6 percent.

DCMD West. The relocation of DCMDW to Long Beach will have no impact on the jobs within the region since all personnel will be relocated to the new site. The cumulative overall impact for the Los Angeles-Long Beach, CA MSA is -0.4 percent.

Community assessment

DCMD Northeast. The addition of 21 personnel to the DCMD Northeast work force at Boston, MA will increase the personnel strength of the activity by approximately six percent. The impact of this increase, including dependents, on the population base of the Boston, MA metropolitan area is negligible. Community infrastructure data for this area gathered in the DLA BRAC 95 analysis provides evidence that the community can absorb this increase and can support the forces, missions, and personnel at DCMD Northeast.

DCMD West. The addition of 22 personnel to DCMD West work force in Los Angeles, CA area will increase the personnel strength of the activity by approximately seven percent. The impact of this increase, including dependents, on the population base of Los Angeles County, CA metropolitan area is negligible. Community infrastructure data for this area gathered in the DLA BRAC 95 analysis provides evidence that the community can absorb this increase and can support the forces, missions, and personnel at DCMD West.

DCMCI. The addition of 52 personnel to the DLA complex at Fort Belvoir, VA will increase the personnel strength of the DLA work force at this location by approximately one percent. The impact of this increase, including dependents, on the population base of the Washington, DC metropolitan area is negligible. Community infrastructure data for this area gathered in the DLA BRAC 95 analysis provides evidence that the community can absorb this increase and can support the forces, missions, and personnel at Fort Belvoir, VA.

Environmental assessment

The DCMDs, along with DCMCI, are administrative in nature and do not have activities or operations that negatively contribute to the environment. DCMD West is currently a tenant

occupying GSA-leased space. GSA is responsible for the environmental impacts and environmental restoration costs at the installation. Only Air Quality data was collected and analyzed to ensure that realignment scenarios would not conflict with the U.S. Environmental Protection Agency (EPA) Clean Air Act regulations and the State Implementation Plan.

A summary of the types of environmental conditions present at each activity, and the environmental impacts at the receiving locations associated with the BRAC decisions to disestablish DCMD South and realign DCMCI are represented below.

Figure 3.7
Environmental Site Summary

Activity	IRP Sites	TSDF	Wetlands/ Sensitive Habitats	100-Year Floodplain	Threatened/ Endangered Species	Farmlands/ Forested Areas	Historic/Cultural Resources	Minerals/Energy Resources	Asbestos	PCB Equipment	Lead-Based Paint	Air Quality Considerations	Water Quality Considerations
DCMDS	✓								✓				
DCMDN													
DCMDW												✓	
DCMCI	✓												

Figure 3.8
Environmental Impacts for DCMD South Disestablishment and DCMCI Realignment

BRAC Receivers	Hazardous Waste	Solid Waste	Wetlands/ Sensitive Habitats	Threatened/ Endangered Species	Air Quality	Groundwater/ Potable Water	Surface Water	Wastewater	Compliance Cost
DCMDW					✓				
DCMDN		✓			✓			✓	
DCMC HQ		✓			✓			✓	

DCMD Northeast. The realignment of DCMD South personnel to DCMD Northeast will increase the daily tonnage of solid waste disposed; however, the increase is inconsequential in that it will not affect the current contract quantity.

DCMD Northeast is located in the Metropolitan Boston Intrastate Air Quality Control Region. The area is designated by the EPA as nonattainment for ozone and carbon monoxide. In other words, the level of air pollutants in the area is higher than the level allowed by the federal standards. The relocation of DCMD South personnel to DCMD Northeast will have a negligible impact on air quality for the area, due to the small number of personnel resettling.

The realignment of personnel will also increase the amount of wastewater requiring treatment; however, the increase is inconsequential in that it will have a negligible impact on the current treatment processes.

DCMCI. The realignment of DCMCI personnel to DCMC Headquarters, Fort Belvoir, will increase the average daily tonnage of solid waste disposed; however, the increase is inconsequential in that it will not affect the current contract quantity.

DCMC Headquarters at Fort Belvoir is located in the National Capital Interstate Air Quality Control Region. The area is designated by EPA as nonattainment for ozone and carbon monoxide. The relocation of DCMCI personnel to Fort Belvoir will have a negligible impact on the air quality for the area, due to the small number of personnel resettling.

The realignment of personnel will also increase the amount of wastewater requiring treatment; however, the increase is inconsequential in that it will have a negligible impact on the current treatment processes.

DCMD West. DCMD West is located in the South Coast Air Quality District, which is currently classified as nonattainment for several criteria air pollutants. The installation has been required to implement a ride share program in order to comply with the State Implementation Plan (SIP). The relocation of the DCMD South personnel to DCMD West will have a negligible impact on air quality for the area, due to the small number of personnel resettling. However, these personnel will be subject to the same special actions as outlined in the SIP.

COMMAND AND CONTROL - DEFENSE DISTRIBUTION REGIONS

Category description

DDRE and DDRW provide operational oversight to 27 geographically dispersed distribution depots, of which four (Charleston, SC; Pensacola, FL; Tooele, UT; and Oakland, CA) are undergoing closure as a result of BRAC 93. The current boundary for the two Regions is the Mississippi River. The Regions' primary function is to assure that their subordinate depots operate in a standard and cost effective manner through the provision of management control and oversight. As shown below, Region East is located in New Cumberland, Pennsylvania, and Region West is located in Stockton, California. Both Regions are collocated with Stand-Alone depots on DLA-operated bases.

Figure 4.1
Defense Distribution Region Headquarters

Capacity analysis

Capacity at the Distribution Regions was measured as administrative space currently utilized by Region personnel. Excess capacity was measured as the number of additional personnel that could be accommodated in that space based on an allowable rate of 130 net square feet per person. The results of the Distribution Region excess capacity analysis are depicted below.

Figure 4.2
Distribution Region Excess Capacity

Activity	Existing Administrative Space (Sq Ft)	No. of additional people who can be accommodated in existing space
Region East	208,472	753
Region West	185,431	556

Military Value analysis

In DLA's military judgment, the basic command and control missions of the Distribution Regions are essential. The degree of depot oversight required depends on the relative dispersion of the subordinate operating entities, the complexity of the missions assigned, and the level of risk that management is willing to incur.

Efficiencies achieved through consolidation of the DoD distribution mission depots under DLA and significant workload reductions have allowed DLA to reduce staffing from a high of 25,700 to approximately 19,000. This reduction allowed DLA to move from a three region concept in 1991 to a two region concept in 1993.

Each Region now supports in excess of 9,000 people operating out of 13 depots in DDRW and 14 depots in DDRE. The Regions provide oversight to personnel who annually process 35 million requisition (receipt and issue) lines from a $104 billion inventory stored in over 600 million Attainable Cubic Feet (ACF) of storage space. Current POM targets for staffing, combined with results of BRAC 93 and BRAC 95, will reduce personnel to about 5,500 in each Region.

Military Value was assessed in four areas: Mission Scope, Mission Suitability, Operational Efficiencies, and Expandability. Mission Scope addresses the essentiality of the mission to DoD, unique missions, liaison with customers, and mission diversity. Mission Suitability evaluated the location's suitability and facility age and condition. Operational Efficiencies weighed BOS costs, personnel costs, and mission costs. Expandability considered physical expansion capability and the ability to surge for mobilization. The next figure outlines the topics and point values used in ranking Military Value.

Figure 4.3
Military Value Elements for Distribution Region Headquarters

Measure of Merit	Points
Mission Scope	**400**
Mission essential to DoD	(100)
Other DoD activities with mission	(100)
Unique missions/other	(75)
Mission Diversity	(125)
Mission Suitability	**300**
Advantage of present location	(125)
Access to transportation	(25)
Distance to reporting depots	(25)
Age and condition of buildings	(125)
Operational Efficiencies	**200**
Base Operating Support costs	(30)
Real property maintenance costs	(40)
Personnel costs	(120)
Dollar value - reimbursable mission	(10)
Expandability	**100**
Facility/Installation expansion	(80)
Mobilization expansion	(20)
Total Points	**1000**

Individual results of the Military Value analysis are shown in the following figure.

Figure 4.4
Military Value Analysis of Distribution Depot Region Headquarters

Activity	Mission Scope	Mission Suitability	Operational Efficiencies	Expandability	Total
DDRW	390	260	156	90	**896**
DDRE	399	243	180	60	**882**

The high scores received by each Region in the Military Value analysis validates their mission need and is in concert with the Distribution Concept of Operations through FY 01. Changing the command and control structure would present significant risks in the efficient management of day-to-day operations, the ability to effectively support two Major Regional Conflicts (MRC) simultaneously, and the oversight and implementation of BRAC 93 and BRAC 95 closure/realignment actions.

The two Regions are currently collocated with DLA's two largest depots, Distribution Depot San Joaquin, CA (DDJC) and Distribution Depot Susquehanna, PA (DDSP). These locations allow Region personnel to provide hands-on management as necessary for oversight of two MRCs, implementation of major systems and programs at these sites, and fulfillment of increased responsibilities when required.

Summary

There is a continued mission requirement for the two Defense Distribution Region Headquarters. Span of control of future operations and our requirement to continue to accommodate contingency, mobilization and future total force requirements make two Regions essential. Military judgment affirmed the synergy of locating the Regions with the largest depots. This decision is consistent with the Distribution Concept of Operations. No further analysis was necessary.

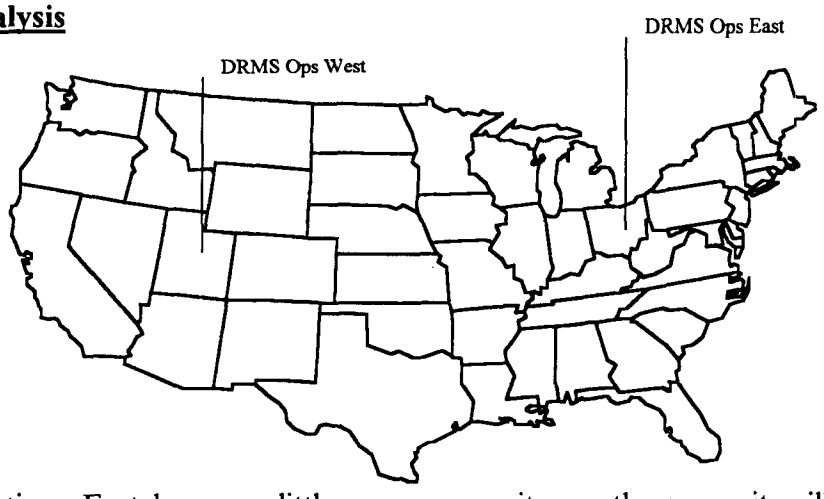
COMMAND AND CONTROL - DEFENSE REUTILIZATION AND MARKETING OPERATIONS EAST AND WEST

Category description

The Defense Reutilization and Marketing Operations East and West oversee numerous Defense Reutilization and Marketing Offices in the Eastern United States and the Western United States and the Pacific Theatre. While the Operations East and West are considered integral parts of the Defense Reutilization and Marketing Service (DRMS) Headquarters located in Battle Creek, MI, they are physically located in Columbus, OH and Ogden, UT, respectively, as shown in the following figure.

Figure 5.1
DRMS Operations East and West

Capacity analysis



DRMS Operations East has very little excess capacity, as the space it will occupy in the Columbus Operations Center was sized to its population. DRMS Operations West has capacity to absorb a modest increase in personnel as shown in the following figure.

Figure 5.2
DRMS Operations East and West Excess Capacity Analysis

Activity	Existing Administrative Space (Sq Ft)	No. of additional people who can be accommodated in existing space
DRMS Ops East	10,912	2
DRMS Ops West	21,131	75

Military Value analysis

Military Value was assessed in four areas: Mission Scope, Mission Suitability, Operational Efficiencies, and Expandability. Mission Scope addressed the need for the command and control functions performed by DRMS Operations East and West and the diversity of the support mission performed. Mission Suitability evaluated the advantages of the present location, including access to transportation and the type of space occupied, the age and condition of the buildings, and the buildings' ability to support electronic commerce. Operational Efficiencies weighed Base Operating Support and personnel costs. Expandability considered physical expansion capability, the ability to expand for mobilization, and the ability to assume additional missions without additional personnel. The following figure shows the topics and point values used in ranking Military Value.

Figure 5.3
DRMS Operations East and West Military Value Elements

Measure of Merit	Points
Mission Scope	**350**
Mission essential to DoD	(100)
Mission unique	(125)
Mission diversity	(125)
Mission Suitability	**325**
Location suitability	(175)
Facility suitability	(150)
Operational Efficiencies	**175**
Base Operating Support costs	(100)
Personnel costs	(75)
Expandability	**150**
Facility/Installation expansion	(100)
Mobilization expansion	(0)
Mission expansion	(50)
Total	**1000**

The following figure reflects the results of the Military Value analysis.

Figure 5.4
DRMS Operations East and West Military Value Ranking

Activity	Mission Scope	Mission Suitability	Operational Efficiencies	Expandability	Total
DRMS Ops East	317	325	175	2	**819**
DRMS Ops West	325	274	119	60	**778**

Both DRMS Operations East and Operations West ranked high in Military Value, particularly in the Mission Scope area. The need for an intermediate management layer to oversee the operations of the subordinate DRMOs on the east coast and the west coast/Pacific is essential. In DLA's military judgment, the activities should be retained.

Summary

The DLA BRAC Executive Group considered consolidating both DRMS Operations East and West with DRMS Headquarters in Battle Creek, and also considered merging only DRMS Operations East with DRMS Headquarters. Both scenarios showed a modest return on investment. However, the Executive Group determined that, in their military judgment, forcing consolidation did not make sense. Both DRMS Operations East and West oversee geographically dispersed activities which can be better served from their present locations than from Battle Creek. Therefore, further analysis was not considered necessary unless a recommendation impacted a host activity where the activity is a tenant.

The Operations West, which is a tenant of the Defense Distribution Depot Ogden, UT, is impacted by the closure of the depot and the realignment of its tenants. DRMS Operations West is identified to be relocated intact to Defense Distribution Depot San Joaquin, in California, to retain its geographical proximity to the operational offices it oversees. The impact of this move is discussed in Section 8 of the Description of Analyses.

SERVICE/SUPPORT ACTIVITIES - DEFENSE LOGISTICS SERVICES CENTER

Category description

DLSC provides logistics information services for the Department of Defense, other government agencies, the North Atlantic Treaty Organization, foreign governments, and private industry. It manages and maintains the largest automated catalog system in the world and operates the Federal system for identifying and locating technical drawings. It assigns national stock numbers to allow integrated materiel management control, reference and standardization. It also disseminates diverse catalog publications. DLSC is located in Battle Creek, Michigan. Being a unique activity within the agency, DLSC could not be compared to other DLA activities for the purpose of excess capacity or Military Value analysis.

Capacity analysis

DLSC is a tenant in the Battle Creek Federal Center which is currently undergoing an extensive renovation. Upon completion of the renovation, DLSC would be able to accommodate considerably more people within its existing space. The DLSC excess capacity review is shown below.

Figure 6.1
DLSC Excess Capacity Analysis

Activity	Existing Administrative Space (Sq Ft)	No. of additional people who can be accommodated in existing space
DLSC	169,088	554

Military Value analysis

Military Value was assessed in four areas: Mission Scope, Mission Suitability, Operational Efficiencies, and Expandability. Mission Scope addressed the essentiality of the mission to DoD and the diversity of the mission. Mission Suitability evaluated the age and condition of the facility and the ability to accommodate electronic commerce. Operational Efficiencies weighed Base Operating Support and personnel costs. Expandability considered physical expansion capability, the ability to expand for mobilization, and the ability to accept additional mission without additional resources. The results of the Military Value analysis are shown below.

Figure 6.2
DLSC Military Value Analysis

Mission Scope	
Is the mission essential to DoD?	Yes
Does any other DoD activity perform the same or similar mission?	No
What percentage of the total business is represented by non-DoD customer support?	
Publication Distribution (CD-ROM/Extracts & Hardcopy)	6.80%
Registered NSNs (6,908,560)	
Non-DoD Exclusive	19%
Non-DoD Overall (Note: DoD - 81%)	47%
Registered Logistics Remote Users Network (LOGRUN) (18,741 Total - 1125 Non-DoD)	6%
LOGRUN Transactions (489,751 Total - 30,365 Non-DoD)	6.20%
Characteristics Search	10%
What percentage of the workforce (paid equivalents) performs support for non-DoD customers?	Negligible/Incidental to DoD mission.
Mission Suitability	
What is the age of the building?	63
What is the current condition of the building?	Good
Is the facility infrastructure suitable to accommodate electronic commerce (i.e., data processing and communication)?	Yes
Operational Efficiencies	
What are the BOS costs per paid equivalent?	$15,966
What is the RPM costs per square foot?	$0.85
What is the Communication costs per paid equivalent?	$30,496
What is the rental/lease or ISA cost of the DLSC HQ space?	$1,406,792
What is the total General & Administrative costs per paid equivalent?	$52,299
What are the total Direct costs per paid equivalent?	$36,427
What are the total Indirect costs per paid equivalent?	$0
Expandability	
What are the number of people which can be accommodated in the present space?	554
What is the availability of comparable leaseable federal space within the metropolitan statistical area?	85,619 SF
What is the availability of excess DoD government real property within the metropolitan statistical area?	None
Do you have the capability to assume additional workload/taskings (e.g., surge capabilities to support wartime or contingency operations)?	Yes

The DLSC mission is essential to DoD. Because that mission is unique, no consideration was given to closure of the activity. While DLSC has indicated that it has the capability to assume additional taskings, we found none in DLA which were compatible.

Return on investment analysis

Two scenarios were considered: Moving DLSC, as a distinct activity, to the DCSC compound in Columbus, OH, and moving DLSC to the Naval Aviation Supply Office compound in Philadelphia, PA. Relocating DLSC to either compound would be consistent with the DLA decision rule to move from leased space to DoD-owned installations. While there is some synergy to be gained by simply collocating DLSC with an ICP, moving it resulted in only marginal savings after a six to ten year period.

Summary

Although collocating data managers and the actual users of the data would be beneficial, attempting this significant change during a period when the DLA Supply Management business area was undergoing a profound restructuring was viewed as an unacceptable mission risk by the DLA BRAC Executive Group. Therefore, in the military judgment of the Executive Group, further realignment and closure analysis was unproductive.

SERVICE/SUPPORT ACTIVITIES - DEFENSE REUTILIZATION AND MARKETING SERVICE

Category description

DRMS assumes personal property which is excess to the needs of a military activity and endeavors to reutilize it within the DoD. Personal property which is excess to the needs of the DoD is offered for transfer or donation to state and local governments and certain public benefit providers. DRMS also disposes of personal property which is not reutilized, transferred or donated, including hazardous material, through sales of property and scrap materials. DRMS Headquarters is located in Battle Creek, MI. DRMS Operations East and West, located in Columbus, OH and Ogden, UT, respectively, are considered part of DRMS Headquarters. The National Sales Office (NSO), located in Memphis, TN, is also part of the Headquarters. The operational mission is carried out by 192 Defense Reutilization and Marketing Offices (DRMOs) world-wide. DRMS develops and disseminates operating procedures in the areas of reutilization processing, disposal, hazardous property management, hazardous waste disposal, and precious metals recovery.

Capacity analysis

The Battle Creek Federal Center, in which DRMS is currently a tenant, is undergoing an extensive renovation. Upon completion of the renovation, DRMS would be able to accommodate considerably more people within its existing space. The NSO has capacity to accommodate a modest increase in personnel.

Figure 6.3
DRMS Excess Capacity Analysis

Activity	Existing Administrative Space (Sq Ft)	No. of additional people who can be accommodated in existing space
DRMS HQ	84,503	202
DRMS NSO	19,665	63

Military Value analysis

Military Value was assessed in four areas: Mission Scope, Mission Suitability, Operational Efficiencies, and Expandability. Mission Scope addressed the essentiality of the mission to DoD, the relationship of the mission to non-DoD missions, and the diversity of the mission. Mission Suitability evaluated the age and condition of the buildings occupied, and their ability

to support electronic commerce. Operational Efficiencies weighed Base Operating Support and personnel costs. Expandability considered physical expansion capability, the ability to expand for mobilization, and the ability to assume additional missions without additional personnel. Since DRMS is a unique activity, no points were assigned. Results of the DRMS Military Value analysis are shown below, followed by results of the Military Value analysis of the National Sales Office (NSO). Results of the Military Value analysis of DRMS Operations East and West were discussed earlier in the Command and Control category.

Figure 6.4
DRMS Headquarters Military Value

Mission Scope	
Is the mission essential to DoD?	Yes
Does DRMS HQ perform any unique missions?	Yes
Does any other DLA/DoD activity perform the same or similar mission?	No
What percentage of the total business is represented by non-DoD customer support?	1.26%
What percentage of the workforce (paid equivalents) performs support for non-DoD customers?	4.63%
How many field activities or other entities (based on support agreements) report directly to this activity?	192
What percent of the workforce (paid equivalents) directly support these field activities?	81%
Can additional missions be assumed by the identified activities assigned to DRMS?	Yes
Mission Suitability	
What is the age of the building?	91
What is the current condition of the building?	Good
Is the facility infrastructure suitable to accommodate electronic commerce (i.e., data processing and communication)?	Yes
Operational Efficiencies	
What are BOS costs per paid equivalent at the DRMS HQ?	$2,320
What is the Real Property Maintenance (P930) Costs per square foot at the DRMS HQ?	$19.40
What are the DRMS HQ total Communication (P970) Costs per paid equivalent at Regions and DRMOs (Supported by the DRMS HQ)?	$1,275
What are the DRMS HQ total General and Administrative Costs per paid equivalent at Regions and DRMOs (supported by the DRMS HQ)?	$5,080
What are the total Direct Costs per paid equivalent?	$1,135
What are the total Indirect Costs per paid equivalent?	$725
Expandability	
What is the number of people which can be accommodated in the present space?	202
What is the availability of comparable leasable federal space within the metropolitan statistical area?	85,619SF
What is the availability of excess DoD government real property within the metropolitan statistical area?	None
Does the activity have the capability to assume additional workload/taskings (e.g., surge capabilities to support wartime or contingency operations)?	Yes
Can additional related mission responsibilities to support customers be provided without additional personnel and/or infrastructure?	Yes

Figure 6.5
DRMS National Sales Office (NSO) Military Value

Mission Scope	
Is the mission essential to DoD?	Yes
Does NSO perform any unique missions?	Yes
Does any other DLA/DoD activity perform the same or similar mission?	No
What percentage of the total business is represented by non-DoD customer support?	<1%
What percentage of the workforce (paid equivalents) performs support for non-DoD customers?	<1%
Do any field activities or other entities (based on support agreements) report directly to this activity?	No
What percent of the workforce (paid equivalents) directly support these field activities?	97%
Can additional missions be assumed by the identified activities assigned to DRMS?	Yes
Mission Suitability	
What is the age of the building?	52
What is the current condition of the building?	Fair
Is the facility infrastructure suitable to accommodate electronic commerce (i.e., data processing and communication)?	Yes
Operational Efficiencies	
What are BOS costs per paid equivalent at NSO?	$13,824
What is the Real Property Maintenance (P930) Costs per square foot at NSO?	$4
What are the NSO total Communication (P970) Costs per paid equivalent?	$7,423
What are the NSO total General and Administrative Costs per paid equivalent?	$26,661
What are the total Direct Costs per paid equivalent?	$38,790
What are the total Indirect Costs per paid equivalent?	$7,351
Expandability	
What is the number of people which can be accommodated in the present space?	63
What is the availability of comparable leasable federal space within the metropolitan statistical area?	0
What is the availability of excess DoD government real property within the metropolitan statistical area?	33,821SF
Does the activity have the capability to assume additional workload/taskings (e.g., surge capabilities to support wartime or contingency operations)?	Yes
How much additional related mission responsibilities to support customers can be provided without additional personnel and/or infrastructure?	Yes

The DRMS mission, including the NSO, is essential to DoD. That mission is unique and therefore, DRMS was not considered for closure. While the activity indicated that it could assume additional missions, no related missions were identified.

Return on investment

Scenarios considered differing degrees of physically uniting the activities which make up DRMS Headquarters, either in Battle Creek or at the DCSC compound in Columbus, OH. Moving DRMS Headquarters to a DoD-owned installation is in accord with the DLA BRAC Decision Rules to locate activities in DoD space. However, the return on investment is modest.

Summary

In the military judgment of the BRAC Executive Group, the unique nature of the mission precludes closure or realignment and the disruption of a relocation is unacceptable at this time. NSO will be collocated with DRMS Headquarters in Battle Creek as a by-product of the BRAC decision to disestablish Defense Depot Memphis, TN. This realignment should result in productivity improvements. The impact of the NSO relocation is discusses in Section 8 of this report.

SERVICE/SUPPORT ACTIVITIES - DLA SYSTEMS DESIGN CENTER

Category description

The mission of DSDC is to design, develop, deploy and maintain automated information systems (AIS). DSDC provides AIS support in application areas such as depot management, materiel management (food, fuels, hardware, etc.), reutilization and marketing, contract administration, cataloging, logistics support, and base support. In addition, DSDC develops and maintains systems to process logistics data and operates logistics processing systems in support of DoD and other government customers. DSDC coordinates new development and systems changes through a variety of interactions with DLA customers. Systems Change Requests (SCRs) are generated by customers to document requested changes to DSDC developed systems. DSDC then determines its available resources, establishes a project schedule, and determines the deliverables. Non-DLA customers are also supported by DLA through fee-for-service arrangements.

DSDC provides technology support in the areas of capacity management, system sizing, data administration, and system software development. It also supports DLA telecommunications requirements, including network design, site surveys, and local area network development. DSDC provides Information Resources Management (IRM) training to both DLA and non-DLA customers. It supports the DLA acquisition process for IRM hardware, software, and services through acquisition management, contract administration, and requirements documentation. DSDC's principal location is Columbus, OH, but there are 12 other operational sites across the country in Battle Creek, MI; Chambersburg, PA; Dayton, OH; Fort Belvoir, VA; Kirtland AFB, NM; Memphis, TN; New Cumberland, PA; Ogden, UT; Philadelphia, PA; Richmond, VA; Tracy, CA; and Warner-Robins, GA.

Capacity analysis

DSDC is the only AIS design activity for DLA. It could not be compared to other DLA activities for purposes of excess capacity. Determination of excess capacity at DSDC was determined relative to space since the activity is a fee-for-service organization and cannot afford to have more staff than workload. A study of capacity utilization at DSDC was conducted by DOSO. The following figure depicts the results of DSDC excess capacity analysis for the principal site at Columbus, OH.

Figure 6.6
DSDC Excess Capacity Analysis

Activity	Existing Administrative Space (Sq Ft)	No. of additional people who can be accommodated in existing space
DSDC	115,433	173

Military Value analysis

Military Value was assessed in four areas: Mission Scope, Mission Suitability, Operational Efficiencies, and Expandability. Mission Scope addressed the essentiality of the mission to DoD, uniqueness of mission performed, and the diversity of the mission performed. Mission Suitability evaluated the advantages of the present locations, including access to modes of transportation and a qualified recruitment pool, and the age and condition of the buildings and equipment. Operational Efficiencies weighed Base Operating Support and personnel costs. Expandability considered physical expansion capability and the ability to expand for mobilization. Because DSDC is a unique activity, it was not compared to other activities and no points were assigned to Military Value questions. The following figure shows the results of the Military Value analysis.

Figure 6.7
DSDC Military Value Analysis - Columbus, OH Location

Mission Scope	
Is the mission essential to DoD?	Yes
Is the mission unique within DLA? Within DoD?	Yes/Yes
Is the current location essential to mission accomplishment?	No
Can the current staff handle additional workload?	Yes
Can other CDA missions be consolidated?	No
Could another activity perform your mission? Within DLA?	No
Within DoD?	Yes
Contractor?	No
How many major Automated Information Systems does DSDC support?	130
Legacy?	20
Migration?	70
CIM-Standard?	40
What is the relative size of AISs supported?	From 3.44 to 46,884 Function Pts
Are customers today likely to be continuing?	Yes
Who are your customers?	DLA, Services, DFAS, PCIM, JLSC, DISO
Does DSDC have a quality software process improvement initiative?	Yes
What percent of the total revenue is represented by Non-DoD Customers?	1%
Is the Non-DoD support of value to DoD?	Yes
Mission Suitability	
Does DSDC location provide access to bus, train and air transportation?	Yes
Is DSDC collocated with its customer?	Yes
Does DSDC provide ample supply of appropriately qualified new hires?	Yes
What is DSDC's current skill base?	Reqmts Definition, Design, Development & Test
In what type of space is the DSDC located? DoD or Non-DoD?	DoD
Are you collocated with another DLA/DoD activity?	Yes
What is the age of the buildings?	58 Yrs
What is the condition of the buildings?	Good
Based on GSA definition, what is condition of ADP infrastructure?	A4
Operational Efficiencies	
What are the Base Operating Costs per paid equivalent for DSDC?	$2,704.00
What is the Real Property Maintenance Cost (P930) per sq ft for DSDC?	$5.13
What are DSDC total communications costs (P930) per paid equivalent?	$1,159.00
What are the DSDC total G & A cost per paid equivalent?	$7,719.00
What are the total indirect costs per paid equivalent?	$32,333.00
What are the total direct costs per paid equivalent?	$39,520.00
What are the total contractor support costs for technical/applic support?	$24,186,957.00
Expandability	
Is there excess DoD space available within the Metropolitan Statistical Area?	None
What is the number of additional people the activity can accommodate in space?	173
Is there other DoD contiguous space available for expansion in present location?	No
Does DSDC have environmental constraints?	No
Is there excess government property available in the area on which to build?	No
Does DSDC have capability to assume additional work for surge capabilities?	Yes

While the twelve DSDC operational sites were not analyzed fully in the capacity and Military Value areas, a reduced analysis was conducted. Results of that analysis are at Figure 6.8.

Figure 6.8
DSDC Operational Sites

Organization	Total Person	Type Space	Space Utiliz	Addtl People	ISA/LEASE Cost $	RPM Cost $	BOS Cost $	Systems Supported
Battle Creek, MI								
DSDC-E	71	FED	9,011	0	$195,300	$6,289	$178,348	Federal Logistics Information System (FLIS)
DSDC-N	56	FED	9,011	0	$332,866	$160,495	$66,962	Defense Reutilization & Marketing AIS (DAISY)
DSDC-R	1							
	(128)							
Chambersburg, PA								
DSDC-SMA	12	DoD	1,132	0	$17,641	$3,587	$9,116	Standard Depot System (SDS)
Columbus, OH								
HQ	605	DoD	115,433	173	$3,832,675	$589,564	$2,516,294	Standard Automated Materiel Management System (SAMMS)
DSDC-A/O	262							Automated Inventory Manager Support (AIMS)
	(867)							Mechanization of Contract Administration Services (MOCAS)
Dayton, OH								
DSDC-HAF	6	COM	1,123	3	$55,379	$7,277	$46,201	Transportation Routing & Documentation (TRAD)
DSDC-Q	123	DoD	18,866	19	$351,000	$10,530	$277,290	Shipping Information System (SIS)
	(129)							Defense Automatic Addressing System (DAAS)
								Logistics Information Networking System (LINK)
Fort Belvoir, VA								
DSDC-G	61	DoD	6,300	0	$196,200	$6,289	$179,248	Defense Fuel Automated Management System (DFAMS)
DSDC-K	13	DoD	1,300	0	$42,500	$1,298	$39,002	DLA Contract Action Reporting System (DCARS)
	(74)							HQ Executive Information System (EIS HQ)
								HQ Management Information System (MIS HQ)
								Automated Civilian Personnel Data Bank System (ACPDB)
Kirkland AFB, NM								
DSDC-AP	16	DoD	7,000	38	$57,227	$24,529	$27,312	Automated Transfer System (ATS)
								Executive Information System (EIS)
Memphis, TN								
DSDC-NJ	17	DoD	4,318	13	$144,268	$24,483	$54,981	DRMS National Sales Program (DNSP)
								Project Management System (PMS)
								Defense Automated Message Preparation System (DAMPS)
New Cumberland, PA								
DSDC-HED	7	DoD						Equipment Control System (ECS)
DSDC-S	55	DoD	26,087	139	$184,849	$56,422	$121,234	Management & Control System (M&CS)
	(62)							Integrated Material Complex (IMC)
								Warehouse Control System (WCS)
Ogden, UT								
DSDC-H	67	DoD						Base Operations Support System (BOSS)
DSDC-W	44	DoD	18,972	0	$401,365	$51,759	$253,336	Compliance Assistance Program (CAP)
	(111)							Safety & Health Information Reporting System (SHIRS)
								Distribution Standard System (DSS)
								Transportation Automated Management System (TRAMS)
								Equipment Management & Control System (EMACS)
Philadelphia, PA								
DSDC-V	104	FED	15,510	0	$514,995	$123,728	$112,845	Defense Integrated Subsistence Management System (DISMS)
Richmond, VA								
DSDC-SWB	6	DoD	1,652	7	$22,495	$5,735	$16,760	Automated Warehouse & Retrieval System (AWARES)
								Integrated Material Complex (IMS)
								Equipment Control System (ECS)
Tracy, CA								
DSDC-Q	25	DoD	8,716	0	$59,440	$11,294	$43,986	Defense Automatic Addressing System (DAAS)
								Defense Messaging & Reporting System (DMARS)
								Logistics Information Networking System (LINK)
Warner Robbins, GA								
DSDC-HAE	9	DoD	4,174	9	$28,255	$10,217	$15,710	Automated Warehousing System (AWS)

DSDC is the Agency's only AIS design activity. It has 12 satellite organizations dispersed throughout the U.S. in support of several migration and legacy systems. Some of the satellite sites are collocated with primary customers of the Automated Information System supported. Some of the smaller groups maintain legacy systems, which need to be supported until they are replaced by standard systems. The Executive Group considered consolidating some or most of the sites with the principal site at Columbus, Ohio.

Two alternatives were considered: (1) Realigning all outlying satellites except the Defense Automatic Addressing System alternate backup site at Tracy, CA to Columbus, OH; and (2) Realigning the smaller satellite organizations (25 or fewer personnel) to their parent DSDC organization except the Defense Automatic Addressing System backup site at Tracy and the DRMS National Sales Office support staff located in Memphis TN, which is collocated with its only customer.

Return on investment

Return on investment analysis using the Cost of Base Realignment Actions (COBRA) model showed a modest savings for both alternatives. However, the satellite sites are all well under the 300 authorized civilian personnel threshold of P.L. 101-510. Any realignment of these sites must also be accomplished in consonance with the implementation of standard systems so that legacy systems can still be maintained until they are replaced.

Summary

Based on military judgment, it was determined that any consolidation actions at DSDC should be handled outside the BRAC process unless a host activity was closed. In the case of host closures, tenant DSDC sites would be realigned with their primary customer.

The following DSDC satellite organizations were impacted by other DLA BRAC recommendations:

- Realignment of 17 employees located at the Defense Depot Memphis, TN, currently assigned to the DLA Systems Design Center (DSDC-NJ) in support of the DRMS National Sales Office to the Federal Center, Battle Creek, MI. This realignment is due to the closure of Defense Depot Memphis, TN.

- Realignment of 111 employees located at the Defense Depot Ogden, UT, currently assigned to the DLA Systems Design Center (DSDC-H/W) to support DLA systems for distribution, warehousing, and shipping to DDJC, San Joaquin, CA. This realignment is due to the closure of Defense Depot Ogden, UT.

- Realignment of 12 employees located at Defense Depot Letterkenny, PA, currently assigned to the DLA Systems Design Center (DSDC-SMA) to support standard depot systems/legacy systems for distribution to Defense Depot Susquehanna, PA, located in New Cumberland. This realignment is due to the disestablishment of Defense Depot Letterkenny, PA.

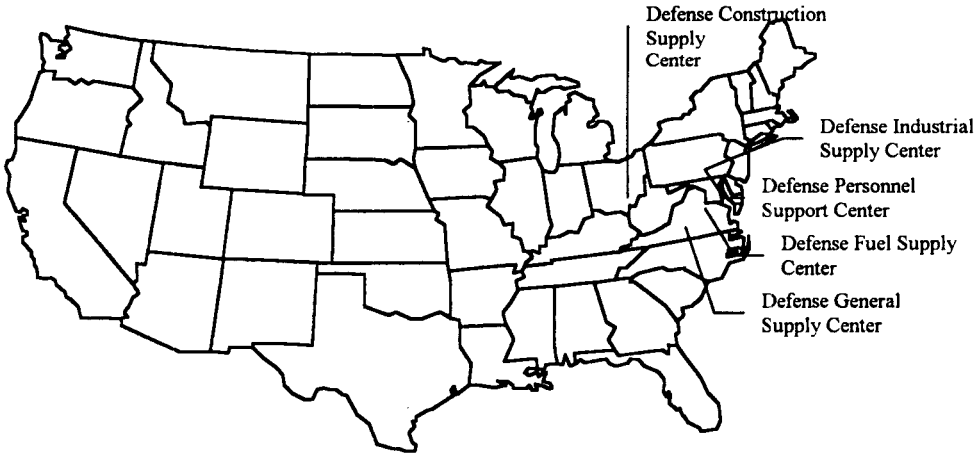
INVENTORY CONTROL POINTS

Category description

The five DLA Inventory Control Points (ICPs) provide combat support by ensuring that proper quality materiel is provided to meet the customer's mission needs at the correct time and place, for a reduced cost and best value in peacetime, national emergency, and war. DLA's ICPs manage approximately 80 percent of DoD's consumable items; i.e., items of supply (except explosive ordinance) normally expended or used up beyond recovery when used as designed or intended. An additional 200,000 to 400,000 items are scheduled to transfer to DLA management starting in 1995. ICP business processes include resource management, market research and marketing, requirements determination, technical and quality support, and materiel and logistics services procurement.

The ICPs include DPSC and DISC, located in Philadelphia, PA; DGSC, located in Richmond, VA; DFSC, located at Fort Belvoir, VA; and DCSC, located in Columbus, OH. A sixth ICP, the Defense Electronics Supply Center (DESC), will close in 1997 as a result of BRAC 93; its mission is being absorbed into DCSC, which was analyzed as if the consolidation were complete. DFSC was impacted by BRAC 88 decisions and was analyzed as if it were at its new location. DPSC, which was impacted by BRAC 93, was analyzed at both its current location (South Philadelphia) and its new location (North Philadelphia). The ICP locations are shown below.

Figure 7.1
DLA Inventory Control Point Locations



Capacity analysis

Capacity within a system involves the ability to absorb additional workload within existing resources, the impact of improved and simplified business practices, the effect of the introduction of increasingly sophisticated automation, and the ability to expand physically. The Executive Group determined that excess capacity did exist within the Supply Management business area as a whole. However, the discriminating factor among the individual ICPs was the ability to physically absorb an increased population, whether by renovating existing space or building additional administrative space. Therefore, excess capacity within the ICPs was measured by administrative space, the number of additional people who could be accommodated in that space at a standard 130 net square feet per person, and the availability of acres on which to build. DPSC and DFSC capacity was measured at their future locations. The result of the excess capacity analysis is shown below.

Figure 7.2
ICP Excess Capacity Analysis

ICP	Existing Administrative Space (Sq Ft)	No. of additional people who can be accommodated in existing space	Buildable Acres
DCSC	1,630,947	3,835	77
DGSC	584,022	1,247	37
DISC	281,953	108	9
DFSC	49,034	0	0
DPSC	522,626	0	0

Military Value analysis

Military Value was assessed in four areas: Mission Scope, Mission Suitability, Operational Efficiency, and Expandability. Mission Scope assessed the essentiality of the Supply Management mission to the DoD and the diversity of the workload at each ICP. Mission Suitability addressed the age and condition of the buildings occupied by the ICP, the ability to use electronic commerce, and the accessibility of transportation modes. Operational Efficiencies weighed the Base Operating Support and personnel costs. Expandability considered physical expansion capability, mobilization surge capability, and the ability to accept additional missions without additional personnel. Since all ICPs have mobilization surge capability, no points were assigned to that aspect of expandability. The following figure shows the topics and point values used in ranking Military Value.

Figure 7.3
ICP Military Value Elements

Measure of Merit	Points
Mission Scope	**400**
Mission essential to DoD	(100)
Unique mission	(100)
Workload diversity	(200)
Mission Suitability	**200**
Age of buildings	(25)
Condition of buildings	(140)
Suitable for Electronic Commerce	(25)
Access to Transportation	(10)
Operational Efficiencies	**200**
Base Operating Support Costs	(125)
Personnel Costs	(75)
Expandability	**200**
Facility/Installation expansion	(160)
Mobilization expansion/surge capability	(0)
Mission expansion	(40)
Total Points	**1000**

Points were assigned to the hardware centers based on the certified data. In most cases, the ICP with 'best" answer received the total points available, and the others received a proportion of the points based on the relationship of their answer to the 'best" answer. Age of buildings (under Mission Suitability) was determined based on an average age of all buildings, normalized by the number of square feet in each. Building condition (also under Mission Suitability) was determined by comparing the Long Range Maintenance Planning data developed by the Norfolk Public Works Center to the expected cyclic maintenance requirements of a new building, again, normalized by square footage. Hardware ICP Military Value results are shown below.

Figure 7.4
Hardware ICP Military Value Analysis

ICP	Mission Scope	Mission Suitability	Operational Efficiencies	Expandability	Total
DCSC	267	159	183	131	**740**
DGSC	174	160	163	70	**567**
DISC	172	150	162	57	**541**

The Executive Group did not consider the difference among the Military Value of the three Hardware ICPs significant enough, in itself, to point toward any obvious closure candidates. Further analysis of the entire Supply Management business area was necessary.

Although the same Military Value elements were considered for all ICPs, DPSC and DFSC were evaluated separately because the nature of the commodities managed by those ICPs skewed comparison of workload diversity. Military Value for DPSC and DFSC are shown separately in the figures below.

Figure 7.5
DPSC Military Value Analysis

Mission Scope	Medical	Clothing & Textiles	Subsistence
Is the mission essential to DoD?	Yes	Yes	Yes
Does any other DoD activity perform the same or similar mission?	No	No	Yes
Do any field activities or other entities (based on support agreements) report directly to this activity?	Yes	Yes	Yes
What percentage of the workforce (paid equivalents) directly support these field activities?	<1.00	<1.00	5.3
How many active NSNs are managed?	13,436	23,605	66,758
How many inactive NSNs are managed?	62,903	3,722	0
What is the dollar value of active NSNs managed?	$274.7M	$1092.0M	$455.7M
What is the dollar value of inactive of NSNs managed?	$11.8M	$269.2M	$65.6M
How many purchase requests were awarded?	216,467	22,680	3,607,415
What is the total dollar value of contracts awarded?	$492.5M	$613.2M	$1,780.0M
What percentage of the total business (dollar value) is represented by non DoD customer support?	2	1.7	2.7
What percentage of the workforce (paid equivalents) performs support for non-DoD customers?	2.1	4.4	2.7
Mission Suitability			
What is the age of the building?		50.17 Years	
What is the current condition of the building?		Excellent	
Is the facility infrastructure suitable to accommodate electronic commerce (e.g., data processing and communication)?		Yes	
Does the location of the facility provide ready access to major transportation modes (air, bus, and train)?		Yes	
Operational Efficiencies			
What are the BOS costs per paid equivalent?		$15,865.00	
What are the Real Property Maintenance (P930) Costs per square foot?		$6.55	
What are the Communication (P970) Costs per paid equivalent?		$10,201.00	
What are the total General and Administrative Costs per paid equivalent?		$30,398.00	
What are the total Direct Costs per paid equivalent?		$26,575.00	
What are the total Indirect Costs per paid equivalent?		$8,380.00	
Expandability			
What are the total buildable acres as defined in the data call?		0	
Is there other acceptable DoD space available in the metropolitan statistical area?		0	
How many additional personnel can the activity accommodate in the present administrative space?		0	
How much excess DLA warehouse space could be allocated at this installation?		0	
Does the activity have the capability to assume additional workload/taskings (e.g., surge capabilities to support wartime or contingency operations)?		Yes	
How much additional related mission responsibilities to support customers can be provided without additional personnel and/or infrastructure?	20.3	57.5	3

103,777
66,625
170,424

Figure 7.6
DFSC Military Value Analysis

Mission Scope	
Is the mission essential to DoD?	Yes
Does any other DoD activity perform the same or similar mission?	No
Do any field activities or other entities (based on support agreements) report directly to this activity?	Yes
What percentage of the workforce (paid equivalents) directly support these field activities?	0
How many active NSNs are managed?	53
How many inactive NSNs are managed?	12
What is the dollar value of active NSNs managed?	$1,973.5M
What is the dollar value of inactive of NSNs managed?	0
How many purchase requests were awarded?	1,295
What is the total dollar value of contracts awarded?	$4,700.8M
What percentage of the total business (dollar value) is represented by non-DoD customer support?	3.87
What percentage of the workforce (paid equivalents) performs support for non-DoD customers?	3.87
Mission Suitability	
What is the age of the building?	0
What is the current condition of the building?	Excellent
Is the facility infrastructure suitable to accommodate electronic commerce (e.g., data processing and communication)?	Yes
Does the location of the facility provide ready access to major transportation modes (air, bus, and train)?	Yes
Operational Efficiencies	
What are the BOS costs per paid equivalent?	$20,324.00
What are the Real Property Maintenance (P930) Costs per square foot?	$12.86
What are the Communication (P970) Costs per paid equivalent?	$7,276.00
What are the total General and Administrative Costs per paid equivalent?	$23,172.00
What are the total Direct Costs per paid equivalent?	$39,765.00
What are the total Indirect Costs per paid equivalent?	$8,113.00
Expandability	
What are the total buildable acres as defined in the data call?	0
Is there other acceptable DoD space available in the metropolitan statistical area?	0
How many additional personnel can the activity accommodate in the present administrative space?	0
How much excess DLA warehouse space could be allocated at this installation?	0
Does the activity have the capability to assume additional workload/taskings (e.g., surge capabilities to support wartime or contingency operations)?	Yes
How much additional related mission responsibilities to support customers can be provided without additional personnel and/or infrastructure?	0

Acquisition reform has led to a fundamental reevaluation of the Supply Management business. Troop and General Support items largely have different industry and customer bases, are more conducive to commercial support, and are consequently managed differently than Weapon System items. Commercial acquisition processes differ significantly from military-specific acquisitions. Differing processes require different modes of management, different structures and different levels of oversight.

As described in the Supply Management Concept of Operations, there is considerable synergy to be gained by concentrating management attention on a single mode of materiel management. Accordingly, all scenarios considered required concentrating management of Federal Supply Classes (FSCs) which were predominately comprised of Weapon System items or Troop and General Support items. For further analyses, senior Supply Management executives from the ICPs and the DLA Headquarters Supply Management Business Area jointly determined the appropriate designation of each FSC as Weapons System, Troop, or General Support.

Certified data from each ICP identified the number of full-time paid equivalents engaged in managing each FSC. The number of paid equivalents supporting each FSC was further identified as providing direct or indirect support. General and administrative support was prorated accordingly. General and administrative support equivalents required to operate the installation itself, or support tenant activities, were separately identified. The percentage of activity population in each labor category used in FY 94 in support of Weapon System, Troop Support, General Support, and some miscellaneous support items, and in support of base operations, was used to extrapolate requirements to FY 99. Lead times necessary for planning, design, and renovation determined that FY 99 be the execution year for any scenario considered.

The impact of the DoD Force Structure Plan was taken into account by applying the workforce projection assumptions in the DLA FY 96 - FY 01 Program Objectives Memorandum to determine FY 99 total requirements. Given the lead time involved, the Executive Group determined that personnel currently managing one type of FSC could be retrained to manage a different type of FSC, thereby minimizing disruption to the Supply Management mission. Therefore, projected force structure changes for both the closing activity and the principal gaining activity were assessed against the closing activity in developing scenarios for further analysis.

The Executive Group determined that the synergy which would be achieved by grouping items requiring the same type of management would result in some savings. The Executive Group decided that 5 percent of direct labor, and 25 percent of indirect labor could be saved by consolidating management of related FSCs. In support of the National Performance Review

goal of reducing overhead, the Executive Group further determined that 50 percent of the general and administrative overhead associated with the management of FSCs would be saved by consolidation. General and administrative overhead associated with base operations would be eliminated only if an installation were disestablished. Those percentages, applied to the equivalents supporting moving workload, determined labor requirements at any given site for each scenario considered.

Four of the five DLA ICPs manage differing mixes of Weapon System, Troop Support, and General Support items. The number of Troop and General Support items is relatively small, although such items have a high demand pattern. DLA manages nearly five times as many Weapon System items as Troop and General Support items combined. Given the smaller number of items (approximately 0.63 million) and the commercial nature of many of the items, the Executive Group determined that a single Troop and General Support ICP was feasible. A single Weapon System ICP entailed a much higher level of risk, although some consolidation was clearly possible and desirable. Therefore, scenarios involving both one and two Weapon System ICPs were considered.

Return on investment analysis

Scenarios which created one Weapon System ICP and one Troop and General Support ICP clearly produced a higher return on investment and steady state savings. However, the risks inherent in such a scenario were considerably greater. The large number of items in Weapon System related FSCs (approximately 3.13 million), in itself, presented a considerable management challenge. The risk inherent in having a single point of failure for items as critical to the National Defense as Weapon System items had to be weighed as well. While any reapportionment of workload results in personnel turmoil and the loss of expertise and experience, the impact of a more ambitious consolidation is larger. Therefore, considerable military judgment was necessary to evaluate the trade-offs in each scenario considered.

DPSC is almost entirely a Troop Support ICP. No other ICP manages Troop Support items. The percentage of General Support items at other ICPs is relatively small. Consolidating Troop and General Support items under DPSC management is the most logical course of action. It retains the experienced workforce accustomed to dealing with these unique commodities and significantly reduces the potential movement of management responsibility between ICPs.

DISC has the lowest Military Value of the three hardware ICPs. DCSC and DGSC are host activities of installations which house a number of DLA and non-DLA activities, conforming to the DLA decision rules concerning maximizing the use of shared overhead and making optimum use of retained DLA-operated facilities. Both Richmond and Columbus have high installation Military Value, and take advantage of the synergy of a Collocated Depot. Both

have considerable expansion capability. The facilities at DGSC are the best maintained of any in DLA, while DCSC has several new buildings completed or in progress. DISC is a tenant on a Navy installation.

After carefully evaluating four basic scenarios, the Executive Group determined that disestablishing the Defense Industrial Supply Center and realigning DCSC and DGSC was most consistent with the DLA Strategic Plan, the Supply Management Concept of Operations, the DLA BRAC Decision Rules, and the DoD Selection Criteria. The three resulting ICPs (located in Philadelphia, Richmond, and Columbus) are roughly comparable in workload and personnel, as shown in the following figure. Furthermore, disestablishing DISC and delaying the relocation of DPSC to the ASO compound until 1999 (directed in BRAC 93) allows the Agency to achieve a substantial cost avoidance by back-filling the space already occupied by DISC and substantially reducing the amount of conversion of existing warehouse space.

Figure 7.7
Inventory Control Point Profile (3 activities)

	Weapon System I	Weapon System II	Troop & General
Workload:			
Nat. Stock #s	1.66M	1.47M	0.45M
PRs	32%	32%	36%
Sales	23%	24%	53%
Personnel:			
Military	49	39	67
Civilian	2,655	2,151	2,608

The total estimated one-time cost to implement the recommendation was $16.9 million. The net of all costs and savings during the implementation period is a savings of $59.3 million. Annual recurring savings after implementation are $18.4 million, with a return on investment expected immediately. The net present value of the costs and savings over 20 years is a savings of $236.5 million.

As a result of this action, the Philadelphia, PA area will lose 16 military and 369 civilian positions. The Columbus, OH area will lose 358 civilian positions. The Richmond, VA area will gain 12 military and 323 civilian positions.

Impact analysis

Economic assessment

Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 1,198 jobs (385 direct jobs and 813 indirect jobs) over the 1996-to-2001 period in the Philadelphia, Pennsylvania-New Jersey metropolitan statistical area, which is less than 0.1 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 1.2 percent of employment in the area.

Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 981 jobs (358 direct jobs and 623 indirect jobs) over the 1996-to-2001 period in the Columbus, Ohio metropolitan statistical area, which is 0.1 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.1 percent of employment in the area.

The movement of personnel to DGSC will add 335 direct jobs and 520 indirect jobs for a total increase of 855 jobs within this region. These job increases will increase employment by 0.1 percent. The overall cumulative economic impact on the Richmond-Petersburg, VA MSA is 0.1 percent.

Community assessment

The effect of this recommendation, coupled with the recommendation to close DDMT and to relocate 24 positions to DGSC (see Section 8) will add 359 personnel to the DGSC work force. This will increase the personnel strength of the activity by approximately 16 percent. The impact of this increase, including dependents, on the population base of the Richmond-Petersburg, VA metropolitan area is negligible. Community infrastructure data for this area gathered in the DLA BRAC 95 analysis provides evidence that the community can absorb this increase and can support the forces, missions, and personnel at DGSC, including the forces, missions, and personnel at the Defense Depot Richmond which is collocated with DGSC.

Environmental assessment

The ICPs are administrative in nature and do not have activities or operations that negatively contribute to the environment. A summary of the types of environmental conditions present at each ICP command, and the environmental impacts at the receiving locations associated with DLA's decision to disestablish DISC are represented below.

Figure 7.8
Environmental Site Summary

Activity	IRP Sites	TSDF	Wetlands/ Sensitive Habitats	100-Year Floodplain	Threatened/ Endangered Species	Farmlands/ Forested Areas	Historic/Cultural Resources	Minerals/Energy Resources	Asbestos	PCB Equipment	Lead-Based Paint	Air Quality Considerations	Water Quality Considerations
DCSC	✓	✓							✓		✓		
DFSC			✓	✓	✓		✓						
DGSC	✓	✓	✓	✓			✓		✓	✓	✓	✓	
DISC									✓	✓	✓	✓	
DPSC									✓	✓	✓	✓	

Figure 7.9
Environmental Impacts for DISC Disestablishment

BRAC Receivers	Hazardous Waste	Solid Waste	Wetlands/ Sensitive Habitats	Threatened/ Endangered Species	Air Quality	Groundwater/ Potable Water	Surface Water	Wastewater	Compliance Cost
DGSC		✓			✓			✓	
DPSC									

DGSC. The realignment of DISC personnel to DGSC will increase the daily tonnage of solid waste generated and disposed; however, the increase is inconsequential in that it will not affect the current contract quantity at DGSC.

DGSC is located in an area designated as nonattainment for ozone. In other words, the level of air pollutants in the area is higher than the level allowed by the federal standards. DGSC has been recently requested to participate in a non-mandatory program to better the air quality in the area. The personnel relocating to DGSC will have a negligible impact on air quality for the area; however, these personnel will be subject to the same non-mandatory program.

The realignment of personnel will also increase the amount of wastewater to be treated; however, the increase is inconsequential in that it will have a negligible impact on the current treatment processes.

DPSC. DPSC, after the implementation of the BRAC 93 decision, will be collocated at the Navy Aviation Supply Office (ASO). The realignment of DISC personnel to DPSC requires no physical movement of personnel. Hence, there will be no environmental impacts at DPSC.

Summary

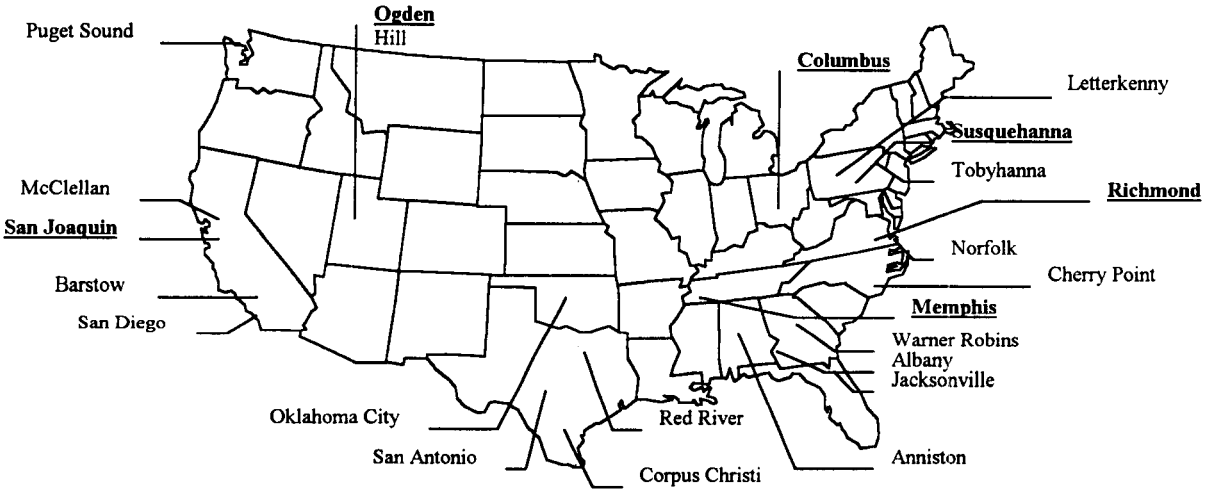
As the result of a multi-layered analysis process and the application of military judgment, DLA concluded that disestablishing DISC and realigning the remaining ICPs to concentrate management of related FSCs is in the best interest of the DoD. Reducing the infrastructure cost within the Supply Management Business Area will ultimately reduce the surcharge on items supplied to the Military Services.

DEFENSE DISTRIBUTION DEPOTS

Category description

Distribution depots receive, store, and issue wholesale and retail (Service-owned) materiel in support of the Armed Forces world-wide. In this analysis, two subcategories of distribution depots were considered: Stand-Alone Depots and Collocated Depots, both of which are required in DLA's Distribution Concept of Operations. Stand-Alone Depots perform normal distribution functions for a wide variety of customers world-wide. Collocated Depots primarily provide support to collocated Military Service maintenance operations, but also provide normal distribution services to other regional customers, and limited world-wide support for specialized Military Service managed items. DLA is committed to retaining distribution depots on Service Maintenance sites as long as the maintenance function continues at that location. Activities within the distribution depot category are shown below. Stand-Alone Depots are designated in bold with an underscore.

Figure 8.1
Distribution Depots



Capacity analyses

Capacity for distribution activities is measured in two ways. The first measure is the ability to handle throughput of material in receiving, processing and shipping. The second measure is physical storage space capacity which is the ability to hold material in support of active issues, slow moving material, and war reserve material. Capacities of both Stand-Alone and Collocated Depots contribute to fulfilling DLA's overall requirement and are discussed in detail below.

Workload capacity analysis

The first measure of capacity is throughput or materiel processing which is lines issued (outgoing materiel), lines received (incoming materiel), and eaches (end-items). The figure below shows DLA's current throughput capability under normal operating conditions - a single eight-hour shift, five days per week; and maximum surge capability during mobilization which allows a second shift and a seven day work week to support contingencies.

Figure 8.2
Distribution Depot Throughput Capacity Analysis

Depot	Issues	Receipts	Eaches	Total Current Throughput	Maximum Surge Capability
DDAA	751	441	2,892	**4,084**	5,635
DDAG	283	185	568	**1,036**	1,519
DDCN	2,038	753	0	**2,791**	3,534
DDJF	2,186	1,347	0	**3,533**	7,324
DDLP	1,334	740	111	**2,185**	4,248
DDNV	6,622	3,650	0	**10,272**	32,118
DDTP	703	489	713	**1,905**	4,498
DDWG	2,788	1,879	0	**4,667**	7,659
DDBC	136	171	113	**420**	5,631
DDCT	922	610	6	**1,538**	2,978
DDDC	5,530	2,436	0	**7,966**	20,904
DDHU	2,488	1,661	0	**4,149**	26,360
DDMC	2,630	1,750	0	**4,380**	6,940
DDOO	3,622	2,354	0	**5,976**	19,114
DDPW	1,339	398	0	**1,737**	5,924
DDRT	3,013	978	267	**4,258**	11,004
DDST	3,753	1,462	0	**5,215**	12,363
DDCO	8,738	1,375	0	**10,113**	13,610
DDMT	10,131	674	0	**10,805**	23,151
DDRV	8,063	1,385	0	**9,448**	17,113
DDSP	17,111	7,953	679	**25,743**	62,395
DDJC	14,696	2,680	0	**17,376**	67,946
DDOU	7,414	1,270	0	**8,684**	27,307
Total	106,291	36,641	5,349	**148,281**	389,275

8 hr shifts
X2 =

* Note: Depot acronyms are found in the Appendix and in the Base Closure and Realignment Section.

Because of DoD Force Structure and inventory drawdowns, depot workload is declining. This reduction is depicted in the figure below.

Figure 8.3
Actual and Projected Depot Workload
(Receipt Lines Plus Issue Lines - 000s)

Fiscal Year	Depot Workload	
1993	40.3	(Actual)
1994	34.8	(Actual)
1995	30.3	(Projected)
1996	28.8	(Projected)
1997	27.2	(Projected)
1998	25.3	(Projected)
1999	23.4	(Projected)
2000	21.8	(Projected)
2001	21.3	(Projected)

Physical capacity analysis

The second measure of capacity is physical storage space available and the requirement for that space. In FY 94, DLA had a total storage capacity of 618M (million) Attainable Cubic Feet (ACF) against a valid storage requirement of 451M Occupied Cubic Feet (OCF). These figures include locations affected by previous BRAC decisions in addition to all DLA distribution storage sites within the continental United States. These totals are shown in detail in the following figure. The total ACF consists of bulk space and bin and rack locations. The total OCF is the amount of space which is currently occupied.

Figure 8.4
Distribution Depot Excess Physical Capacity Analysis

(Figures Expressed in Millions)

Activity	ACF	OCF
DDAA	18,965	12,178
DDAG	15,442	8,808
DDCN	3,239	2,440
DDJF	4,936	3,444
DDLP	25,150	18,754
DDNV	29,512	19,377
DDTP	16,862	15,419
DDWG	18,358	13,926
DDBC	9,633	4,601
DDCT	2,315	1,876
DDDC	14,975	10,227
DDHU	15,625	13,190
DDMC	12,791	8,768
DDOO	18,595	16,654
DDPW	3,809	2,602
DDRT	23,007	20,894
DDST	26,318	17,846
DDCO	28,643	23,281
DDMT	33,980	28,373
DDRV	27,284	24,973
DDSP	69,572	59,234
DDJC	77,934	57,754
DDOU	31,838	23,887
Previously Brac'd Depots & Sites	48,784	29,518
Satellite Site Locations	39,993	13,163
TOTAL	617,560M	451,187M

The Storage Management Plan (SMP) details all the additions and reductions to available space and valid storage requirements. Changes to physical space include current on-going military construction, maximum utilization of existing space through efficiency gains from proper storage aids, and discontinued use of substandard storage facilities which are beyond economic repair. Major initiatives that impact warehouse storage requirements are DLA and Service inventory reductions of 52 percent and 47 percent respectively through disposal of obsolete material. In addition, troop drawdowns and the end of the Cold War are also driving inventory requirements downward. DLA is emphasizing creative methods of providing supply support without holding costly inventories. For example, DLA ICPs are aggressively pursuing innovative agreements with suppliers and customers that include Direct Vendor Delivery, Prime Vendor Arrangements, and Buy Response vs. Inventory Contracts. However, adequate storage of DoD assets remains paramount as we accommodate new requirements, European Retrograde, and an increased requirement for covered storage of materiel that is currently stored outside.

These initiatives coupled with previous BRAC actions are reflected in the SMP and will result in a 525M ACF against a storage requirement of 461M OCF. However, during the BRAC Executive Working Group deliberations, other additions and reductions were calculated commensurate with the BRAC 95 recommendations and are reflected in the two figures below.

Figure 8.5
Capacity FY 94 - FY 01

	ACF	ACF
Storage Space (Sep 94 DD 805 Data)		618M
Increases Through FY 01:		
New Construction	13M	
Maximize Utilization	22M	
Decreases Through FY 01:		
Substandard Buildings to Vacate	15M	
Vacate Outside BRAC	23M	
Vacate Previous BRAC	70M	
Vacate BRAC 95	114M	
Total Available FY 01		431M

Figure 8.6
Requirement FY 94 - FY 01

	OCF	OCF
Covered Storage Requirement (Sep 94 DD 805 Data)		450M
Increases through FY 01:		
Europe Returns	2M	
Out-to-Inside	18M	
ASO Pubs	6M	
AMC Residual Spt DMRD 902	17M	
Decreases through FY 01:		
DLA Inventory Reduction 71		
SVS Inventory Reduction 37	108M	
Subtotal		385M
Plus 15% Operating Level	67M	
Covered Storage Requirement FY 01		452M

BOTTOM LINE: SHORTFALL OF 21M

Capacity analysis conclusion

DLA's current and projected production capacity to process receipts and issues in the DLA Distribution System far exceeds current and projected requirements and can easily be met with any closure scenario considered by DLA. For example, incorporating projected workload reductions through year 2001 and our BRAC 95 recommendations, we will require only 28.2 percent of our bin throughput capacity; 77.9 percent of our covered bulk throughput capacity; and 54.0 percent of our open bulk throughput capacity.

Our current and projected physical storage space capacity also far exceeds our current and projected storage space requirements. While the need to store is the more limiting of the foregoing capacities, this known surplus is the rationale for disestablishing/closing existing distribution depots. A recent GAO audit report confirms the existence of Government storage capacity far in excess of requirements. The FY 95 BRAC recommendations will eliminate 114M ACF of storage space resulting in a potential shortfall of approximately 21M ACF. However, on-going and planned initiatives are projected which, when fully implemented, will potentially result in excess capacity by the year 2001. For example, Prime Vendor extended to a greater range of commodities; Direct Vendor Delivery extended to every feasible commodity class; Third Party Logistics which trades off DoD storage space for commercial distribution; discrete pricing which begins to charge Service customers for storage space; and a range of other innovative agreements with suppliers and customers. The point is, DLA is shifting to commercial methods which, in some companies, have virtually eliminated inventories and warehouses. In the future, we will attempt to store only war readiness/contingency material and those items which directly support maintenance. All of these factors were considered in projecting our future storage space requirements and were paramount in making our 95 BRAC recommendations.

To posture ourselves to respond to anticipated inventory drawdowns, DLA is recommending maximum installation closures. To enable this to occur, we have established Joint Cross-Service arrangements with the Navy and the Air Force to obtain additional storage space to bridge the 21M ACF potential deficit on those Navy and Air Force installations where we already have a DLA storage and distribution presence in support of an active maintenance depot. The Navy has offered additional storage at Norfolk and the Air Force has offered additional storage at the Air Logistics Centers. It is in the best interest of DLA and DoD to take advantage of these offers and to fully utilize these installations. This gives DLA a prudent hedge at existing maintenance locations in lieu of keeping open an additional installation. Additionally, this action will allow us to eliminate excess warehouse space in a timely and organized fashion as our future storage requirements are reduced.

Military Value analysis

Once excess capacity was determined, analysis of which sites provided the best contribution to the distribution mission was decided in two parallel evaluations:

- Military Value
- Strategic Analysis of Integrated Logistics System (SAILS)

The Military Value analysis was done in two separate subcategories due to significant difference in mission. The Stand-Alone Depot subcategory is presented first followed by the Collocated Depot subcategory.

Military Value analysis of the Stand-Alone Depots

Stand-Alone description. The Stand-Alone Depots "stand-alone" in the sense that they are not located with a maintenance function, but distribute a wide range of materiel to customers in many locations. The six Stand-Alone Depots provide the full range of distribution support to world-wide customers. They store active consumable items and are generally configured to have sufficient surge and throughput capacity to be a significant receiver and supplier of materiel within a given region, as well as worldwide. DLA's Concept of Operations calls for one large East coast and one large West coast depot to provide mobilization support. These depots store a significant amount of DoD's active inventory. They are also equipped with containerization and consolidation points to accommodate overseas and mobilization demand.

The remaining Stand-Alone Depots are in support of these two depots and are primarily for storage capability and local area demand. Susquehanna and San Joaquin are host activities with two major sites, New Cumberland/Mechanicsburg, PA and Sharpe/Tracy, CA, respectively. The Ogden, UT and Memphis, TN depots are also host activities. The Columbus, OH and Richmond, VA depots are tenants of other DLA activities.

Military Value was assessed in four areas: Mission Scope, Mission Suitability, Operational Efficiencies, and Expandability. Mission Scope addressed the essentiality of the mission to DoD, the strategic location of the depot in regard to current and future missions, and the depot's role in contingency operational readiness. Mission Suitability evaluated the age and condition of the depot, unique facilities, storage and throughput capacity, and distance to transportation. Operational efficiencies weighed both the cost of operating the depot and transportation costs. Expandability considered physical expansion capability and the ability to surge for mobilization. The figure below shows the topics and point values used in ranking Military Value.

Figure 8.7
Stand-Alone Depot Military Value Elements

Measure of Merit	Points
Mission Scope	**290**
Mission essential to DoD	(25)
Other DoD activity performing	(25)
Strategic location	(100)
Contingency operational readiness	(140)
Mission Suitability	**475**
Age & condition of facility	(135)
Unique facilities	(10)
Storage capacity	(150)
Specialized storage	(10)
Throughput capacity	(150)
Location	(20)
Operational Efficiencies	**100**
Base Operating Support costs	(35)
Real property maintenance costs	(35)
Transportation costs	(30)
Expandability	**135**
Facility/Installation expansion	(115)
Mobilization expansion	(20)
Total Points	**1000**

Results of the Military Value analysis are shown in the figure below.

Figure 8.8
Stand-Alone Depot Military Value Final Ranking

Depot	Mission Scope	Mission Suitability	Operational Efficiencies	Expandability	Total
DDJC	261	379	70	112	**822**
DDSP	239	369	76	75	**759**
DDMT	126	265	76	38	**505**
DDOU	133	234	72	66	**505**
DDRV	141	239	80	21	**481**
DDCO	132	220	84	32	**468**

The Military Value assessment for Stand-Alone Depots clearly show a preference for the DDJC and DDSP depots. The large throughput and capacity storage space available, in addition to the wartime contingency role, contributed to their significantly higher scores. The

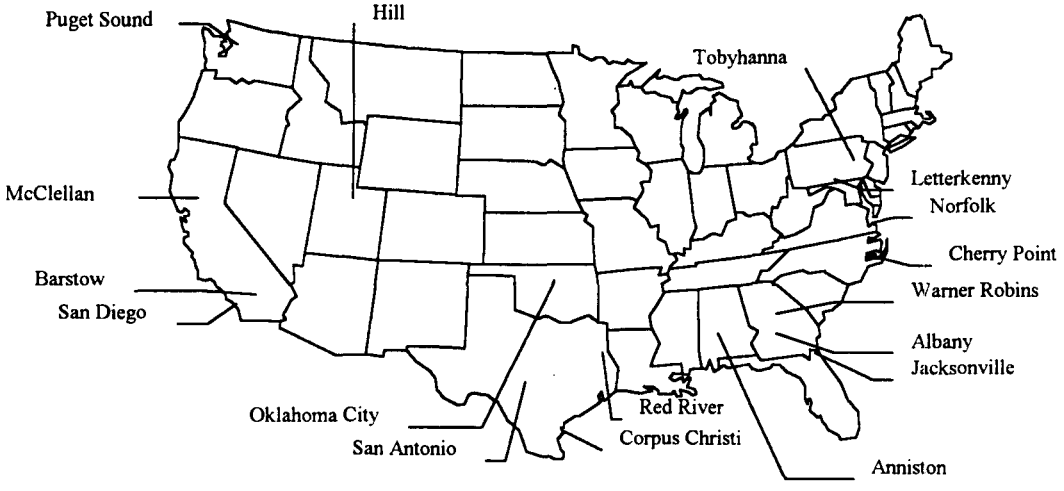
DDMT and DDOU depots were ranked third, primarily because of large amounts of available storage space and throughput. The two smallest depots, DDRV and DDCO, earned the fewest Military Value points.

In DLA's military judgment, two Stand-Alone Depots could be closed and one realigned without degradation of support to war or peacetime requirements. Although DDRV and DDCO ranked last in Military Value for distribution depots, they are both tenants of a DLA ICP. Military Value of the DLA Installations places Columbus (DDCO's host) at number one and Richmond (DDRV's host) at number three. At the same time, Ogden's Installation Military Value was fifth and Memphis sixth out of a total of six. These factors were considered in making the decision to close DDMT and DDOU. DLA's future throughput requirement can be achieved through utilization of the remaining open depots. However, because of the amount of physical storage space required in the overall system, the decision was made to take advantage of DDCO's collocation with DCSC and keep the depot open in a downsized/realigned status. It will be used primarily for slow-moving and war reserve material with the long-range intent of minimizing use of this site as storage requirements decline. Active items currently stored at DDCO will be attrited and stock replenishment will be sent to the two primary East and West coast depots, or to optimum locations in the distribution system.

Military Value analysis of the Collocated Depots

Collocated description. Collocated Depots are located on the same base with a service maintenance depot, which is usually the principal customer. While Collocated Depots may support other nearby customers and provide limited world-wide distribution support, the primary reason for their existence is to provide rapid response in support of the maintenance operation. Collocated Depots are shown in the figure below.

Figure 8.9
Collocated Depots



Military Value was assessed in four areas: Mission Scope, Mission Suitability, Operational Efficiencies, and Expandability. Mission Scope addressed the essentiality of the mission to DoD, the strategic location of the depot relative to its principal customers, special transportation requirements, and operational readiness. Mission Suitability evaluated the age and condition of the facility, storage and throughput capacity, and distance from transportation terminals. Operational Efficiencies weighed operating costs and transportation costs. Expandability considered physical expansion capability, excess storage capacity, and mobilization surge capability. The figure below shows the topics and point values used in ranking Military Value for Collocated Depots.

Figure 8.10
Collocated Depot Military Value Elements

Measure of Merit	Points
Mission Scope	**295**
Mission essential to DoD	(65)
Other DoD activities with mission	(25)
Strategic location	(160)
Special transportation	(25)
Operational readiness	(20)
Mission Suitability	**445**
Age & Condition of facility	(135)
Unique facilities	(25)
Storage capacity	(100)
Specialized storage	(40)
Throughput capacity	(100)
Location	(45)
Operational Efficiencies	**120**
Base Operating Support costs	(45)
Real property maintenance costs	(45)
Transportation costs	(30)
Expandability	**140**
Excess storage capacity	(90)
Facility/Installation expansion	(30)
Mobilization expansion	(20)
Total Points	**1000**

Figure 8.11
Collocated Depot Military Value Analysis

	Depot	Mission Scope	Mission Suitability	Operational Efficiencies	Expandability	Total
1-	DDNV	163	385	52	114	**714**
2-	DDAA	233	292	61	88	**674**
3-	DDLP	213	284	68	80	**645**
4-	DDST	151	318	58	91	**618**
5-	DDRT	159	307	83	56	**605**
6-	DDWG	191	296	61	56	**604**
7-	DDDC	181	306	60	57	**604**
8-	DDAG	176	240	120	65	**601**
9-	DDOO	175	299	59	35	**568**
10-	DDMC	203	264	52	41	**560**
11-	DDTP	204	248	71	21	**544**
12-	DDHU	188	245	33	45	**511**
13-	DDBC	194	193	62	53	**502**
14-	DDCT	223	181	75	13	**492**
15-	DDJF	196	188	52	23	**459**
16-	DDCN	179	179	68	14	**440**
17	DDPW	142	203	55	20	**420**

Military Value influences. Military Value for Collocated Depots was influenced both by their capacities and their strategic advantage of being located with a major maintenance customer. In this category, when a Service-controlled Maintenance Depot is closed, the Military Value for the Collocated Depot is greatly reduced. The figure above provides Military Value analysis results for Collocated Depots prior to Service closure recommendations.

SAILS application to DLA BRAC analysis

The second part of the DLA Distribution Analysis used a mathematical optimization model known as the Strategic Analysis of Integrated Logistics Systems (SAILS) model. The overall objective of this model is to identify DLA's optimized depot configuration to minimize the relative distribution system operating costs. The SAILS model is a commercial software package that provides the capability to analyze complex distribution problems and is used by many of the Fortune 500 companies.

The SAILS model was used to examine infrastructure and transportation costs under different depot mix configurations. The infrastructure costs in the model represent "overhead" required to maintain DLA's distribution system plant equipment and support services. The model also measured changes in overall transportation costs associated with the movement of materiel from suppliers to depots and from depots to customers under different depot configurations.

For this analysis, the total relative system operating cost from each fixed configuration was obtained as the measure of effectiveness for that configuration. The objective of the effort was to identify the relative merits of closing each facility by comparison of system costs between runs. The Distribution Concept of Operations affirms DLA's commitment to maintain a presence at Collocated Depots not recommended for disestablishment or closure. Therefore, the model considered all collocated Depots not offered for closure as fixed. Local demand and storage requirements were satisfied by their capacity. Optimization runs looked at trade-offs between the Stand-Alone Depots. A significant factor in the analysis was inbound cost from suppliers to depot and outbound cost from depot to customer. Thus, the SAILS model would favor retention of that combination of depots which provides the lowest operating cost.

Because the SAILS analysis addressed only relative operating costs, it was imperative that results from it be used with other information in the development of closure recommendations. Operating cost information must be combined with closure cost information (as obtained from COBRA analysis) to obtain the complete cost picture. Additionally, because SAILS provided only a peacetime look at operations, the SAILS Model results was considered along with the Military Value analysis which included consideration of DLA's ability to respond to mobilization conditions and other, less quantitative factors. Results of the SAILS Model are shown in the figure below.

Figure 8.12
Stand-Alone SAILS Model Results

Baseline-Total System (Workload Shift)						Total Relative Operating Cost
Columbus	Memphis	Ogden	Richmond	San Joaquin	Susquehanna	272,065

Configuration-Total System						Total Relative Operating Cost
----------	Memphis	Ogden	Richmond	San Joaquin	Susquehanna	265,407
Columbus	----------	Ogden	Richmond	San Joaquin	Susquehanna	263,319
Columbus	Memphis	-------	Richmond	San Joaquin	Susquehanna	263,244
Columbus	Memphis	Ogden	----------	San Joaquin	Susquehanna	267,966
Columbus	Memphis	Ogden	Richmond	----------	Susquehanna	258,169
Columbus	Memphis	Ogden	Richmond	San Joaquin	----------	283,375
Columbus	----------	-------	Richmond	San Joaquin	Susquehanna	250,846
Columbus	----------	Ogden	----------	San Joaquin	Susquehanna	261,263
Columbus	Memphis	-------	----------	San Joaquin	Susquehanna	255,539

----------	Depot X is closed
Depot Y	Depot Y is open

Assumptions:
Realignment of Columbus
Closure of Red River and Letterkenny

Analysis of alternatives

DLA's analysis of distribution depots was greatly influenced by military judgment. There are several tenets that were held constant throughout the deliberative process:

- When a Military Service determined that a Maintenance Depot was surplus to their needs, DLA would consider closing collocated distribution functions. The logic was twofold: first, the maintenance depot is by far the biggest customer and primary reason for DLA presence; and second, complete closure of that facility infrastructure generates the best economic return to DoD.

- In the case of Stand-Alone Depots, throughput capacity and storage space to support a two front contingency scenario is paramount. Containerization and consolidation points (CCP) and airlift capability to support mobilization are required. Activities that can provide this type of support, one on each coast, are strongly favored for retention.

- To maximize efficiencies and reduce overall costs, take advantage of storage space at depots collocated with another activity.

Analysis of staffing requirements to accommodate workload moving from a closed, disestablished, or realigned site considered POM reductions and other efficiencies gained from economies of scale. DLA has ongoing initiatives such as activity based costing, benchmarking, tailored logistics, Distribution Standard System, and discrete pricing. These initiatives, along with significant workload reductions, are projected to decrease DLA's distribution workforce prior to FY 01. Further, consolidation of workload at fewer sites is projected to improve productivity within direct labor by 25 percent. In addition, non-direct labor requirements are expected to reduce by 25 percent through elimination of duplicate effort. Taking these factors into consideration, it is projected that only 60 percent of the direct labor would be required to perform the workload transferred from a disestablished depot to a gaining depot; and, only 35 percent of the non-direct labor would be required at the gaining depot. All percentages first allowed for previously programmed POM changes. In the case of a realigned depot, which will be used primarily for slow moving and war reserve materiel, only 20 percent of the workforce (after POM changes) will be transferred to an active depot. A small contingent will remain to perform distribution duties at the realigned site.

DLA looked at numerous scenarios that provided support to the overall Concept of Operations. The scenario disestablishing DDRT and DDLP; closing DDMT and DDOU; and realigning DDCO yielded the best mix of sustaining workload capacity, utilizing storage

capacity and maintaining sufficient Military Value across the Agency. It was the judgment of the DLA BRAC Executive Group that this combination provided the best future distribution operation for the Department of Defense.

The analysis considered downsizing to accommodate our future requirements. In consonance with our Concept of Operations, Military Value, and the SAILS model analyses, DLA recommends closure of the DDMT and DDOU Stand-Alone Depots, and follows the Army lead in disestablishing DDRT and DDLP. The realignment of DDCO is the result of requirements for inactive storage only, and the fact that active workload from DDCO can be accommodated most efficiently at the two primary East and West coast depots (DDSP and DDJC). Because of the large amount of conforming hazardous materiel storage space, new construction and mechanization, close proximity to customers, and collocation with another DLA activity, DDRV remains without change. Additionally, because of the large amounts of storage and throughput capacities, CCP capabilities, and location to transportation ports of embarkation for contingency support, both DDSP and DDJC remain open in an active status. DLA distribution depots collocated with a maintenance depot not selected for closure by their respective Service remain open.

Return on investment analysis

Starting in 1996 and ending in the year 2001, this scenario provided a one time cost of $308.2M and a total net savings of $16.2M. The net present value after 20 years was a savings of $874.4M and a steady state savings of $88M. This scenario efficiently utilized all available storage space in the system.

Impact assessment

Economic assessment

Economic impacts of the DLA BRAC recommendation for distribution depots and Region Headquarters ranges from a small positive impact to a fairly significant negative impact. Anticipated changes in staffing, how those changes influence community support employment, and impact on local employment are provided in the figure below.

Figure 8.13
Personnel Impacts Resulting From Depot Decisions

	Direct Change	Indirect Change	Total Change	Percent Impact	Cummulative Impact	MSA
Losing Sites						
DDCO	-365	-632	-997	-0.1	-0.1	Columbus, OH
DDLP	-378	-370	-748	-1.2	-8.5	Franklin County, PA
DDMT	-1300 (55)*	-2049	-3349	-0.6	-1.5	Memphis, TN-Arkansas-Mississippi
DDOU	-1113 (11)*	-1834	-2947	-0.4	-0.3	Salt Lake City-Ogden, UT
DDRT	-821	-781	-1602	-2.7	-7.7	Texarkana, TX-Arkansas
Gaining Sites						
DDRE	89	115	204	0.1	0.2	Harrisburg-Lebanon-Carlisle, PA
DDSP	297	163	460	0.1	0.2	Harrisburg-Lebanon-Carlisle, PA
DDRW	291	387	678	0.3	0.6	Stockton-Lodi, CA
DDJC	213	117	330	0.2	0.6	Stockton-Lodi, CA
DDAA	539	503	1042	1.7	-14.7	Anniston, AL
DRMS HQ	97	42	139	0.2	0.2	Calhoun County, MI
DGSC	24	38	62	0.0	0.1	Richmond-Petersburg, VA

* Number in parentheses represents contractors currently at the site. This number is included in the total.

Community assessment

The addition of 89 personnel to the DDRE work force and the addition of 297 personnel to the DDSP work force will increase the combined personnel strength of these two activities by approximately 12 percent. The impact of this increase, including dependents, on the population base of the Harrisburg-Lebanon-Carlisle, PA metropolitan area is negligible. Community infrastructure data for this area gathered in the DLA BRAC 95 analysis provides evidence that the community can absorb this increase and can provide support to the forces, missions, and personnel at DDRE and DDSP.

DDRW and DDJC are located in San Joaquin County, CA. The addition of 291 personnel to the DDRW work force and the addition of 213 personnel to the DDJC work force will increase the combined personnel strength of these two activities by approximately 18 percent. The impact of this increase, including dependents, on the population base of San Joaquin County, CA is negligible. Community infrastructure data for this area gathered in the DLA BRAC 95 analysis provides evidence that the community can absorb this increase and can provide support to the forces, missions, and personnel at DDRW and DDJC.

DDAA is located in Calhoun County, AL. The addition of 539 personnel to DDAA's work force will increase the activity's personnel strength by approximately 60 percent. Including dependents, the potential population increase to the area associated with the influx of new

personnel to DDAA's rolls is approximately 1,650, or approximately a 1.4 percent increase to Calhoun County's population base. Community infrastructure data for the Anniston, AL area gathered in the DLA BRAC 95 analysis provides evidence that the community can absorb this increase and can provide support to the forces, missions, and personnel at DDAA.

Community impacts for depot tenants affected by depot closure are as follows. The addition of 97 personnel to the Headquarters, DRMS work force at Battle Creek, MI will increase the personnel strength of the activity by approximately 20 percent. The impact of this increase, including dependents, on the population base of the Battle Creek, MI metropolitan area is negligible. Community infrastructure data for this area gathered in the DLA BRAC 95 analysis provides evidence that the community can absorb this increase and can provide support to the forces, missions, and personnel at DRMS, including the forces, missions, and personnel at the Defense Logistics Services Center which is collocated with DRMS at the Battle Creek, MI Federal Center. Impacts on the Richmond community are discussed in Section 7 of the Description of Analyses.

Environmental assessment

The environmental impacts associated with the BRAC 95 decisions are negligible. A summary of the environmental conditions present at the Stand-Alone and Collocated Depots are identified in the figures below.

Figure 8.14
Environmental Site Summary for Stand-Alone Depots

Activity	IRP Sites	TSDF	Wetlands/ Sensitive Habitats	100-Year Floodplain	Threatened/ Endangered Species	Farmlands/ Forested Areas	Historic/Cultural Resources	Minerals/Energy Resources	Asbestos	PCB Equipment	Lead-Based Paint	Air Quality Considerations	Water Quality Considerations
DDCO	✓								✓				
DDJC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	
DDMT	✓	✓							✓	✓			
DDOU	✓	✓	✓		✓				✓			✓	
DDRV	✓		✓	✓			✓		✓	✓		✓	
DDSP	✓	✓	✓	✓			✓		✓				

Figure 8.15
Environmental Site Summary for Collocated Depots

Activity	IRP Sites	TSDF	Wetlands/ Sensitive Habitats	100-Year Floodplain	Threatened/ Endangered Species	Farmlands/ Forested Areas	Historic/Cultural Resources	Minerals/Energy Resources	Asbestos	PCB Equipment	Lead-Based Paint	Air Quality Considerations	Water Quality Considerations
DDAA	✓		✓		✓	✓	✓		✓	✓	✓		
DDAG	✓		✓						✓				
DDCN	✓	✓	✓	✓	✓	✓	✓			✓			
DDJF	✓	✓	✓	✓	✓		✓		✓				✓
DDLP	✓	✓	✓		✓	✓	✓		✓	✓			
DDNV			✓	✓			✓		✓			✓	
DDTP	✓		✓	✓	✓	✓			✓		✓		
DDWG	✓		✓	✓	✓		✓		✓	✓			
DDBC	✓								✓				✓
DDCT	✓						✓	✓					
DDDC	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓
DDHU	✓	✓	✓				✓		✓				
DDMC	✓	✓	✓	✓	✓		✓		✓	✓		✓	
DDOO	✓	✓	✓	✓	✓	✓	✓		✓	✓			
DDPW	✓								✓				
DDRT	✓		✓			✓			✓				
DDST	✓	✓	✓	✓			✓		✓				

Any realignment of personnel from one location to another will increase the generation and disposal of solid waste, increase emissions of air pollutants, and increase treatment of wastewater effluent. Depending on the realignment scenario, other impacts may also result. A summary of the environmental impacts at the receiving locations is identified in the figure below.

Figure 8.16
Environmental Impacts at the Receiving Locations

BRAC Receiver	Hazardous Waste	Solid Waste	Wetlands/ Sensitive Habitats	Threatened/ Endangered Species	Air Quality	Groundwater/ Potable Water	Surface Water	Wastewater	Compliance Cost
DDJC	✓	✓			✓			✓	✓
DDSP	✓	✓			✓			✓	✓
DDAA	✓	✓			✓			✓	✓
DGSC	✓	✓			✓			✓	✓
DDRE		✓			✓			✓	
DDRW		✓			✓			✓	
DRMS HQ		✓			✓			✓	
Other	✓	✓			✓			✓	✓

DDJC, DDSP, DDAA, DGSC. The realignment of workload and associated personnel to these locations will increase the daily tonnage of solid waste generated and disposed and wastewater effluent to be treated. These increases do not exceed the current contract quantities established at the receiving locations; therefore the impact is negligible.

The level of air pollutants emitted at the receiving locations will also increase due to the increase in workload and associated personnel. This increase may require certain operations or activities to modify and/or apply for new permits, which may result in an increase in compliance costs. In addition, DDJC, DDSP, and DGSC are located in areas currently designated as nonattainment for one or more criteria air pollutants. In other words, the level of air pollutants at these installation areas is higher than the level allowed by the federal standards. DDJC is currently undergoing special actions in order to comply with the State Implementation Plan (SIP) and DGSC is currently implementing a non-mandatory program. The realigning work force will also be subject to these actions.

Due to the substantial increase in workload and materiel storage, receiving locations may incur an increase in hazardous waste generated and stored. Although there are no limitations on accepting this increase, modifications and/or applications for new permits may be required. This, too, may result in an increase in compliance costs.

DDRE, DDRW, DRMS HQ. The work force realigned to these locations and the operations currently performed at these locations are administrative in nature. Although these BRAC actions will impact solid waste, air quality, and wastewater, these impacts are negligible. DRMS HQ is a tenant occupying GSA-leased space. GSA is responsible for the environmental impacts and environmental restoration costs at the installation. Only Air Quality data was collected and analyzed to ensure that realignment scenarios would comply with EPA Clean Air Act regulations and the State Implementation Plan.

The realignment of the work force will increase the daily tonnage of solid waste generated and disposed and wastewater effluent to be treated at the receiving locations. These increases do not exceed the current contract quantities established at the receiving locations; therefore the impact is negligible.

The realignment of the work force will also increase the air pollutants emitted at the receiving locations. The impact is negligible due to the number of personnel, and their corresponding operations, relocating. The DDRW installation is located in an area designated as nonattainment for several criteria air pollutants and is currently undergoing special actions in order to comply with the State Implementation Plan. The realigning work force will also be subject to these actions.

Other. DLA BRAC actions will move a considerable number of people to sites yet to be determined, referred to as "Base X" in the BRAC analysis. Workload and personnel will be distributed to optimum locations within the total distribution network. Because each of these bases will experience a small net increase in workload and associated personnel, it is anticipated that the environmental impacts will be negligible.

Summary

DLA's final recommendations are to close DDMT and DDOU; disestablish DDLP and DDRT; and realign DDCO. This action is based on an in-depth analysis of Military Value, anticipated future distribution requirements, optimal depot configurations, and the COBRA analysis. The proposals redirect infrastructure, reduce costs, and position DLA where it needs to be for the Twenty-First Century. These recommendations are based on the military judgment of DLA's most experienced and senior managers and is the most appropriate course of action to pursue in the FY 95 Base Closure process.

RECOMMENDATIONS

Overview

The following pages describe the recommendations developed during the DLA BRAC 95 process. Each recommendation consists of a narrative statement describing the recommended action, a justification statement describing the supporting rationale and overall military judgment applied to the recommendation, a summary of return on investment analysis, and the results of economic, community infrastructure, and environmental impact assessments. This section describes the following recommendations:

- Defense Contract Management District South, Marietta, Georgia
- Defense Contract Management Command International, Dayton, Ohio
- Defense Contract Management District West, El Segundo, California
- Defense Industrial Supply Center, Philadelphia, Pennsylvania
- Defense Distribution Depot Columbus, Ohio
- Defense Distribution Depot Memphis, Tennessee
- Defense Distribution Depot Ogden, Utah
- Defense Distribution Depot Letterkenny, Pennsylvania
- Defense Distribution Depot Red River, Texas

DEFENSE CONTRACT MANAGEMENT DISTRICT SOUTH (DCMDS) MARIETTA, GEORGIA

Recommendation: Disestablish DCMD South and relocate missions to DCMD Northeast and DCMD West.

Justification: The DCMDs provide command and control, operational support and management oversight for 90 Defense Contract Management Area Operations (DCMAOs) and Defense Plant Representative Offices (DPROs) located throughout the continental United States. Due to the impact of the DoD Force Structure drawdown, budget cuts and the resulting decline in acquisition workload, a number of DCMAOs and DPROs have been disestablished thereby reducing the span of control responsibility at the DCMDs. As the drawdown continues, the number of DCMAOs/DPROs is expected to decline even further. Based on the above, the closure of a district and realignment of assigned DCMAOs and DPROs to the remaining two districts is feasible with only a moderate risk.

Disestablishing DCMD South is consistent with the DLA BRAC 95 Decision Rules and the DCMC Concept of Operations. Although the difference between second and third place was not sufficiently broad to dictate a clear decision by itself, DCMD South received the lowest Military Value score.

Military judgment determined that a single DCMD presence on each coast is necessary. A West Coast DCMD is required because of the high dollar value of contracts and the significant weapon-systems related workload located on the West Coast.

There is a higher concentration of workload in the Northeast, in terms of span of control, field personnel provided support services, numbers of contractors, and value of contract dollars obligated, than in the South. In addition, the DCMD Northeast supports its DCMAOs and DPROs with a lower ratio of headquarters to field personnel than DCMD South. On the East Coast, due to the higher concentration of workload in DCMD Northeast, as well as its significantly higher Military Value score, there is a clear indication that DCMD South is the disestablishment candidate. As a result, the BRAC Executive Group recommended to the DLA Director, and he approved, the disestablishment of DCMD South.

Return on Investment: The total estimated one-time cost to implement this recommendation is $3.8 million. The net of all costs and savings during the implementation period is a savings of $17.9 million. Annual recurring savings after implementation are $6.1 million with a return on investment expected immediately. The net present value of the costs and savings over 20 years is a savings of $75.8 million.

Impact: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 275 jobs (169 direct jobs and 106 indirect jobs) over the 1996-to-2001 period in the Atlanta, Georgia metropolitan statistical area, which is less than 0.1 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential increase equal to less than 0.1 percent of employment in the area. The movement of personnel to DCMD Northeast will add 21 direct jobs and 13 indirect jobs for a total of 34 jobs within this region. These job increases will affect overall employment by less than one tenth of one percent. The overall cumulative economic impact for the Essex, Middlesex, Suffolk, Plymouth, and Norfolk Counties, MA MSA is 0.1 percent. The movement of personnel to DCMD West will add 22 direct jobs and 14 indirect jobs for a total increase of 36 jobs within this region. These job increases will affect overall employment by less than one tenth of one percent. The cumulative overall impact for the Los Angeles-Long Beach, CA MSA is -0.4 percent.

The Executive Group concluded that the data did not present any evidence or indication that would preclude the recommended receiving communities from absorbing the additional forces, missions, and personnel proposed in the recommended realignment scenarios.

We reviewed hazardous wastes and materials, wetlands and sensitive habitats, threatened and endangered species, historic and archeological sites, land use and composition, air quality, water quality, and environmental cleanup and compliance costs for their impacts on the disestablishment of DCMD South and realignment of the workforce to DCMD Northeast and DCMD West. The environmental considerations present at these installations do not prohibit this recommendation from being implemented.

DEFENSE CONTRACT MANAGEMENT COMMAND INTERNATIONAL (DCMCI) DAYTON, OHIO

Recommendation: Realign the DCMCI (Gentile AFS), Dayton, Ohio and merge its mission into the Defense Contract Management Command Headquarters (DCMC HQ), Ft. Belvoir, Virginia.

Justification: The mission of the DCMCI is to provide command and control, including operational and management control and oversight, for 13 overseas Defense Contract Management Area Operations (DCMAO) offices located outside of the continental United States. The DCMCI mission could be performed from any locality. Military judgment concluded that merging the mission with DCMC HQ affords the opportunity to capitalize on operational and management oversight and to maximize use of shared overhead with DCMC. It also affords the opportunity to take advantage of the close proximity to the State Department and the international support infrastructure in Washington, D.C. and surrounding areas. This decision is consistent with DLA BRAC 95 Decision Rules, the DCMC Concept of Operations and the Force Structure Plan.

Return on Investment: The total estimated one-time cost to implement this recommendation is $3.1 million. The net of all costs and savings during the implementation period is a savings of $8.7 million. Annual recurring savings after implementation are $3.1 million with a return on investment expected in one year. The net present value of the costs and savings over 20 years is a savings of $38.7 million.

Impact: Since this action affects unexecuted relocations resulting from prior BRAC recommendations, it causes no net change in employment in the Columbus, Ohio metropolitan statistical area. However, the anticipated employment increase of less than 0.1 percent in the employment base in this area will not occur. The movement of personnel to DCMC HQ, at Ft. Belvoir, VA will add 52 direct jobs and 96 indirect jobs for a total increase of 148 jobs within this region. These increases will affect overall employment by less than one tenth of one percent. The overall cumulative impact for the Washington, D.C., MD, VA, and WV MSA is -0.6 percent.

The Executive Group concluded that the data did not present any evidence or indication that would preclude the recommended receiving community from absorbing the additional forces, missions, and personnel proposed in the recommended realignment scenarios. The environmental considerations present at the receiving installations do not prohibit this recommendation from being implemented.

DEFENSE CONTRACT MANAGEMENT DISTRICT WEST (DCMDW) EL SEGUNDO, CALIFORNIA

Recommendation: This is a redirect of the following BRAC 93 Commission recommendation: 'Relocate the Defense Contract Management District, El Segundo, California, to Long Beach Naval shipyard Los Angeles, California, or space obtained from exchange of land for space between the Navy and the Port Authority/City of Long Beach." The current recommendation is expanded to read: Relocate the DCMD, El Segundo, CA, (a) to Government property in the Los Angeles/Long Beach area, or, (b) to space obtained from exchange of land between the Navy and Port Authority/City of Long Beach, or (c) to a purchased office building, whichever is the most cost-effective for DoD.

Justification: The DCMD West is currently located in GSA-leased administrative space in El Segundo, CA. The BRAC 93 Commission found it was cost effective for DCMD West to move from leased space to DoD owned property. The Navy has been involved in exploratory discussions on behalf of DLA. However, the President's Five-Point Revitalization Plan, which affords communities the opportunity to obtain installations without substantial compensation, has significantly impacted the Navy's ability to consummate a land exchange at Long Beach with the Port Authority/City of Long Beach. The Long Beach Naval Shipyard, which was another option, has been placed on the BRAC 95 list for closure.

In order to attain the significant savings which will result by moving the organization into DoD space, the BRAC 93 recommendation is revised/expanded. This redirect eliminates the cost of a warehouse and reflects the requirement for reduced administrative space. This recommendation is consistent with the DCMC Concept of Operations and the DLA BRAC 95 Decision Rules.

Return on Investment: This is a redirect of a BRAC 93 recommendation. The total estimated one-time cost to implement this recommendation is $10.3 million. The net of all costs and savings during the implementation period is a savings of $10.9 million. Annual recurring savings after implementation are $4.2 million with a return on investment expected immediately. The net present value of the costs and savings over 20 years is a savings of $51.2 million.

Impact: The relocation of DCMDW to Long Beach will have no impact on the jobs within the region since all personnel will be relocated to the new site. The cumulative overall impact for the Los Angeles-Long Beach, CA MSA is -0.4 percent.

DEFENSE INDUSTRIAL SUPPLY CENTER (DISC)
PHILADELPHIA, PENNSYLVANIA

Recommendation: The Defense Industrial Supply Center (DISC) is disestablished. Distribute the management of Federal Supply Classes (FSC) within the remaining DLA Inventory Control Points (ICP). Create one ICP for the management of troop and general support items at the Defense Personnel Support Center (DPSC) in Philadelphia, PA. Create two ICPs for the management of weapon system related FSCs at the Defense Construction Supply Center (DCSC), Columbus, OH and the Defense General Supply Center (DGSC), Richmond, VA.

Justification: Four of the five DLA ICPs manage differing mixes of weapon system, troop support, and general support items. Troop and general support items largely have different industry and customer bases than weapons system items. They are also more conducive to commercial support, and are thus managed differently than weapon system items. Consolidating management of items by the method of management required will improve oversight, streamline the supply management process, increase internal efficiency, and reduce overhead.

DLA manages nearly five times as many weapon system items as troop and general support items. A single troop and general support ICP is adequate. Two weapon system ICPs are necessary. DPSC is almost entirely a troop support ICP. No other ICP currently manages troop support items. The percentage of general support items at other ICPs is relatively small. Singling-up troop and general support items under DPSC management is the most logical course of action.

DISC had the lowest Military Value of the three hardware ICPs. DCSC and DGSC are host activities of compounds which house a number of DLA and non-DLA activities, conforming to the DLA decision rules concerning maximizing the use of shared overhead and making optimum use of retained DLA-operated facilities. Both the Richmond and Columbus sites have high installation Military Value, and take advantage of the synergy of a Collocated Depot. Both also have considerable expansion capability. The facilities at DGSC are the best maintained of any in DLA, and DCSC has several new buildings completed or in progress. DISC is a tenant on a Navy compound. Disestablishing DISC allows the Agency to achieve a substantial cost avoidance by back-filling the space already occupied by DISC and substantially reducing the amount of conversion required to existing warehouse space. Based on the above, military judgment concluded that disestablishing DISC is in the best interest of DLA and DoD.

Return on Investment: The total estimated one-time costs to implement the recommendation is $16.9 million. The net of all costs and savings during the implementation

period is a savings of $59.3 million. Annual recurring savings after implementation are $18.4 million, with a return on investment expected immediately. The net present value of the costs and savings over 20 years is a savings of $236.5 million.

Impact: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 1,198 jobs (385 direct jobs and 813 indirect jobs) over the 1996-to-2001 period in the Philadelphia, Pennsylvania-New Jersey metropolitan statistical area, which is less than 0.1 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 1.2 percent of employment in the area.

Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 981 jobs (358 direct jobs and 623 indirect jobs) over the 1996-to-2001 period in the Columbus, Ohio metropolitan statistical area, which is 0.1 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.1 percent of employment in the area.

The movement of personnel to DGSC will add 335 direct jobs and 520 indirect jobs for a total increase of 855 jobs within this region. These job increases will increase employment by 0.1 percent. The overall cumulative economic impact on the Richmond-Petersburg, VA MSA is 0.1 percent.

The Executive Group concluded that the data did not present any evidence or indication that would preclude the recommended receiving community from absorbing the additional forces, missions, and personnel proposed in the recommended realignment scenario.

We reviewed hazardous wastes and materials, wetlands and sensitive habitats, threatened and endangered species, historic and archeological sites, land use and composition, air quality, water quality, and environmental cleanup and compliance costs for their impacts on the disestablishment of DISC. The environmental considerations present at the receiving installations do not prohibit this recommendation from being implemented. The movement of personnel is minimal and the environmental impacts are negligible.

DEFENSE DISTRIBUTION DEPOT COLUMBUS, OHIO (DDCO)

Recommendation: Realign the Defense Distribution Depot Columbus, Ohio and designate it as a storage site for slow moving/war reserve material. Active material remaining at DDCO at the time of realignment will be attrited. Stock replenishment will be stored in optimum space within the distribution system.

Justification: DDCO is a Stand-Alone Depot that supports the two large East/West coast depots and is used primarily for storage capability and local area demand. The decision to realign DDCO was based on storage requirements and capacity estimates for FY 01 and the need to comply with BRAC 95 Decision Rules. DDCO ranked sixth of six depots in Military Value for the Stand-Alone Depot category.

The other Stand Alone Depots were not considered for realignment for the following reasons. The higher Military Value of both DDSP and DDJC removed them from consideration for closure or realignment. DDRV was not selected for realignment because of the large amount of conforming hazardous material storage space, new construction and mechanization, and collocation with DGSC, who has the best maintained facilities of any in DLA. Both DDOU and DDMT were selected for closure.

The decision to realign rather than close DDCO was based on the need for inactive storage capacity in the overall system and with the long-range intent of minimizing use of this site as storage requirements decline. Moving highly active stock to DDJC and DDSP will allow DLA to take advantage of economies of scale from large distribution operations. The decision was also based on the further consideration that Columbus, the highest ranking DLA location in the Installation Military Value analysis, will remain open and most likely expand its operations, thereby allowing DLA to maximize the use of shared overhead and optimize the use of retained DLA-operated facilities. In addition, the Strategic Analysis of Integrated Logistics Systems (SAILS) model favored the retention of DDCO over either DDOU or DDMT. Realigning DDCO is consistent with the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Military judgment determined that it is in the best interest of DLA and DoD to realign DDCO.

Return on Investment: The total estimated one-time cost to implement this recommendation is $7.9 million. The net of all costs and savings during the implementation period is a savings of $51.2 million. Annual recurring savings after implementation are $11.6 million with a return on investment expected in the first year. The net present value of the costs and savings over 20 years is a savings of $161.0 million.

Impact: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 997 jobs (365 direct jobs and 632 indirect jobs) over the 1996-to-2001

period in the Columbus, Ohio metropolitan statistical area, which is 0.1 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.1 percent of employment in the area. The movement of personnel to DDSP will result in 76 direct jobs and 42 indirect jobs for a total of 118 jobs within this region. These job increases will have a negligible impact on employment and a total cumulative economic impact of +0.2 percent in the Harrisburg-Lebanon-Carlisle, PA MSA. The Executive Group determined that the receiving community could absorb the additional forces, missions, and personnel proposed.

We reviewed hazardous wastes and materials, wetlands and sensitive habitats, threatened and endangered species, historic and archeological sites, land use and composition, air quality, water quality, and environmental cleanup and compliance costs for their impacts on this recommendation. The Executive Group concluded that environmental considerations do not prohibit this recommendation from being implemented.

DEFENSE DISTRIBUTION DEPOT MEMPHIS, TENNESSEE (DDMT)

Recommendation: Close Defense Distribution Depot Memphis, Tennessee. Material remaining at DDMT at the time of closure will be relocated to optimum storage space within the DoD Distribution System. As a result of the closure of DDMT, all DLA activity will cease at this location and DDMT will be excess to DLA needs.

Justification: DDMT is a Stand-Alone Depot that supports the two large East and West coast depots and is used primarily for storage capability and local area demand. It is also the host for the Memphis complex. The decision to close DDMT was based on declining storage requirements and capacity estimates for FY 01 and on the need to reduce infrastructure within the Agency.

DDMT tied for third place out of the six Stand-Alone Depots in the Military Value analysis. The higher scores for DDSP and DDJC in this analysis removed them from further consideration for closure. The variance of only 37 points out of a possible 1,000 between the third and sixth place depots in the Military Value analysis for this category reinforced the importance of Military judgment and compliance with the DLA BRAC 95 Decision Rules in the decision-making process.

A further consideration was DLA's desire to minimize distribution infrastructure costs. Closure of an entire installation will allow DLA to reduce infrastructure significantly more than disestablishment of a tenant depot (DDCO at Columbus, OH and DDRV at Richmond, VA). DDMT was rated six out of six in the Installation Military Value analysis. The Columbus installation ranked the highest. The facilities at Richmond are the best maintained of any in DLA. Both DDCO and DDRV take advantage of the synergy of a collocated Inventory Control Point. This closure action conforms to the Decision Rules to maximize the use of shared overhead and make optimum use of retained DLA-operated facilities, while closing an installation.

In addition, the Strategic Analysis of Integrated Logistics Systems (SAILS) model optimized system-wide costs for Distribution when DDOU and DDMT were the two Stand-Alone Depots chosen for closure. Sufficient throughput and storage capacity are available in the remaining depots to accommodate projected workload and storage requirements. Closing DDMT is consistent with the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Therefore, military judgment determined that it is in the best interest of DLA and DoD to close DDMT.

Return on Investment: The total estimated one-time cost to implement this recommendation is $85.7 million. The net of all costs and savings during the implementation period is a savings of $14.8 million. Annual recurring savings after implementation are $23.8 million with a return on investment expected in 3 years. The net present value of the costs and savings over 20 years is a savings of $244.3 million.

Impact: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 3,349 jobs (1,300 direct jobs and 2,049 indirect jobs) over the 1996-to-2001 period in the Memphis, Tennessee-Arkansas-Mississippi metropolitan statistical area, which is 0.6 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 1.5 percent of employment in the area. However, at DDRE and DDSP 213 direct jobs and 183 indirect jobs for a total of 396 jobs will be added with a 0.1 percent positive impact on employment and a 0.2 percent cumulative economic impact on the Harrisburg-Lebanon-Carlisle, PA MSA. At DRMS HQ, 97 direct jobs and 42 indirect jobs for a total of 139 jobs will be added with a 0.2 percent positive impact on employment in this area and a cumulative economic impact of 0.2 percent on the Calhoun County, MI MSA. At DGSC, 24 direct jobs and 38 indirect jobs for a total of 62 jobs will be added with a negligible impact on employment in this area and a cumulative economic impact of 0.1 percent on the Richmond-Petersburg, VA MSA. The Executive Group determined that receiving communities could absorb the additional forces, missions, and personnel proposed.

We reviewed hazardous wastes and materials, wetlands and sensitive habitats, threatened and endangered species, historic and archeological sites, land use and composition, air quality, water quality, and environmental cleanup and compliance costs for their impacts on this recommendation. The Executive Group concluded that environmental considerations do not prohibit this recommendation from being implemented.

DEFENSE DISTRIBUTION DEPOT OGDEN, UTAH (DDOU)

Recommendation: Close Defense Distribution Depot Ogden, Utah except for a 36,000 square foot cantonment for Army Reserve personnel. Material remaining at DDOU at the time of closure will be relocated to optimum storage space within the DoD Distribution System. As a result of the closure of DDOU, all DLA activity will cease at this location and DDOU will be excess to DLA needs.

Justification: DDOU is a Stand-Alone Depot that supports the two large East and West coast depots and is used primarily for storage capability and local area demand. It is also the host for the Ogden complex. The decision to close DDOU was based on declining storage requirements and capacity estimates for FY 01 and on the need to reduce infrastructure within the Agency.

DDOU tied for third place out of the six Stand-Alone Depots in the Military Value analysis. The higher scores for DDSP and DDJC in this analysis removed them from further consideration for closure. The variance of only 37 points out of a possible 1,000 between the third and sixth place depots in Military Value ranking for this category reinforced the importance of compliance with the DLA BRAC 95 Decision Rules and Military judgment in the decision-making process.

A further consideration was DLA's desire to minimize distribution infrastructure costs. Closure of an entire installation will allow DLA to reduce infrastructure significantly more than disestablishment of a tenant depot (DDCO at Columbus, OH and DDRV at Richmond, VA). DDOU was rated five of six in the Military Value Installation analysis. The Columbus installation ranked the highest. The facilities at Richmond are the best maintained of any in DLA. Both DDCO and DDRV take advantage of the synergy of a collocated Inventory Control Point. This action conforms to the DLA Decision Rules to maximize the use of shared overhead and make optimum use of retained DLA-operated facilities while closing an installation.

In addition, the Strategic Analysis of Integrated Logistics Systems (SAILS) model optimized system-wide costs for Distribution when DDOU and DDMT were the two Stand-Alone Depots chosen for closure. Sufficient throughput and storage capacity are available in the remaining depots to accommodate projected workload. Closing DDOU is consistent with the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Military judgment determined that it is in the best interest of DLA and DoD to close DDOU.

Return on Investment: The total estimated one-time cost to implement this recommendation is $110.8 million. The net of all costs and savings during the implementation period is a cost of $27.8 million. Annual recurring savings after implementation are $21.3

million with a return on investment expected in 4 years. The net present value of the costs and savings over 20 years is a savings of $180.9 million.

Impact: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 2,947 jobs (1,113 direct jobs and 1,834 indirect jobs) over the 1996-to-2001 period in the Salt Lake City-Ogden, Utah metropolitan statistical area, which is 0.4 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.3 percent of the employment in the area. However, at DDRW and DDJC 498 direct jobs and 496 indirect jobs for a total of 994 jobs will be added with a 0.5 percent positive impact on employment and a cumulative impact of 0.6 percent in the Stockton-Lodi, CA MSA. The Executive Group determined that the receiving community could absorb the additional forces, missions, and personnel proposed.

We reviewed hazardous wastes and materials, wetlands and sensitive habitats, threatened and endangered species, historic and archeological sites, land use and composition, air quality, water quality, and environmental cleanup and compliance costs for their impacts on this recommendation. The Executive Group concluded that environmental considerations do not prohibit this recommendation from being implemented.

DEFENSE DISTRIBUTION DEPOT LETTERKENNY, PENNSYLVANIA (DDLP)

Recommendation: Disestablish the Defense Distribution Depot Letterkenny, Pennsylvania. Material remaining at DDLP at the time of disestablishment will be relocated to DDAA and to optimum storage space within the DoD Distribution System.

Justification: DDLP is a Collocated Depot located on the same installation with an Army maintenance depot, their largest customer. While Collocated Depots may support other nearby customers and provide limited world-wide distribution support, the primary reason for their existence is to provide rapid response in support of the maintenance operation. The Distribution Concept of Operations states that DLA's distribution system will support the size and configuration of the Defense Depot Maintenance System. Thus, if depot maintenance activities are disestablished, Collocated Depots will also be disestablished.

The recommendation to disestablish DDLP was driven by the Army recommendation to realign Letterkenny Army Depot. The realignment of DDLP's primary customer and the Agency's need to reduce infrastructure drove this recommendation. DDLP was rated 3 of 17 in the Collocated Depot Military Value matrix. However, that Military Value ranking was based on support to the maintenance missions. With the realignment of the maintenance mission to the Anniston Army Depot, Alabama, that value decreases significantly. Other customers within the DDLP area can be supported from nearby distribution depots. Production and physical space requirements can also be met by fully utilizing other depots in the distribution system.

Disestablishing DDLP is consistent with both the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Military judgment determined that it is in the best interest of DLA and DoD to disestablish DDLP.

Return on Investment: The total estimated one-time cost to implement this recommendation is $44.9 million. The net of all costs and savings during the implementation period is a cost of $21.2 million. Annual recurring savings after implementation are $12.4 million with a return on investment expected in 3 years. The net present value of costs and savings over 20 years is a savings of $102.1 million.

Impact: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 748 jobs (378 direct jobs and 370 indirect jobs) over the 1996-to-2001 period in the Franklin County, Pennsylvania economic area, which is 1.2 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 8.5 percent of employment in the area. At DDAA 190

direct jobs and 177 indirect jobs for a total of 367 jobs will be added with a 0.6 percent positive impact on employment and a -14.7 percent cumulative economic impact in the Anniston, AL MSA. At DDSP 10 direct jobs and 6 indirect jobs for a total of 16 jobs will be added with a negligible impact on employment and a 0.2 percent cumulative economic impact in the Harrisburg-Lebanon-Carlisle, PA MSA. The DLA Executive Group determined that receiving communities could absorb the additional forces, missions, and personnel proposed.

We reviewed hazardous wastes and materials, wetlands and sensitive habitats, threatened and endangered species, historic and archeological sites, land use and composition, air quality, water quality, and environmental cleanup and compliance costs for their impacts on this recommendation. The Executive Group concluded that environmental considerations do not prohibit this recommendation from being implemented.

DEFENSE DISTRIBUTION DEPOT RED RIVER, TEXAS (DDRT)

Recommendation: Disestablish the Defense Distribution Depot Red River, Texas. Material remaining at DDRT at the time of disestablishment will be relocated to DDAA and to optimum storage space within the DoD Distribution System.

Justification: DDRT is a Collocated Depot located on the same installation with an Army maintenance depot. While Collocated Depots may support other nearby customers and provide limited world-wide distribution support, the primary reason for their existence is to provide rapid response in support of the maintenance operation. The Distribution Concept of Operations states that DLA's distribution system will support the size and configuration of the Defense Depot Maintenance System. Thus, if depot maintenance activities are disestablished, Collocated Depots will also be disestablished.

The recommendation to disestablish DDRT was driven by the Army recommendation to realign Red River Army Depot. The realignment of DDRT's primary customer and the Agency's need to reduce infrastructure drove this recommendation. DDRT was rated 5 of 17 in the Collocated Depot Military Value matrix. However, that Military Value ranking was based on support to the maintenance missions. With the realignment of the maintenance mission to Anniston, Alabama, that value decreases significantly. Other customers within the DDRT area can be supported from nearby distribution depots. Production and physical space requirements can also be met by fully utilizing other depots in the distribution system.

Disestablishing DDRT is consistent with both the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Military judgment determined that it is in the best interest of DLA and DoD to disestablish DDRT.

Return on Investment: The total estimated one-time cost to implement this recommendation is $58.9 million. The net of all costs and savings during the implementation period is a cost of $0.8 million. Annual recurring savings after implementation are $18.9 million with a return on investment expected in 2 years. The net present value of the costs and savings over 20 years is a savings of $186.1 million.

Impact: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 1,602 jobs (821 direct jobs and 781 indirect jobs) over the 1996-to-2001 period in the Texarkana, Texas-Arkansas metropolitan statistical area, which is 2.7 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 7.7 percent of the employment in the area. At DDAA 349 direct jobs and 326 indirect jobs for a total of 675 jobs will be added with a 1.1 percent positive impact on employment and a cumulative economic impact of -14.7

percent on the Anniston, AL MSA. At DDSP 87 direct jobs and 48 indirect jobs for a total of 135 jobs will be added with a negligible impact on employment and a cumulative economic impact of 0.2 percent on the Harrisburg-Labanon-Carlisle, PA MSA. At DDRW 6 direct jobs and 8 indirect jobs for a total of 14 jobs will be added with a negligible impact on employment and a 0.6 percent cumulative economic impact on the Stockton-Lodi, CA MSA. The DLA Executive Group determined that receiving communities could absorb the additional forces, missions, and personnel proposed.

We reviewed hazardous wastes and materials, wetlands and sensitive habitats, threatened and endangered species, historic and archeological sites, land use and composition, air quality, water quality, and environmental cleanup and compliance costs for their impacts on this recommendation. The Executive Group concluded that environmental considerations do not prohibit this recommendation from being implemented.

BUDGET IMPACTS

The budgetary impacts associated with the DLA BRAC 95 recommendations are shown in Figure 7.1 below. All costs and savings are expressed in 1996 constant dollars. The DLA BRAC 95 recommendations have an anticipated total cost of $464.2 million (one-time costs are approximately $342.3 million of this total). During the FY 96 to FY 01 timeframe, a savings of $577.3 million is projected, which results in a cumulative net savings of $113.0 million.

Figure 1
DLA BRAC 95 Cost Summary - FY 96 Constant Dollars (Thousands)

	FY96	FY97	FY98	FY99	FY00	FY01	Total FY96-01
Costs	54,388	66,848	124,282	116,380	67,150	35,174	464,222
(Savings)	(66,942)	(23,964)	(65,772)	(118,717)	(147,047)	(154,818)	(577,260)
Net Cost/(Savings)	(12,554)	42,884	58,510	(2,337)	(79,897)	(119,644)	(113,038)
Cumulative Net	(12,554)	30,330	88,840	86,503	6,606	(113,038)	(113,038)

Figure 7.2 below depicts the cumulative cost and savings impacts of implementing DLA's recommendations. Though a substantial initial investment is required in FY 96 through FY 99, savings and costs will break even in early FY 00.

Figure 2
DLA BRAC 95 Breakeven Diagram - FY 96 Constant Dollars (Thousands)

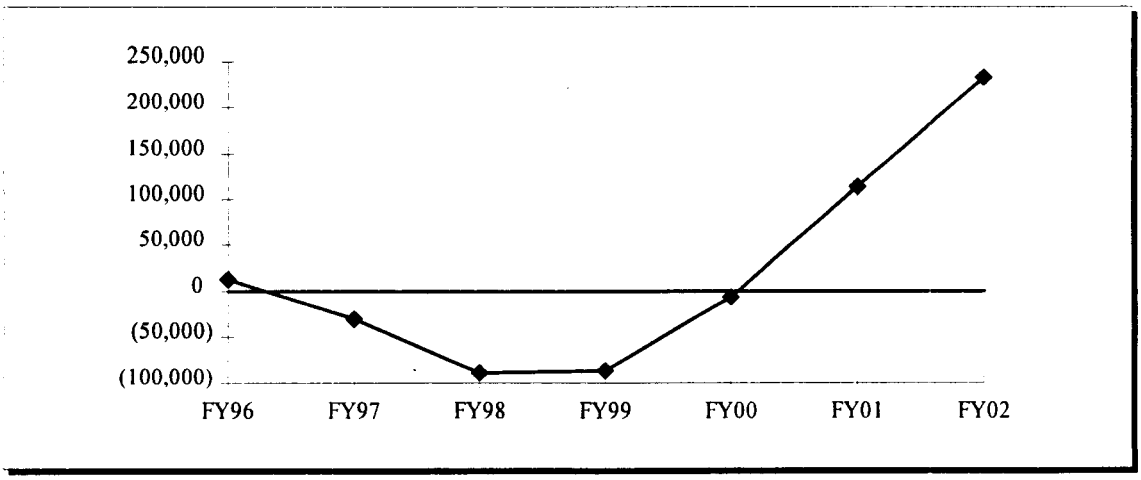


Figure 7.3 summarizes the financial impacts that are expected as a result of each DLA recommendation. Rounded to the nearest hundred-thousand, the sum of the individual net present values of these recommendations is $1,276.6 million, and the sum of the individual steady state savings is $119.8 million.

Figure 3
DLA Financial Summary - FY 96 Constant Dollars (Millions)

Activity	Decision	NPV	Steady State Savings (Yr)
DISC (DCSC, DGSC)	Disestablish (Realign)	236.5	18.4(01)
DDCO	Realign	161.0	11.6(98)
DDRT	Disestablish	186.1	18.9(01)
DDLP	Disestablish	102.1	12.4(01)
DDOU	Close, Except	180.9	21.3(00)
DDMT	Close	244.3	23.8(99)
DCMD South	Disestablish	75.8	6.1(99)
DCMCI	Realign	38.7	3.1(99)
DCMD West	Relocate	29.1	-0.5(00)
Total		1,254.5	115.1(01)

APPENDICES

The following appendices contain the approved Concepts of Operations developed by each of the major business areas and major activities within DLA. The DLA BRAC Executive and Working Groups applied these Concepts of Operations throughout the BRAC 95 process. The following documents are attached as additional reference material for the DLA BRAC 95 submission.

- Appendix A: Acronyms
- Appendix B: Defense Contract Management Command Concept of Operations
- Appendix C: Defense Logistics Service Concept of Operations
- Appendix D: Defense Reutilization and Marketing Service Concept of Operations
- Appendix E: DLA Systems Design Center Concept of Operations
- Appendix F: Supply Management Concept of Operations
- Appendix G: Distribution Management Concept of Operations
- Appendix H: Economic Impact Database Results

APPENDIX A

ACRONYMS

A

ACF	Attainable Cubic Feet
ACPDB	Automated Civilian Personnel Data Bank System
AIMS	Automated Inventory Manager Support
AIS	Automated Information Systems
ATS	Automated Transfer System
AWARES	Automated Warehouse and Retrieval System
AWS	Automated Warehousing System

B

BOS	Base Operating Support Costs
BOSS	Base Operations Support System
BRAC	Base Realignments and Closures

C

CAP	Compliance Assistance Program
CCP	Containerization and Consolidation Points
COBRA	Cost of Base Realignment Actions
COM	Commercial
CONUS	Continental United States

D

DAAS	Defense Automatic Addressing System
DAISY	Defense Reutilization and Marketing Automated Information System
DAMPS	Defense Automated Message Preparation System
DCARS	DLA Contract Action Reporting System
DCMC	Defense Contract Management Command
DCMCI	Defense Contract Management Command International
DCMD	Defense Contract Management District
DCMDN	Defense Contract Management District Northeast
DCMDS	Defense Contract Management District South
DCMDW	Defense Contract Management District West

DCSC	Defense Construction Supply Center
DDAA	Defense Depot Anniston, Alabama
DDAG	Defense Depot Albany, Georgia
DDBC	Defense Depot Barstow, California
DDCN	Defense Depot Cherry Point, North Carolina
DDCO	Defense Depot Columbus, Ohio
DDCT	Defense Depot Corpus Christi, Texas
DDDC	Defense Depot San Diego, California
DDHU	Defense Depot Hill, Utah
DDJC	Defense Depot San Joaquin, California
DDJF	Defense Depot Jacksonville, Florida
DDLP	Defense Depot Letterkenny, Pennsylvania
DDMC	Defense Depot McClellan, California
DDMT	Defense Depot Memphis, Tennessee
DDNV	Defense Depot Norfolk, Virginia
DDOO	Defense Depot Oklahoma City, Oklahoma
DDOU	Defense Depot Ogden, Utah
DDPW	Defense Depot Puget Sound, Washington
DDRE	Defense Distribution Region East
DDRT	Defense Depot Red River, Texas
DDRV	Defense Depot Richmond, Virginia
DDRW	Defense Distribution Region West
DDSP	Defense Depot Susquehanna, Pennsylvania
DDST	Defense Depot San Antonio, Texas
DDTP	Defense Depot Tobyhanna, Pennsylvania
DDWG	Defense Depot Warner-Robins, Georgia
DESC	Defense Electronics Supply Center
DFAMS	Defense Fuel Automated Management System
DFSC	Defense Fuel Supply Center
DGSC	Defense General Supply Center
DISC	Defense Industrial Supply Center
DISMS	Defense Integrated Subsistence Management System
DPSC	Defense Personnel Supply Center
DLA	Defense Logistics Agency
DNSP	DRMS National Sales Program
DLSC	Defense Logistics Services Center
DMARS	Defense Messaging and Reporting System
DoD	Department of Defense
DoDIG	Department of Defense Inspector General
DOSO	DLA Operations Support Office
DRMOs	Defense Reutilization and Marketing Offices

DRMS	Defense Reutilization and Marketing Service
DRMSE	Defense Reutilization and Marketing Service East
DRMSW	Defense Reutilization and Marketing Service West
DSDC	Defense Systems Design Center
DSS	Distribution Standard System

E

ECS	Equipment Control System
EIS	Executive Information System
EIS HQ	HQ Executive Information System
EMACS	Equipment Management and Control System

F

FED	Federal
FLIS	Federal Logistics Information System
FSC	Federal Supply Class
FY	Fiscal Year

G

GAO	General Accounting Office

I

ICPs	Inventory Control Points
IMC	Integrated Materiel Complex
IMS	Integrated Materiel System
IRM	Information Resources Management
IRP	Installation Restoration Program

L

LINK	Logistics Information Networking System

M

M&CS	Management and Control System
MIS HQ	HQ Management Information System
MOCAS	Mechanization of Contract Administration Services

N

NSO	National Sales Office

O

OCF	Occupied Cubic Feet
OSD	Office of the Secretary of Defense

P

PMS	Project Management System
POM	Program Objectives Memorandum
PWC	Public Works Center

R

RPM	Real Property Maintenance

S

SAILS	Strategic Analysis of Integrated Logistics System
SAMMS	Standard Automated Materiel Management System
SCRs	Systems Change Requests
SDS	Standard Depot System
SIS	Shipping Information System
SHIRS	Safety and Health Information Reporting System
SMP	Storage Management Plan

T

TRAD	Transportation Routing and Documentation
TRAMS	Transportation Automated Management System
TSDF	Treatment, Storage, Disposal Facility

W

WCS	Warehouse Control System

APPENDIX B

CONCEPT OF OPERATIONS
DEFENSE CONTRACT MANAGEMENT COMMAND

I. PURPOSE:

To describe how the Contract Management functions will be accomplished from FY 95 through FY 01.

II. MISSION:

The Mission of DCMC is to provide worldwide contract management in support of DoD components, National Aeronautics and Space Administration (NASA), and other designated federal and international organizations. In the performance of this mission, DCMC serves as the information broker for our customers, manages our customers' interests in cost, delivery, technical and quality, accepts products for the government, provides program and buying office support, ensures that the contractor is paid and assesses the industrial base.

III. ENVIRONMENT:

A. Force Structure: The Force Structure Plan reductions, beginning in 1991 and projected through 1997 may not impact DLA as significantly as the Services. However, DCMC workload and resourcing have and will continue to track with the resulting downturn in Procurement, and Research, Development, Testing and Evaluation (RDT&E) outlays. There is a two to three year lag between the Procurement and RDT&E outlay and its impact on DCMC workload.

B. Customers: DCMC's major customers are the military services' buying activities and program offices, and DLA's inventory control points. DCMC's major civilian agency customer is NASA.

C. Core and Critical Competencies: DCMC's greatest asset is its workforce. The workforce is composed of acquisition professionals who possess functional expertise in a wide range of commodities, programs and customers, and are knowledgeable of the past performance of contractors who are doing business with the government.

D. Geographic Location: One of the greatest assets that DCMC offers to its customers is that DCMC professionals are located worldwide in major defense industry plants or within easy traveling distance of those plants to provide timely and responsive service to its customers.

E. Personnel Reductions: DCMC is required to achieve a minimum of 4% personnel reduction per year through 1999.

F. Base Realignment and Closure (BRAC): The implementation of BRAC 93 decisions to disestablish the Mid-Atlantic and North Central Districts were completed by the end of June 1994.

G. Business Base: DCMC administers 388,000 contracts, valued at $840 billion, with an unliquidated dollar amount of $172 billion. DCMC currently administers contracts valued at $39.6 billion for NASA and $4.3 billion for other government agencies. In 1993 this reimbursable work earned DCMC a total of $126 million. Customer assessment feedback indicates that civilian and military customers plan to increase demand rate for contract management in the future.

H. Systems: Many of the automated systems used to perform the DCMC mission and operate the Command's infrastructure are deficient. The systems are hard to change, technically obsolete with limited capacity to expand, require many manual functions, and have inadequate interface with DoD systems. These deficiencies result in slow processes and bad data. The purpose of DCMC's systems projects such as Integrated Contract Administration System (ICAS), DPACS/MOCAS interface, and Graphical User Interface is to remedy these limitations.

IV. CURRENT OPERATION:

A. Background: On 6 February 1990, the Deputy Secretary of Defense directed the consolidation of nearly all contract administration services (CAS), domestic and abroad, within the existing framework in DLA. The Military Services' contract administration offices, located within the United States, transferred to DCMC on 30 June 1990. International CAS components were transferred to DCMC on 1 October 1990. In the transition, 44 Plant Representative Offices (PROs), comprising 5,400 people and 100,000 contracts with a face value of $400 billion, were merged into the new Command. Upon completion of the transfer, DCMC had grown to having a Fiscal Year 1991 budget of $1.1 billion and 500,000 contracts for administration at a contract face value of $750 billion. Defense Management Review Decision (DMRD) 916, "Streamlining Contract Management," mandated the consolidation and directed significant savings to be accomplished. Cumulative savings were targeted at $537 million by 1997. DCMC has consistently exceeded its yearly targets and is on track to save $537 million and more by 1997. The objectives of DMRD 916 are to streamline existing CAS organizations, promote uniform interpretation of acquisition regulations, improve implementation of DoD procurement policy, and upgrade the quality of the CAS workforce while eliminating overhead and reducing payroll. These objectives were,

and continue to be, the drivers in the establishment and evolution of DCMC. These objectives have shaped DCMC's concept of operations.

B. **Organization Roles and Responsibilities:** Early in the formation of DCMC, the Command issued its concept of operations. The basic tenets articulated in the concept of operations continue in application today with only minor augmentation. They address DCMC's organizational structure, roles, responsibilities, and guiding principles and are described below.

Prior to the establishment of DCMC in 1990, there were 141 CONUS contract administration offices (CAOs) with 10 intermediate headquarters which were responsible for performing CAS in DoD. In July 1994 there were 92 CAOs and 3 districts in CONUS.

C. **The DCMC Headquarters:** Serves as the interface with senior DoD leadership, other Executive Departments and Congressional representatives, develops and disseminates uniform policy and procedure, performs Command-wide oversight, and oversees DCMC-wide resourcing to include budget and personnel management. DCMC further serves as the principal advocate for CAS mission training. The Command is responsible for articulating the DCMC's vision and developing its business plan.

D. **District Organizations (DCMDs):** Provide command and control, which includes operational and management support and oversight, for a designated group of Defense Contract Management Area Operations (DCMAOs) and Defense Plant Representative Offices (DPROs) and are responsible for the efficient and effective accomplishment of DCMC objectives. DCMDs are catalysts for change by serving as the principal advocates and integrators of continuous improvement of CAS operations providing expertise as participants in the development of DCMC policies and procedures, ensuring the consistent implementation of those policies throughout their assigned territories, and evaluating the results for additional improvements. DCMDs provide technical guidance and assistance to their subordinate commands, to include performing mission duties, such as Centers of Expertise, as needed to meet peak business demands. They train and maintain employees with core and critical competencies for use DCMC-wide. Districts are the principal interface with senior Command leadership and with other government representatives for mission issues within their territories. DCMDs monitor and evaluate performance of DCMAOs and DPROs, and analyze and project workload trends to determine requirements, and obtain and allocate appropriate resourcing. They execute and implement the budget, and provide centralized support services to subordinate commands. DCMDs are responsible for developing district-wide tasks and milestones in support of the DCMC business plan. In their "Lead District" role, Districts are assigned as the principal interface for major customers and are responsible for collecting and analyzing customer satisfaction data, supervising customer liaison representatives and resolving customer issues.

E. DCMAOs and DPROs: Serve as the principal interface with customers, contractors and non-customer constituents in the direct delivery of contract administration services. They perform the mission and functions articulated in FAR 42.302 for the military services, civilian agencies and others as requested through negotiated delegations. DCMAOs provide geographic CAS for all contractors within a designated territory and DPROs provide in-plant CAS at selected contractor locations. Decision making within this structure is driven down to the lowest appropriate levels of the organization in order to empower individual employees on the firing line every day. DCMAOs and DPROs are laboratories for change by developing improved CAS processes and nominating these improvements to the district for adoption Command-wide as "Best Practices". DCMC's program integrators are the principal interface with our program office customers. Their primary role is to work closely with the program offices to identify priorities and to provide periodic assessments and reports on problems, performance and progress.

F. The DCMC Business Plan: DCMC's basic precept can be summarized as having the right number of people, in the right place, at the right time, doing the right things. DCMC identified four essential concepts that serve as the underpinning for this precept: empowerment of employees, teaming to achieve a seamless approach to CAS, meeting customer requirements, and improving the work processes. In 1991 DCMC launched a series of initiatives to adopt these component concepts and fully implement the precept. It soon became evident that a continuous process for improvement was required to achieve this type and magnitude of change. DCMC manages this change process through a robust and dynamic business plan which provides a common understanding of DCMC's future, and guides the Command's initiatives. The DCMC Business Plan articulates the mission, vision, and objectives of the Command, and supports the DLA Strategic Plan.

G. Government Performance and Results Act (GPRA): DLA has been designated as one of the pilot agencies for immediate implementation of the Government Performance and Results Act (GPRA), and DCMC is an active participant. DCMC identified four goals which articulate its priorities and direction: (1) Perform contract management effectively and efficiently; (2) Continually improve organization and processes used to deliver quality products and services to our customers; (3) Identify, define, and quantify customer requirements and match our capabilities with customer requirements; (4) Promote a work environment that attracts, develops, and retains quality people. Each goal is being pursued by supporting objectives, performance goals, tasks, and metrics. DCMC funds these performance goals and tasks through the Agency's Planning, Programming, and Budgeting System (PPBS). Under the GPRA, all Federal agencies are required to perform Strategic Planning. The GPRA mandates that agencies develop Strategic Plans to include the Agency's mission, vision, general goals, and objectives. Business plans are developed as the vehicle to achieve the general goals and objectives. Business Plans outline performance goals and

related tasks which tie directly to the general objectives in the Strategic Plan. A key element of the GPRA requirement is the use of metrics to determine the extent to which goals and objectives are met. DCMC is developing measures which identify the amount, rate, and quality of improvement which result from achievement of the goals. Proper implementation of the Plan will realize measurable successes.

H. DCMC Organization Structure: The HQ DCMC restructuring was implemented in 1993. A key element of the reorganization was the creation of cross-functional teams established to work on specific programs, problems, and issues. This new concept eliminated functional stovepipes and established groupings of people with functional expertise integrated into business teams. This provided more open communication and creative problem resolution. In January 1994, the Commander, DCMC, issued guidance to restructure districts, DCMAOs and DPROs by applying the same principles that proved successful in the HQ. The "Storefront" organization allows maximum flexibility while sustaining a consistent appearance to our customers. The new organizational structure has several advantages. It is designed to facilitate prompt decision making and enable DCMC to be flexible and meet new challenges rapidly and effectively. It ensures that DCMC is continuously responsive to customer requirements and empowers DCMC personnel to solve problems and continuously improve processes. It makes the best use of DCMC talent, regardless of organizational description, and challenges each individual to meet his or her full potential.

V. VISION:

DCMC shares in the DLA vision, "Provider of choice for logistics services, around the clock and around the world." The DCMC vision statement supports the DLA vision: "DCMC is the provider of choice for contract management for the Department of Defense, other federal and international organizations, and a valued customer to our suppliers."

VI. FUTURE PROJECTIONS:

DCMC is implementing the programs, described below, in order to achieve its objectives and realize its vision. Implementation is initiated, and monitored by DCMC experts who provide technical guidance, assistance, and management oversight in fulfilling the role of "catalyst for change."

A. Force Structure: DCMC's planning, programming and budgeting will continue to track to the Services' requirements which are shaped by their force structure reductions. There will continue to be a two to three year lag between the outlay and its impact on DCMC workload.

B. The DCMC Quality Criteria, which are adopted from the Malcolm Baldrige National Quality Award, are the framework for improving the overall organization operational performance. These criteria serve as a working tool for planning and assessing DCMC's programs.

C. Process Oriented Contract Administration Services (PROCAS) continues to make DCMC operate more effectively. PROCAS breaks down contractor processes and examines the various steps involved. It looks for steps that can be eliminated, combined, streamlined, or improved. Through cooperative efforts involving cross-functional teams and selected contractors, PROCAS has realized such results as: unit production efficiency increase, hours per unit decrease, time to produce forward pricing rates decrease, and manufacturing rework decrease. DCMC's Reinvention Laboratory for Reduction of Oversight Costs envisions that in those contractor facilities where PROCAS is mature, successful, and substantiated by metrics, DCMC presence may be reduced without increasing the Government's and the Taxpayers' risk.

D. DCMC provides support to major programs early in the acquisition cycle in ways not traditionally expected from DCMC. DCMC's workforce, in their role as information broker, provides insight and capabilities regarding contractor performance and capabilities that are valuable to the military departments' decision making. DCMC's Early CAS Involvement includes participation in source selection reviews and Cost Schedule Control Systems Criteria (C/SCSC) validations. These activities result in delivering cost savings and avoidances to DCMC's customers.

E. In its FEDCAS program, DCMC pursues opportunities to provide contract management to all government agencies on a competitive basis and implements the Office of Federal Procurement Policy's recommendation that civilian agencies increase their usage of DCMC. The goal is to double the value of civilian agency contracts administered by DCMC by the end of FY 95.

F. DCMC is teaming with DoD to reduce the Department's unmatched disbursements, undistributed disbursements and negative unliquidated obligations. The DoD-wide effort will integrate acquisition, logistics and financial systems, standardize data elements, field migration systems, and adopt EDI enhancements.

G. The Overhead strategy develops a DCMC-wide approach to the analysis, evaluation, assessment, and negotiation of contractor overhead costs. These efforts will wrestle down contractor overhead costs.

H. DCMC aggressively pursues expiring funds which is a key concern of its customers. By working to achieve its goal to bring overage contracts down to 10% DCMC will save expiring funds and return excess funds to its customers.

I. As a service-oriented activity, DCMC must **measure customer feedback** to ensure it is providing the product or service desired at the level of quality expected. Through the DCMC Customer FOCUS program, a series of District-based assessments are conducted with DCMC customers to determine their satisfaction-level with DCMC products and services. The results shape DCMC's approach to CAS in order to meet the customers' needs with quality products at lower cost.

J. The Process Manual, also known as the "One Book," has been compiled through a successful cross-functional team effort, and a working draft has been distributed throughout DCMC. The Process Manual supports a seamless approach to CAS by merging the contract management, quality assurance, and program and technical support policy manuals into a single, unified process oriented manual. It takes the "best practices" of each process and consolidates them in a single manual, thus eliminating unnecessary duplication of effort and redundancies in DCMC's policies and procedures.

K. Centers of Expertise: DCMC is deploying centers of expertise to retain and sustain critical skills in functional areas. These centers will provide Command-wide services in their areas of expertise such as Overhead and MOCAS.

L. National Performance Review: Support and implementation of this important executive initiative to streamline government will continue.

M. Summary: The DCMC Performance Plan is the instrument utilized to track progress against the plan on these initiatives. Successful implementation means having the right number of people, in the right place, at the right time, doing the right things. DCMC will continue in its implementation of the management concept and approach that is described in the Government Performance and Results Act. Performance planning, programming and budgeting will provide the tools needed to gauge cost to outcomes. Administrative support, which is currently provided by districts to CAOs will continue to be provided in the most efficient and effective manner available. DCMC will continuously review and analyze the business base to right size the Command. DCMAOs and DPROs will be downsized as workload shifts occur. Intermediate levels of management will continue to perform a critical role in the management of the DCMC business to include the implementation of DCMC's major programs, and the development, allocation and assessment of the resources required to perform the mission and the formulation and tracking of budgets.

APPENDIX C

CONCEPT OF OPERATIONS
DEFENSE LOGISTICS SERVICES CENTER (DLSC)

I. PURPOSE:

To describe how the DLA Defense Logistics Services Center (DLSC) performs its mission from FY 1994 through 2001.

II. MISSION:

DLSC performs logistics data management for items used by the U.S. government for the Department of Defense, federal civil agencies, North Atlantic Treaty Organization (NATO) and foreign governments, and industry. It assigns national stock numbers for integrated materiel management control, reference, and standardization. It develops and disseminates diverse catalog publications, provides training and data, and designs, develops, and maintains the largest automated catalog system in the world, the Federal Logistics Information System (FLIS). It operates the Military Engineering Data Asset Locator System (MEDALS), which is the single point in the Federal government for identifying and locating all its technical drawings.

DLSC processes logistics information on approximately 6 million items. The FLIS annually processes and approves the assignment of approximately 200,000 NSNs, 30 million transaction updates, 11 million on-line queries, and 30 million other types of data interrogations. MEDALS currently contains 25 million records and projects approximately 34 million records by FY 96. This will be accommodated with existing workforce through the information technology such as Compact Disk-Read Only Memory (CD-ROM). Also, Federal Logistics Data on CD-ROM (FED LOG) supports 20,000 users monthly and will continue to increase to 30,000 in the near future.

III. ENVIRONMENT:

A. **Force Structure:** The Force Structure Plan reductions, beginning in 1991 and projected through 1997, have been considered. These reductions may decrease introduction of new items but logistics data management on existing items will continue due to extended life cycle of weapon systems.

B. **Geographical location:** While DLSC has been located in the Federal Center, Battle Creek, MI since 1962, its mission is not dependent on the geographical location. DLSC should be located in an area that attracts and maintains the logistics functional and systems

design expertise necessary for efficient mission performance. Any base realignment and/or closure should consider all risks that may affect loss and/or recruitment of that expertise.

C. Personnel: From 1987 until 1994, personnel levels have been reduced from 1,000 to 600.

IV. CURRENT OPERATION OF DLSC:

The Federal Catalog System was established in 1952 by Public Law 436 to perform management of logistics data. Specifically, every item that is used by the government is to be named, classified, described, numbered, and published in a single catalog. DLSC was established in 1961 to execute the statutory requirement for a Federal catalog of items used by the U.S. government. The infrastructure framework necessary to assign NSNs and modify data related to items of supply is provided by DLSC.

The DLSC, as the U.S. National Codification Bureau, is the focal point for fulfilling U.S. responsibilities in the NATO Codification System.

DLSC reports to HQ DLA through the Deputy Director Materiel Management via the Executive Director Supply Management.

V. VISION:

DLSC is committed to being an essential part of their customers' success through the management and delivery of timely and responsive logistics information. DLSC will improve customer support through the attraction and retention of a quality workforce. Customer needs and expectations will be forecasted and accommodated. There will be a capability to customize customer products and services for changing requirements and an increase in information technology to support efficient and effective logistics information management. Every government logistician needs some data managed by DLSC to do his/her job.

VI. FUTURE PROJECTIONS:

A. Personnel: DLSC plans to reduce the number of personnel by 3% during FY 94. A quality workforce will continue through use of training, facilities, employee recognition, and human services.

B. Operational costs: In FY 95 DLSC will initiate operating under the fee for service concept, wherein they will sell selected products and services to existing and future selected customers.

C. **Business process improvements:** DLSC recognizes the logistics information management spectrum far exceeds the basic NSN driven supply system. DLSC is developing systems and interconnected information availability over and beyond NSN dependent systems. An example of this is a DoD Health Affairs Corporate Information Management initiative requiring DLSC development of a DoD medical data repository. This data base will use commercial medical numbered items with commercial descriptions, and other descriptive data to produce medical supply publications for the medical treatment facilities. Capabilities will expand to provide tailored customer products.

D. **Information technology:** Use of technology infusion, such as CD-ROM and host-to host links, will continue to support business process improvements when appropriate. Data integrity and quality will continue to be provided for all customers. This will include maintenance of logistics data elements such as item names, groups, classes, and manufacturer's part numbers and will support readiness and the Industrial Base assessment process.

E. DLSC is the DLA prototype for a document imaging system that automates a work flow process that was not efficient. Also, DLSC is providing support to the Joint Logistics Systems Center (JLSC) in the standard DoD materiel management system effort specifically in data modeling and data standardization. FLIS will be integrated as part of the standard system for item introduction/cataloging.

F. **National Performance Review:** DLSC has taken the lead in a DoD joint business venture consortium to create a "world class logistics service delivery process." Starting in FY 95, DLSC and the Defense Automatic Addressing System Center (DAASC), in coordination with the Defense Logistics Management System Office (DLMSO), will develop a near-term on-line data sharing of common databases and files. This will contribute to DoD corporate information management.

APPENDIX D

CONCEPT OF OPERATIONS
DEFENSE REUTILIZATION AND MARKETING SERVICE

I. PURPOSE:

To describe how the Defense Reutilization and Marketing Service (DRMS) operation will be performed from FY 94 thru 01.

II. MISSION:

DRMS manages the reutilization and marketing of useable materiel and scrap, hazardous property management, and precious metals recovery for DoD. This includes inspection and evaluation of the Defense Reutilization and Marketing Offices (DRMOs); implementing policy guidance through standard operating procedures; project management of the DRMS automated information systems; management of all DRMS personnel, health, safety, funds, facilities and equipment worldwide; and management of hazardous waste disposal contracts.

Property that is in excess of DoD needs is turned in to the DRMOs. During FY 93, property with an acquisition value of $29.3 billion was turned in. After receipt, useable property valued at $2.3 billion was reutilized or transferred. In FY 93, donations for an acquisition value of $610 million were turned over to qualified donation recipients, which resulted in savings to state and local taxpayers.

Hazardous property (hazardous materials/hazardous waste) is also turned in to the DRMOs. During FY 93, proceeds from the sale of hazardous materials were $2.4 million. The value of these sales goes well beyond the proceeds, because every sale reduces the amount of hazardous material that we must pay to dispose of as waste. A small percentage of hazardous waste has reutilization or sales value. In FY 93, DRMS awarded and administered 115 hazardous waste disposal contracts and provided hazardous waste disposal services to over 1,300 DoD units generating hazardous waste.

The Precious Metals Recovery Program promotes the recovery of silver, gold, and platinum family metals from excess and surplus property turned in to the DRMOs. In FY 93, the market value of precious metals issued under the program was $10.0 million at an issue price of $8.0 million. This represented a cost avoidance of $2.0 million.

III.ENVIRONMENT:

A. Force Structure: The Force Structure Plan and its reductions have resulted in a significant increase in business over the past 3 years. The disposal of useable items and scrap will continue at current levels as inventories are reduced and installations are closed. This will be followed by a decrease in business to a more constant baseline level as the final post-drawdown numbers are reached.

B. Geographical location: The location of DRMS headquarters, to include the Deputy Commanders of Operations-East and -West, is not geographically dependent. The performance of management of DoD reutilization and marketing requires logistics and automated systems expertise. Thus, DRMS should be situated in an area that attracts and maintains that required talent. It would be advantageous with a small gain in efficiency to be located near a transportation hub.

C. Personnel: Workload expansion has occurred with very small increases in personnel. The workload fluctuations due to the Force Structure Plan reductions will be handled by the DRMOs without increases in personnel.

D. Market conditions and other considerations: Uncertain market conditions, such as in the precious metals market, and factors, such as the Environmental Protection Agency and state environmental regulatory changes, will continue to affect DRMS business areas.

IV. CURRENT OPERATION OF THE DRMS:

DRMS is headquartered in the Federal Center in Battle Creek, MI with over 190 DRMOs located worldwide. It develops and disseminates procedural guidance, evaluates performance, resolves systemic problems and develops functional process improvements. The Headquarters also performs centralized field functions such as Foreign Military Sales; Contractor Inventory Redistribution Program; Precious Metals Recovery Program; and Recycling Control Program.

The Deputy Commanders, Operations-West and Operations-East, and Region Commander-Europe are also a part of DRMS headquarters. There are two Deputy Commanders: Deputy Commander, Operations-West, in Ogden, UT as a tenant at Defense Depot Ogden and the Deputy Commander, Operations-East, in leased space in Blacklick, OH. The Deputy Commanders and their staff provide assistance to the DRMS Commander and provide operational and command and control support to those DRMOs within their assigned geographical area. They provide oversight, assistance and conduct operational evaluations of DRMOs under their control. In addition, critical support is provided in the performance of on-site surveillance of hazardous property disposal/environmental compliance. They also

maintain liaison with military service activities/other customers to assure adequacy of disposal services and they operate a District Manager Program. The District Manager Program is similar to that employed in civilian industry. District Managers provide hands on management of five to eight DRMOs to include assisting DRMOs in reutilization, planning, policy guidance, financial management, marketing, advertising, merchandising, sales, and in determining final disposition of all DoD surplus property. In essence, the Deputy Commanders, Operations-West, Operations-East, and Region Commander-Europe are essential for providing effective decentralized span of control for the DRMS Commander. There are 84 DRMOs in Operations West, 85 DRMOs in Operations East and 25 DRMOs in Europe.

The National Sales Office, which is a part of the DRMS headquarters, is located in Memphis, TN. It manages the sales, advertising, and merchandising of excess DoD materiel on a national level. They market major property, including ships, aircraft, textiles and metal working machinery; conducts all sales of hazardous and explosive property; and conduct all sales of Munitions List/Strategic List items. The DRMOs perform disposal and marketing of useable DoD materiel and scrap, management of hazardous DoD property, and perform precious metals recovery.

DRMS reports to HQ DLA through the Deputy Director Materiel Management via the Executive Director Supply Management.

V. VISION:

DRMS will maximize return to the taxpayer for investments made in National Defense by focusing on reutilization, transfer, donation and then sale, to become a Recycling Center of Excellence for excess Department of Defense property.

VI. FUTURE PROJECTIONS:

A. **Force Structure:** Workload increases as a result of force structure drawdown, DoD inventory reductions, and BRAC's 88, 91, 93, and 95, peaked DRMS workload volume in FY 93. This peak workload volume will remain relatively constant through FY 97 and begin to taper off to FY 89 levels in FY 01. As workload decreases, DRMS will become smaller.

B. **Increase revenue:** DRMS will recover administration costs of hazardous waste disposal that could potentially increase annual revenue by approximately $70 million. DRMS will attempt to recover administration costs from the Military Services associated with packaging, crating, handling, and transportation of DoD excess reutilized property. DRMOs will be empowered to use local sales rather than national sales for non-hazardous property, if marginal revenue can be increased by 100 percent over average annual national sales figures

obtained by the National Sales Office for the same product. DRMS will also expand its market to Eastern Europe as well as Central/South America, explore the use of high density storage to hold property until market conditions warrant sale, and create partnerships with civilian companies.

C. Decrease overhead: Efforts will continue to decrease these costs through various initiatives, such as the recycling control point. This concept is designed to move information not property and should result in significant personnel savings over a two year period.

D. National Performance Review: DRMS's plan is to become a financially self-sufficient organization. To accomplish this, DRMS will improve processes and focus on becoming more business oriented. DRMS will continue to reutilize, transfer and donate property, and at the same time, concentrate on maximizing revenues through improving marketing, merchandising and advertising processes. All DRMS processes are under evaluation for reinvention in order to implement the best business practices. As these processes are identified, DRMS will determine if outsourcing is a course of action to be pursued from a "smart business" standpoint. This evaluation of processes covers all levels of the DRMS organization.

E. Privatization/Outsourcing: Privatization/outsourcing of non-core functions, such as hazardous material and waste disposal, tank and armored vehicle destruction, and precious metals recovery, will continue when it is identified as the best value to the government. The following processes are under consideration for outsourcing: ship sales program; aircraft reduction program; demilitarization and destruction efforts; high density storage; scrap operations; and privatization of small DRMOs. DRMS is benchmarking industry to identify their best business practices.

F. Disposal 2000 concept: The Disposal 2000 concept will be pursued. This combines DoD and General Services Administration programs that manage marketing and reutilization of excess materiel. This will entail fewer, more centralized sites. It will use a single system with multiple reporting methods, provide access to an electronic bulletin board, and ensure automated access with electronic screening providing timeliness and real-time status. There will be new methodology that provides for automated freezing and requisitioning of materiel with electronic signature capability. Programmed logic will assist decision makers, when there are competing requests for property and to ensure that property is disposed of in accordance with mandated priorities. Information will be accurate and timely on materiel availability and accountability.

APPENDIX E

CONCEPT OF OPERATIONS
DLA SYSTEMS DESIGN CENTER (DSDC)

I. PURPOSE:

To make organic DLA Information Technology functions more cost effective by implementing a strategy that preserves and enhances the core Information Technology mission through consolidation of resources into one fee-for-service organization..

II. MISSION AND VISION:

The mission of the DLA Systems Design Center (DSDC) is to provide integrated Management Information Systems (MISs) in support of critical DLA and DoD business functions. In carrying out this mission, DSDC is the focal point for providing the full range of systems integration support. The DSDC core mission includes, but is not limited to, software design, development, deployment and post-deployment support functions, standards enforcement, technical system integration, business process integration, Information Technology contract administration and customer support.

The collective vision of DLA-CAN and of DSDC, "To be the provider of choice for integrated Information Management support, delivering responsive, innovative solutions to the customer's needs," defines the information technology infrastructure that makes possible DLA's attainment of its vision to be the "provider of choice for logistics services, around the clock and around the world." The DSDC vision encompasses a single corporate entity for all of DLA's MIS development and technical support needs, including Automated Information Systems (AISs), Executive Information Systems (EISs) and Decision Support Systems (DSSs). The structure will be a single organization, made adaptable and flexible by eliminating current stovepipes. The organization will be composed of highly skilled and motivated professionals committed to continuously improving software development processes, business processes and other corporate processes. The streamlined DSDC organization will be able to react to the ever-changing dynamics and direction of DoD's Information Management needs in order to provide quality and timely services to DLA and other customers. In addition to providing organic support, DSDC will able to acquire, manage and administer contractor services to meet software development and technical support requirements when organic resources are not readily available or are not cost effective.

III. ENVIRONMENT:

A. Scope. The DLA Systems Design Center will draw together missions and functions now assigned to four organizations.

Defense Automatic Addressing Systems Center (DAASC), Dayton, OH

Defense Fuel Supply Center (DFSC), Alexandria, VA

Defense Logistics Services Center (DLSC), Battle Creek, MI

DLA Systems Automation Center (DSAC), Columbus, OH

DLA Administrative Support Center (DASC), Alexandria, VA

Enclosure 1 contains BRAC, workload, resource and financial data on each organization.

B. Force Structure: The Force Structure Plan reductions, beginning in 1991 and projected through 1997, create a two-fold challenge in providing DLA with organic software development and technical services support. First, DLA has been directed to reduce infrastructure so that sufficient funds remain available to DoD for its war fighters to accomplish their primary missions. From a force structure perspective, Information Technology can only be viewed as infrastructure and therefore must be drawn down. Second, in order to accomplish their mandated draw downs, the DLA business areas need the improved AISs, EISs and DSSs produced by the DLA Systems Design Center's "touch labor." The challenge to the DLA Information Technology community is to decrease management and administrative components of our overhead cost structure while leveraging the combined "touch labor" pool to increase productivity in terms of software products and technical support delivered to customers.

C. Resources: DLA has mandated a yearly 4% personnel reduction through the FY94-01 period. Achieving this without Information Technology consolidation and overhead reduction will adversely impact the ability of the DLA business areas to achieve their mandated productivity increases and personnel drawdowns. To do more and better work with fewer people, each DLA business area needs the improved AISs, EISs and DSSs produced by Information Technology touch labor. Unmanaged Information Technology rampdown will also adversely impact other organizations.

These include the Defense Distribution Support Center (DDSC), the Procurement CIM (P-CIM), and the Defense Environmental CIM (DE-CIM), all planning to use DLA organic software design and technical support resources for development and deployment of their

standard systems. The Joint Logistics Systems Center (JLSC) may be adversely impacted because JLSC plans to use organic resources to develop legacy system interfaces and to maintain standard systems. Reductions may also delay DUSD(L)'s extension of MODELS at DAASC. Contracting out for software development and technical support may offset some of these impacts.

D. Development Environment: Multiple software development activities drive costs for multiple development facilities. As a first effort to reduce development facilities costs, DLA-CAN and DISA/DISO are now exploring the possibility of creating a single DLA testbed facility at one of the Defense Megacenters (DMC), using the Columbus development site as the lead. A single facility can eliminate duplicative costs in operations, hardware maintenance, and software licensing. A multiplier effect in savings can be achieved as other development facilities support services are consolidated.

IV. ORGANIZATION/MANAGEMENT OF DLA'S INFORMATION TECHNOLOGY SERVICES:

A. The DLA Systems Design Center will report to HQ DLA via the Deputy Director, Corporate Administration. DSDC will perform the software development and technical support functions for DLA and will operate as a broker between DLA business areas and external IRM organizations and commercial systems integrators.

B. The several current DLA CDAs will be reorganized to pool their touch labor resources in fewer geographical locations. Dedicated business area support teams internal to DSDC will provide direct customer liaison and requirements engineering. These DSDC business area support teams will contract internally with management of the software development and technical support pool for actual services on a "fee-for-service" basis. If the pool is insufficient in numbers or technical capabilities to meet customer demand, the business area support team will obtain required services commercially.

C. Although touch labor will be pooled in approximately the same numbers that exist today, management will be reduced to a ratio initially of 1-to-10, with a goal of 1-to-30.

D. Testbed support will be obtained from DISO, with an eye to expanding this concept into use of a single DoD development test facility.

E. Traditional Central Design Activity (CDA) services for which no long-term customer can be identified or which are now targeted to be accomplished by another organization will be terminated or contracted out.

V. FUTURE ORGANIC INFORMATION TECHNOLOGY CONCEPTS:

A. The DLA Systems Design Center will DELIVER, on time and within budget.

B. DSDC will be driven by the needs and desires of FUNDED CUSTOMERS.

C. DSDC will operate like a commercial systems integrator, less the profit motive. Firm fixed prices will be offered for the development of customer requirements received. Level of effort or time and materials will be used for support services requested by funded customers. Corporate capital funding for software development will be required when capital thresholds are exceeded.

D. DSDC will have the ability to rapidly prepare bid proposals to satisfy customer needs. Customers will include DLA as well as other DoD Activities and Federal Agencies. The customer will always have the option to have software development and technical support work performed internally by the DSDC organization or have DSDC contract for the required service using its resources as the COTR. This organic/sub-contractor pairing will greatly assist customers when responsibility for post-deployment support of contractor deliverables passes to organic resources.

E. DSDC will ensure its staff is skilled in state-of-the-art technology, customer support, marketing, contracting, program/project management, and bid preparation.

F. DSDC will continue to advance to higher levels in the Capability Maturity Model developed by the Software Engineering Institute. DSDC will plan and manage software development and technical support projects in accordance with Level 2 capabilities (project planning and management for both organic and subcontractor resources, configuration management, requirements management, and software quality assurance). Further, it will afford customer warranties in accord with its maturity level.

G. DSDC will emphasize frequent effective communication with customers. To this end, it will hold monthly IPRs with all customers.

H. Rightsizing will be pursued as funding and work are available from DLA business areas, DISA, CIM groups, and other DoD and Federal organizations.

I. In support of DLA's role and responsibilities in attaining goals in the DoD Logistics Strategic Plan, DSDC will standardize the data and the Information Management processes now supporting DLA business area applications.

VI. INFORMATION TECHNOLOGY:

Leveraging information technology on behalf of the customers will be a hallmark of the DLA Systems Design Center's way of doing business:

A. DSDC will lead migration to full compliance with open systems as defined in the Technical Architecture Framework for Information Management (TAFIM). The TAFIM framework identifies using, to the maximum extent possible, commercially available relational data base management systems, open systems platforms, code generators, client/server designs, graphical user interfaces and integrated CASE technology as they mature.

B. DSDC will be a focal point for DLA customers for data modeling and data administration, using the most modern methods and tools available.

C. DSDC will design, develop, and deploy systems which permit maximum customer tailoring at the end-user level while still enforcing data and process integrity. That is, systems will be deployed with a standard user interface which may be used as is or tailored by the end-user/customer to meet specific needs. All systems delivered will provide for customer upload/download to meet end-user computing needs. In addition, DSDC will provide end-user technical support by defining and disseminating Information Management/Information Technology standards, defining and supporting standard end-user tools and providing training in these standards and tools.

VII. NATIONAL PERFORMANCE REVIEW:

The DLA Systems Design Center will vigorously implement initiatives supporting National Performance Review goals of streamlining operations and improving customer support. DSDC will both compete with and out-source to industry, whichever provides the greatest value to the customer. DSDC will downsize overall, while right sizing internally. Its goal is to reduce infrastructure costs by consolidating the number of geographical locations, improving "touch labor" to management/overhead ratios, and reducing overall non-labor support costs while still delivering needed and valued software products and technical services to its customers.

VIII. SUMMARY:

The Technology and Requirement Automation Center will provide the full range of systems integration capabilities in support of critical DLA and DoD business functions. Successful implementation of this Concept of Operations will result in increased productivity and effectiveness. Translated into marketplace terms, this means cheaper, better and faster development and deployment of Management Information Systems that ultimately support the war fighter.

Concept of Operations
for
Defense Logistics Agency
DLA Systems Design Center

1. Defense Automatic Addressing Systems Center (DAASC).

Geographic Location. Dayton, OH., Tracy CA., Alexandria, VA.

Base Realignment and Closure (BRAC). Implementation of BRAC 93 decisions to relocate Defense Electronics Supply Center (DESC) to Defense Construction Supply Center (DCSC) will result in DAASC being re-located to Wright-Patterson Air Force Base.

Workload Changes (Increased/Decreased Business). DAASC has 150 personnel assigned. Approximately 47 DAASC personnel provide direct customer services support and 138 DAASC personnel work in management, overhead, functional requirements determination, standards, and Central Design Activity (CDA) support. The DAASC CDA workload in MODELS and EC/EDI is expected to grow throughout the period. DAASC is also expected to play a greater role in information dissemination as a result of the DLA Virtual Inventory Control Point (ICP) Concept.

2. Defense Fuel Supply Center (DFSC).

3. Defense Logistics Services Center (DLSC)

Geographic Location. Battle Creek, MI.

Workload Changes (Increased/Decreased Business). DLSC CDA workload is expected to remain constant over the POM period.

4. DLA Systems Automation Center (DSAC).

Personnel. The average level of education includes some college. The average employee has 16 years of Federal service. A huge reservoir of business functional expertise has been developed and maintained.

Enclosure 1

Continuous Process Improvement. DSAC is using the Software Process Improvement (SPI) methodology to improve its core business functions and advance to higher levels of the software Capability Maturity Model (CMM). The CMM is a key predictor of competence and a proven means of reducing the normally high risk level associated with fielding effective large Management Information Systems such as those supporting DoD businesses.

Technology Innovation. DSAC has been a pioneer in developing and fielding systems in an open systems environment. Evidence include its implementing Electronic Commerce/ Electronic Data Interchange (EC/EDI) and its fielding mid-tier based client/server systems such as DRMS Automated Information System (DAISY).

Technology Support. DSAC is DLA's primary repository of technology expertise. Despite transfer of some telecommunications and EC/EDI functions to DISO and DISA, DSAC technical support remains a critical component of fielding effective large business systems.

Geographic Location. Columbus, OH., Battle Creek, MI., Ogden, UT., Memphis, TN., New Cumberland, PA., Philadelphia, PA., Chambersburg, PA., Richmond, VA., Dayton, OH., Albuquerque, NM., Warner Robins AFB, GA.

Base Realignment and Closure (BRAC). Implementation of BRAC 93 decisions to relocate the Defense Personnel Support Center (DPSC) to the Aviation Supply Office (ASO) complex will result in the re-location of DSAC-V.

Workload Changes (Increased/Decreased Business). DSAC has 1077 personnel assigned. Decreases are expected in the Supply (50%) and Distribution (75% following DSS implementation) business area AISs, as well as in infrastructure support (i.e., DACO support, IPC support, Test Lab support). Re utilization and marketing support will increase during FY95-96, then level out. Acquisition business area support should grow throughout the SYDP both in terms of MOCAS (DLA and DFAS) and DPACS (P-CIM). DSAC is expected to be the Defense Environmental-CIM (DE-CIM) CDA, and therefore, DE-CIM workload is expected to grow dramatically. DLA Base Level Support AIS workload (e.g., AMRS, EMACS, BOSS, and so on) is expected to remain constant.

Enclosure 1

APPENDIX F

CONCEPT OF OPERATIONS
SUPPLY MANAGEMENT

I. PURPOSE:

To describe how the DLA Supply Management function will be accomplished from FY 94 thru 01.

II. MISSION DEFINITION:

DLA Supply Management is the function that provides combat support by ensuring that the proper quality materiel is provided to meet the customer's mission needs at the correct time and place for a reduced cost and best value in peacetime, national emergency, and war.

It consists of the following business processes: resource management, market research and marketing, requirements determination, technical and quality support, and materiel and logistics services procurement.

III. ENVIRONMENT:

A. **Force Structure:** The Force Structure Plan reductions, beginning in 1991 and projected through 1997, may not impact DLA as significantly as the Services due to business expansion from the Consumable Item Transfer initiative. Current hardware Defense Supply Center (DSC) sales projections will remain relatively stable through FY 96, however, a sales decrease is projected for the personnel support and fuels DSCs.

B. **Geographical Location:** Inasmuch as the performance of the Supply Management function requires logistics expertise, the DSCs should be situated in an area(s) to attract and maintain the required logistics talent. The location must be convenient to a transportation hub to facilitate the acquisition process and negotiations.

C. **Base Realignment and Closure (BRAC):** The implementation of the BRAC 93 decisions to relocate the Defense Electronics Supply Center to the Defense Construction Supply Center and the Defense Personnel Support Center to the Aviation Supply Office compound will be completed by FY 97; and the implementation of the decision to relocate the Defense Fuels Supply Center and the Defense National Stockpile Center to Ft. Belvoir, VA will be completed in FY 95.

D. Personnel: The DSCs will strive to achieve a 4 - 5 percent productivity increase through initiatives such as accommodation of new or increased business, acquisition streamlining, and expanded use of Electronic Commerce/Electronic Data Interchange (EC/EDI).

E. Increased Business: DLA presently manages 80 percent of the DoD consumable items supporting 1,400 weapon systems. This will increase as DLA continues to receive consumable items from the Military Services and General Services Administration for integrated materiel management. Phase I of the Consumable Item Transfer initiative, consisting of approximately 750,000 items, will be completed by late FY 94. Phase II is tentatively forecasted to logistically reassign approximately 200,000 - 400,000 additional items to the DLA DSCs with a 1995 start date.

F. System Support: A DoD standard logistics system is being developed with a target implementation date of 1996. The primary focus of this effort is to deploy a standard system across DoD in three years and to identify business process improvements for system enhancements to meet future needs. DLA will assist in this effort by ensuring that a system is provided which meets the consumable and personnel support supply management needs of the DSCs.

Additionally, the implementation of the Defense Finance and Accounting standard DoD financial migratory and future system will improve the efficiency of Supply Management. It will become an enabler for implementing commercial practices for Supply Management by providing more timely and flexible commercial bill paying necessary to ensure ongoing contractor support. Further, the Defense Information Systems Agency (DISA) consolidation of large components of the technical DoD infrastructure (i.e., megacenter consolidation) will provide service equal to or better than DLA currently experiences. This entails installation of telecommunications network capabilities which eliminates any geographical proximity dependence between the DSCs and the data processing and information management support. There will be information processing continuity of operations for both peacetime, emergency, and wartime support.

G. Inventory: DLA inventory, less the consumable item transfer, will be reduced from a FY 93 value of $8.4B to approximately $6.0B by FY 97. Stocked inventory, as a method of support, will only be used when it is essential to maintain readiness and sustainability or it is economically justified. Acquisition will be streamlined and maximum use will be made of direct vendor delivery and the commercial distribution system balanced with full and continued consideration of all socio-economic programs. Items justified for stockage will be positioned to maximize customer responsiveness and approved operation plans support and to minimize overall costs and personnel requirements.

IV. CURRENT OPERATIONS:

A. The DSCs report to HQ DLA via the Deputy Director Materiel Management to the Executive Director Supply Management. The DSCs perform the Supply Management function for DLA and operate as brokers between the DLA customers and the suppliers. The DSCs determine the best method of supply support for the customer requirements and arrange for that support. The Supply Management functions performed are:

- Manage market resources (maintain plans/procedures; budget for materiel and operations; decision support; manage information systems)
- Perform market research/marketing
- Provide for market requirements (manage and process requirements; support customers; maintain asset visibility and accountability)
- Provide technical and quality support (manage technical data; provide cataloging, technical, and quality support; item evaluation and testing services)
- Procure materiel and services (perform procurement management activities; provide transportation support)

B. While the DSCs manage some repairables (e.g., Federal Supply Group 34/Industrial Plant Equipment) and repair facilities, the DSCs primarily manage consumable items (i.e., items that are consumed through use or are repaired at the field level) which are categorized as:

- Hardware (i.e., electronic, construction, general, and industrial items)
- Personnel support (i.e., food, pharmaceuticals/ medical supplies and equipment, and clothing and textiles)
- Energy (i.e., bulk fuel, natural gas, and other energy resources)

Items are assigned to the DSCs by common characteristics and industrial base in order to achieve economies and efficiencies through:

- Providing a single face to industry for procurement and industrial preparedness planning.
- Contracting management of the hardware items that are common to multiple end items or subassemblies.
- Allowing the DSCs to monitor their supply management performance by weapon system and apply intensified management to ensure that the supply support meets or exceeds the customers' expectation and requirements for the 50 percent of the hardware items that are identified to weapon systems.
- Organizing the DSCs around commodity business units (i.e., product line groups) and weapon system groups that are multifunctional integrated, synergistic teams comprised of supply management, procurement, technical, and quality expertise providing optimal supply management.

V. VISION:

The DLA Supply Management function ensures that DLA, as a combat support agency, is the provider or broker of choice for supplies, services, and information to all of its customers because it is the best value. Best value includes, but is not limited to, evaluation of such factors as technical, quality, price, training, and delivery. It provides the required readiness at reduced cost and helps offset Service programmatic cuts.

Business processes are guided by continual dynamic strategic planning assessing direction, goals, and policies. Functional business process improvements, streamlining and use of multifunctional teams, and information technology infusion eliminates non-value added activities, reduces overhead, and increases savings, efficiency and effectiveness. It also ensures integration and interoperability with the remainder of the DoD Enterprise model/corporation and optimized combat service support.

VI. FUTURE PROJECTIONS:

During the next decade, functional process improvement methodology and the use of best business practices benchmarking will be continually applied to orient the DSCs toward a weapons systems support or troop and general support operation. Supply support will be executed using the method of support best suited to the customer and the item of supply. This support will be provided within the market environment and military preparedness constraints. A DSC organization will be based on weapons systems support versus troop and general support to facilitate family group/commodity assignment. Flexible methods of support, efficient acquisition planning and compliance with socio-economic programs, product compliance, proper quality, quantity, and best value will also be stressed. Commercial off-the-shelf or standard products will be used instead of uniquely military specification materiel to the maximum extent possible. Expanded use of EC/EDI will continue.

Also, increased emphasis will be placed on integration of decision support for budgetary/funding, goals assessment, process control, and risk and operational analysis. Activity based costing will be used and unit cost reduction will be a critical success factor. There will be expanded use of multifunctional teams such as in problem solving or special initiative support.

Business process improvements include initiatives such as: using organic manufacturing, prime vendors, and customer best value contracting, providing premium or specialized customer service, tailoring logistics support to categories of customers, and providing catalogs offering multiple choices among commercial items to the customers.

A. **Inventory:** Inventory reduction will be ongoing as the use of the commercial distribution system (e.g., just in time approach, Direct Vendor Delivery (DVD), prime vendor) expands. Efficient acquisition will contribute to reduced administration and production leadtime leading to reduced inventory. Total asset visibility and retail use of the DLA laser optical card will also contribute to lower inventory levels.

Inasmuch as the new world order and threat assessment has changed, operational planning will require increased combat support agency flexibility and industrial preparedness planning to ensure readiness and sustainability. With the operational plan and war reserve updates, inventory requirements will be reduced.

B. **Marketing/Market Research:** Supply support methods used will be based on analyzing customer peacetime and wartime requirements, identifying industry capabilities to meet those requirements, and establishing business arrangements and industry leveraging and partnerships to provide the least-cost, most responsive support to the customer and comply with socio-economic programs. Long term indefinite or requirements type contracts, as opposed to one-time restrictive quantity contracts, will be used to efficiently procure the vast majority of materiel and logistics services support. In addition, DLA-wide and DoD-wide corporate contracts will oftentimes replace individual contracts from each DSC with a given contractor source.

Technical, program, asset, manufacturing supplier survey, and sector study information will be aggressively pursued to provide decision support information for optimal peacetime and wartime support to the customer. Additional business process improvements include the use of organic manufacturing, and catalogs offering choices to the customers among commercial, brand name products that perform the same function.

C. **Acquisition Logistics:** Flexible supply support strategies will differ based on characteristics such as commercial availability and military peculiar technical, quality, or surge requirements. Depending on the customer requirement, a class of items may be supported by DVD from commercial vendor stocks or from government-owned, contractor held stock, a mix of DVD and government depot stock, shared production arrangements, Flexible Computer Integrated Manufacturing (FCIM), and/or other tailored support methods.

D. **Personnel:** Productivity will increase as the use of multifunctional teams expands, such as the commodity business units for Supply Management and teams for problem solving or special initiative support. These teams may be long or short term. General administrative support areas will be reduced and centralized for efficient support of Supply Management.

E. Engineering: Quality and value engineering will be emphasized and integrated throughout all business processes to furnish a quality product for peacetime and combat support. Value engineering will continue to provide a significant return on investment to DLA and the warfighter customer. Use of Cataloging Tools On Line (CTOL) and Federal Logistics Data on CD-ROM (FED LOG) will support efficient life cycle Supply Management and customer satisfaction. The engineering and technical role will continue to expand to include specification preparing authority for all DLA managed items. Further, the engineering authority will be expanded to include decisions related to weapon systems items. The DoD Joint Computer-Aided Acquisition and Logistics Support (JCALS) program will provide the infrastructure modernization for the global information highway for such initiatives as Computer-Aided Acquisition and Logistics Support (CALS) and the Integrated Defense System Database (IDSDB). These initiatives, using industry and government standards and allowing new technology insertion, will facilitate storage of and interactive access to "smart" engineering drawings and manufacturing data and new technology for Supply Management, customers, and manufacturers.

F. Information Technology: Information is one of the DSC's primary resources. Data integration, standardization, and shared access provides infrastructure support to Supply Management from item introduction through consumption. There will be optimized use of the information such as that provided by the Defense Logistics Service Center/Defense Automated Addressing System Office effort to integrate item and requisition data in order to produce vital consumer information. Also, innovations such as readiness-based sparing, procurement linked to FCIM, use of EC/EDI in contracting, technology infusion, and use of expert and decision support systems will increase efficiency and effectiveness and reduce operating costs.

EC/EDI use will be greatly expanded. EC is a culture change embraced by industry and the DSCs. EDI will be the tool to facilitate the use of command business practices and implementation of business process improvements and other technical breakthrough strategies. It provides the automated link to our suppliers while recognizing socio-economic programs

Technology will be utilized to electronically link geographically separated DSCs. Thus, some, many, or all facets may operate as a single "logical" organization. A logical organization will permit seamless workload leveling and eliminate unnecessary redundant and non-value added functions.

G. National Performance Review: Support and implementation of this important executive initiative to streamline government will be ongoing. Equitable consideration of all DoD socio-economic programs will continue. There will be joint enterprises with General Services Administration (GSA) with either DLA or GSA providing all of the federal

government supply and procurement support. DSCs will continue to migrate towards an organizational structure that is aligned along weapons systems and troop and general support management. The strategy to provide for efficient supply management will be a flexible and dynamic infrastructure architecture to provide "logical/virtual" DSC operations.

APPENDIX G

CONCEPT OF OPERATIONS
MATERIAL MANAGEMENT - DISTRIBUTION

I. PURPOSE:

To describe how the Distribution business area function(s) will be accomplished from FY 95 through FY 01.

II. MISSION:

To satisfy customer distribution requirements and provide related services at lowest overall cost.

III. ENVIRONMENT:

A. **Force Structure:** During the remainder of this century, reductions in defense operating forces in accordance with the DoD Force Structure Plan, will necessitate a similar reduction in the DoD logistics support infrastructure. Reduced customer demand, combined with material management initiatives such as direct vendor delivery and prime vendor, will result in a decreased annual workload to be performed by DLA's distribution depots. Enclosure 1 details the projected decline in DoD workload. Sufficient thruput and storage capacity will be provided to efficiently and effectively handle the postulated workload. As decisions are made on the size and configuration of the Defense Depot Maintenance System, the distribution system will be sized to support these decisions. Alternatives to DLA's assumption of landlord responsibilities at closing bases will be commercial distribution or support of remaining geographic customers from other distribution sites.

B. **Base Realignment and Closure (BRAC):** As a result of previous BRAC decisions, distribution operations will be terminated and distribution facilities will be closed at 4 sites. Defense Distribution Depot Charleston, South Carolina (DDCS) will close by 30 September 1995. Defense Distribution Depot Oakland, California (DDOC) and Defense Distribution Depot Pensacola, Florida (DDPF) will close by 30 September 1997. The Tooele facility of Defense Distribution Depot Ogden, Utah (DDOU) will close by 30 September 1997.

IV. CURRENT OPERATION OF THE DISTRIBUTION BUSINESS AREA:

A. **Command and Control Structure:** As of 1 October 1994, there are 27 distribution depots located within CONUS. For BRAC purposes, DDOU's Hill facility counts as one depot, DDOU's Tooele facility counts as one depot and DDOU's Ogden facility counts as one depot. A number of the distribution depots have more than one operating site. The distribution directorate at DLA headquarters, in conjunction with two Primary Level Field

Activities (Defense Distribution Region East and Defense Distribution Region West), forms the present command and control structure for the distribution depots. These activities are listed in Enclosure 2.

B. Strategic Goals:

* Warfighting and Contingency Support
* Best Value Distribution
    ** Transportation and Stock Positioning
    ** Storage
    ** Production Capacity
* Accurate Inventory
* Modern Workplace
* Well-Trained Workforce

V. VISION:

To be the provider of choice for distribution services among DoD and other federal agency customers by providing best value at the best cost.

VI. FUTURE PROJECTIONS:

A. Warfighting and Contingency Support: As a combat support agency, DLA must be ready to respond to the surge in business associated with mobilization from peacetime operations to wartime operations. The distribution system must be able to support the two Major Regional Conflicts (MRCs) as described in the Defense Guidance. In order to accomplish this task, the distribution system will use a Command and Control structure which will consist of Eastern and Western Regions, and a distribution depot support network consisting of collocated and standalone distribution depots. In wartime, the distribution system must have the capability to accept direct vendor delivery items from suppliers and forward those supplies to deployed and deploying units when the vendor is unable to complete delivery directly to the customer. Material will be accepted and positioned in depots which have high thruput capacity and are able to perform Containerization Consolidation Point (CCP) operations and Air Line of Communication (ALOC) operations. The proximity to ports of embarkation will be a consideration in the stock positioning policy. The distribution system must also have the capability to handle the accelerated fielding of new weapon systems and influx of other items. It will also be necessary to store war reserve material and slow-moving stock held for wartime or emergent requirements. While relatively inactive during peacetime, warehouse sites with this mission must have the thruput capacity to quickly issue material in response to mobilization requirements.

B. **Best Value Distribution:** As the force structure decreases and combatant commands are structured for increasingly diverse missions, the distribution system must adapt and be able to provide a wide range of services tailored to customer needs. As such, DLA must provide distribution services to standard while reducing total system costs and passing the savings on to customers. Examples of this include positioning of stock at depots to better satisfy demand at maintenance activities, use of all storage facilities by all inventory control points, providing visibility of in-transit assets, reducing delivery times, providing dedicated delivery service, customizing packaging and customizing order processing. Providing customized service in a cost effective manner requires immediate access to information about stock availability, storage and thruput capacities, and discrete cost data. This will be accomplished by aggressive cost containment measures, business process improvements, efficient use of facilities, and a discrete costing methodology which will ensure actual costs are captured for actual services provided. Charges for storage will be provided to inventory control points for use in stock positioning and inventory retention decisions. Overall DoD distribution costs will be reduced by extending DLA's wholesale distribution network and replacing customer retained intermediate, retail, and consumer level inventories when possible. Costs will further be reduced, and the ability to support conflicts enhanced, by the concentration of high demand items in widespread use in high capacity distribution centers, in geographic locations to support the current Defense Guidance and two MRCs. Finally, information requirements to support customized service will be provided by the Distribution Standard System (DSS). The DSS will also standardize performance reporting and facilitate cost reducing business process improvements.

* Transportation and Stock Positioning

The Defense Logistics Agency will ensure the most effective balance of delivery response time and transportation costs for vendor materiel. In-Transit Visibility (ITV), the effort to identify delivery costs and value of materiel in the pipeline, will optimize costs and the effective management of the materiel. Additionally, this initiative will contribute to an effective supply and distribution system approach to the concept of direct vendor delivery. In support of an integrated distribution network, distribution facilities will be maintained as indicated by the stock positioning policy. Where demand patterns so indicate, material will be stocked in close proximity to customers. However, general use items will be stocked in high thruput storage facilities, while specialized items will be stored and handled at sites where conforming or specialized storage and a specially trained workforce exists. Slow moving items will be stored at locations where the combination of storage and transportation costs is most beneficial. This stockage policy, known as "best value," will also result in reduced costs and retention of those capabilities needed to support two major regional contingencies.

* Storage

The Defense Logistics Agency Distribution business area, working with the Supply business area, will develop and execute an integrated plan which capitalizes on private sector capabilities and commercial practices to minimize the need for distribution infrastructure. Examples of this approach are support methods which provide direct delivery to the customer such as Prime Vendor and long term corporate contracting where reduction in costs and improvements in response time can be obtained. This approach, combined with inventory reduction efforts which focus on reducing occupied storage space, (in addition to dollar value) will allow the distribution business area to significantly reduce infrastructure. In addition, our goal is the most efficient utilization of the required warehouse space with all items properly stored in a manner which facilitates stock maintenance and Care of Supplies in Storage (COSIS). The majority of storage capacity is now occupied by service owned inventories. Adequate storage capacity will be provided to properly store all material determined to be essential for stockage. Final storage requirements will also consider the effects of redistribution of material stored at depots identified for closure under Base Realignment and Closure (BRAC). Potential increase in storage requirements may occur as a result of the need to store material removed from decommissioned ships, disestablished units, and closed overseas bases, redistribution of DLA owned consumable item transfer (CIT) material currently stored at non-DLA sites, and the requirement to provide distribution services to an expanded non-defense customer base. Hazardous material, subsistence and other specialized commodities will be stored in the minimum number of depots where conforming or specialized storage is available. Construction of new specialized warehouses will be minimized to those cases where cost benefit analysis shows clear advantage. The net result of the puts and takes may be that an existing depot(s) is no longer required for its thruput, but must be retained for its storage capacity. The mix of storage capacity owned by the government and that leased from the private sector will be based on cost effectiveness and military essentiality.

* Production Capacity

Production capacity is the ability to process workload (receipts, issues, container stuffing, set assembly, etc.) at a depot. A FY 93 study determined that our depots, on average, were operating at 57 percent of their nominal receipt and issue production capacity. Reassignment of high volume production workload to a smaller number of large volume sites, combined with a reduction in both variable and fixed costs associated with elimination of some facilities, will allow the distribution system to operate at improved efficiency passing cost savings to customers.

C. <u>Accurate Inventory</u>: Inventory accuracy is essential to an effective and efficient distribution system. We have an ongoing program to measure inventory accuracy and to correct for inaccuracies created by the interaction of personnel with automated systems. We

will implement Approved MILSTRAP Change Letter 8 (AMCL-8) which transfers accountability of material stored at depots from the inventory control points to the depots. Implementation of the Distribution Standard System (DSS) and the proper storage of material will contribute to improved inventory accuracy.

D. Modern Workplace: Modernization of our facilities includes planned replacement of old facilities and upgrades (such as better lighting, better storage aids, greater density of storage, more efficient heating and cooling systems, etc.) to existing facilities in order to improve thruput, reduce COSIS costs, improve inventory accuracy, and make better use of storage space. We should give preference to our more modern facilities where inherent efficiencies contribute to higher productivity and lower cost.

E. Well Trained Workforce: A depot workforce whose knowledge, skills, and abilities more closely matches the demands placed upon them will contribute to a more effective and efficient distribution system - one which operates at a lower cost. DLA is now the employer of the majority of DoD's distribution professionals. We are employing a training program to empower these employees to do better work and to support the logical progression of a career in distribution. Certain commodities (such as hazardous materials, subsistence, clothing & textiles, etc.) require certain special skills. A skilled workforce, combined with the proper facilities for distribution of these commodities, is a combination which yields cheaper, better distribution.

Any consideration of transferring a specialized mission to another location must consider the workforce skills at the new location in addition to the facilities at the new location. The cost of properly training personnel at the proposed new site of a specialized mission may be a significant expense.

F. National Performance Review: DLA is actively pursuing the goals of the National Performance Review (NPR) and the Defense Performance Review (DPR). Our achievements to date and plans for the future are summarized in a number of fact sheets which were incorporated into DLA's first annual progress report on the NPR/DPR. The Distribution business area is DLA's office of primary responsibility for the following initiatives:

* Depot Unit Costs - Better Unit Cost Accuracy Improves Pricing Rates
* Premium Service - 24 Hours from Order to Delivery [Enclosure 4]
* Standardized ADP Systems - Unified ADP System for Distribution Business Will Save $590 Million
* Automated Manifest System - Laser Card Reduces Processing Time and Labor by 66%, Triples Productivity
* Distribution Depot Consolidation - Storage Depots Cut 7,000 Positions, Save $686 Million to Date

* Inventory Accuracy - New Process Controls Will Enhance Depot Accountability

Although the Distribution business area is not DLA's office of primary responsibility for the following initiatives, each of these initiatives has a significant impact on the Distribution business area:

* Contingency Planning - Support is Tailored to Meet Needs of Warfighting Commanders-in-Chief
* Private-Sector Practices - Prime Vendor Cuts Storage and Distribution Costs for Food
* Buy Response, Not Inventory - Defense Logistics Agency Breaks New Ground to Reduce Cost of Operations by $3 Billion.....70% of Purchases on Electronic Commerce During FY 95.....Reduced Unneeded Storage Capacity by 40%

DLA BRAC 95 Detailed Analysis

TOTAL MISSION WORKLOAD (RECEIPTS PLUS ISSUES)	
FY 1993	40.3 MILLION (ACTUAL)
FY 1994	34.7 MILLION (ACTUAL)
FY 1995	31.5 MILLION (PROJECTED)
FY 1996	30.2 MILLION (PROJECTED)
FY 1997	28.8 MILLION (PROJECTED)
FY 1998	27.4 MILLION (PROJECTED)
FY 1999	25.7 MILLION (PROJECTED)
FY 2000	24.5 MILLION (PROJECTED)
FY 2001	24.5 MILLION (PROJECTED)

Enclosure 1

DEFENSE DISTRIBUTION REGION WEST (DDRW)

DEFENSE DISTRIBUTION DEPOT BARSTOW, CA (DDBC)
DEFENSE DISTRIBUTION DEPOT CORPUS CHRISTI, TX (DDCT)
DEFENSE DISTRIBUTION DEPOT McCLELLAN, CA (DDMC)
DEFENSE DISTRIBUTION DEPOT OAKLAND, CA (DDOC) *
DEFENSE DISTRIBUTION DEPOT OGDEN, UT (DDOU)
    HILL AFB, UT SITE
    OGDEN, UT SITE
    TOOELE, UT SITE *
DEFENSE DISTRIBUTION DEPOT OKLAHOMA CITY, OK (DDOO)
DEFENSE DISTRIBUTION DEPOT RED RIVER, TX (DDRT)
DEFENSE DISTRIBUTION DEPOT SAN ANTONIO, TX (DDST)
DEFENSE DISTRIBUTION DEPOT SAN DIEGO, CA (DDDC)
DEFENSE DISTRIBUTION DEPOT SAN JOAQUIN, CA (DDJC)
    STOCKTON, CA SITE
    TRACY, CA SITE
DEFENSE DISTRIBUTION DEPOT PUGET SOUND (DDPW)

DEFENSE DISTRIBUTION REGION EAST (DDRE)

DEFENSE DISTRIBUTION DEPOT ALBANY, GA (DDAG)
DEFENSE DISTRIBUTION DEPOT ANNISTON, ~~CA~~ AL (DDAA)
DEFENSE DISTRIBUTION DEPOT CHARLESTON, SC (DDCS) *
DEFENSE DISTRIBUTION DEPOT CHERRY POINT, NC (DDCN)
DEFENSE DISTRIBUTION DEPOT COLUMBUS, OH (DDCO)
DEFENSE DISTRIBUTION DEPOT JACKSONVILLE, FL (DDJF)
DEFENSE DISTRIBUTION DEPOT LETTERKENNY, PA (DDLP)
DEFENSE DISTRIBUTION DEPOT MEMPHIS, TN (DDMT)
DEFENSE DISTRIBUTION DEPOT NORFOLK, VA (DDNV)
DEFENSE DISTRIBUTION DEPOT PENSACOLA, FL (DDPF) *
DEFENSE DISTRIBUTION DEPOT RICHMOND, VA (DDRV)
DEFENSE DISTRIBUTION DEPOT SUSQUEHANNA, PA (DDSP)
    MECHANICSBURG, PA SITE
    NEW CUMBERLAND, PA SITE
DEFENSE DISTRIBUTION DEPOT TOBYHANNA, PA (DDTP)
DEFENSE DISTRIBUTION DEPOT WARNER ROBINS, GA (DDWG)
* IDENTIFIED FOR CLOSURE IN BRAC '93

Enclosure 2

APPENDIX H

ECONOMIC IMPACT DATABASE RESULTS

Economic Area	BRAC 95 Installation	Military Dept.	BRAC 95 Jobs Direct	Indirect	Total	BRAC 95 Percent of Area Jobs	Cumulative Total Jobs (1994 to 2001)	Cumulative Percent of Area Jobs
Anniston, AL	Defense Distribution Depot Anniston	DLA	539	503	1,042	1.7%		
	Anniston Army Depot	Army	501	450	951	1.5%		
	Fort McClellan	Army	(8,536)	(2,184)	(10,720)	(17.3%)		
		Total	(7,496)	(1,231)	(8,727)	(14.1%)	(9,118)	(14.7%)
Atlanta, GA	Defense Contract Mgmt District - South	DLA	(169)	(106)	(275)	0.0%		
	Dobbins AFB	Air Force	58	37	95	0.0%		
	NAS Atlanta	Navy	326	164	490	0.0%		
		Total	215	95	310	0.0%	508	0.0%
Calhoun County, MI	Defense Reutilization & Marketing Service	DLA	97	42	139	0.2%		
		Total	97	42	139	0.2%	139	0.2%
Columbus, OH	Defense Construction Supply Center	DLA	(358)	(623)	(981)	(0.1%)		
	Defense Distribution Depot Columbus	DLA	(365)	(632)	(997)	(0.1%)		
		Total	(723)	(1,255)	(1,978)	(0.2%)	(1,181)	(0.1%)
Essex, Middlesex, Suffolk, Plymouth, Norfolk Counties, MA	Defense Contract Mgmt Dist - Northeast	DLA	21	13	34	0.0%		
	Hanscom AFB	Air Force	591	1,235	1,826	0.1%		
	USA Natick Research & Development Ctr	Army	162	338	500	0.0%		
	NAS South Weymouth	Navy	(960)	(518)	(1,478)	(0.1%)		
		Total	(186)	1,068	882	0.0%	(1,494)	(0.1%)
Franklin County, PA	Defense Distribution Depot Letterkenny	DLA	(378)	(370)	(748)	(1.2%)		
	Letterkenny Army Depot	Army	(2,090)	(2,036)	(4,126)	(6.6%)		
		Total	(2,468)	(2,406)	(4,874)	(7.8%)	(5,271)	(8.5%)
Harrisburg-Lebanon-Carlisle, PA	Defense Distribution Region East	DLA	89	115	204	0.1%		
	Defense Distribution Depot Susquehanna (New Cumberland Facility)	DLA	297	163	460	0.1%		
	Fort Indiantown Gap	Army	(521)	(268)	(789)	(0.2%)		
		Total	(135)	10	(125)	0.0%	591	0.2%
Los Angeles-Long Beach, CA	Defense Contract Mgmt District - West	DLA	22	14	36	0.0%		
	NRC Pomona	Navy	(10)	(5)	(15)	0.0%		
	NSY Long Beach	Navy	(4,126)	(9,467)	(13,593)	(0.3%)		
	SUPSHIP Long Beach	Navy	(19)	(11)	(30)	0.0%		
		Total	(4,133)	(9,469)	(13,602)	(0.3%)	(20,298)	(0.4%)
Memphis, TN-AR-MS	Defense Distribution Depot Memphis	DLA	(1,300)	(2,049)	(3,349)	(0.6%)		
	Bureau of Personnel (IN)	Navy	526	301	827	0.1%		
		Total	(774)	(1,748)	(2,522)	(0.4%)	(9,030)	(1.5%)
Philadelphia, PA-NJ	Defense Industrial Supply Center	DLA	(385)	(813)	(1,198)	0.0%		
	Fort Dix	Army	(739)	(425)	(1,164)	0.0%		
	NAESU Philadelphia	Navy	(90)	(55)	(145)	0.0%		
	Naval Air Technical Services Facility	Navy	(227)	(488)	(715)	0.0%		
	NAWCAD Warminster	Navy	(348)	(732)	(1,080)	0.0%		
	NSWC Philadelphia	Navy	261	569	830	0.0%		
		Total	(1,528)	(1,944)	(3,472)	(0.1%)	(31,744)	(1.2%)
Richmond-Petersburg, VA	Defense General Supply Center	DLA	359	558	917	0.2%		
	Fort Lee	Army	(205)	(116)	(321)	(0.1%)		
		Total	154	442	596	0.1%	610	0.1%
Salt Lake City-Ogden, UT	Defense Distribution Depot Ogden	DLA	(1,113)	(1,834)	(2,947)	(0.4%)		
	Hill AFB	Air Force	(336)	(263)	(599)	(0.1%)		
		Total	(1,449)	(2,097)	(3,546)	(0.5%)	(2,026)	(0.3%)

DLA BRAC 95 Detailed Analysis

Economic Area	BRAC 95 Installation	Military Dept.	BRAC 95 Jobs Direct	Indirect	Total	BRAC 95 Percent of Area Jobs	Cumulative Total Jobs (1994 to 2001)	Cumulative Percent of Area Jobs
Stockton-Lodi, CA	Defense Distribution Region West	DLA	291	387	678	0.3%		
	Def Dist Depot San Joaquin (Tracy)	DLA	213	117	330	0.2%		
	NAVCOMMSTA Stockton	Navy	(7)	(3)	(10)	0.0%		
		Total	497	501	998	0.5%	1,328	0.6%
Texarkana, TX-AR	Defense Distribution Depot Red River	DLA	(821)	(781)	(1,602)	(2.7%)		
	Lone Star Army Ammunition Plant	Army	510	709	1,219	2.0%		
	Red River Army Depot	Army	(2,901)	(2,753)	(5,654)	(9.5%)		
		Total	(3,212)	(2,825)	(6,037)	(10.1%)	(4,583)	(7.7%)
Washington, DC-MD-VA-WV	Defense Logistics Agency HQ	DLA	52	96	148	0.0%		
	Fort Detrick	Army	927	505	1,432	0.0%		
	Walter Reed Army Medical Center	Army	193	96	289	0.0%		
	NATNAVMEDCEN Bethesda	Navy	(146)	(80)	(226)	0.0%		
	Naval Research Laboratory	Navy	32	16	48	0.0%		
	NDW Washington	Navy	(1,133)	(688)	(1,821)	(0.1%)		
	NSWC Carderock	Navy	20	42	62	0.0%		
	NSWC White Oak	Navy	(202)	(444)	(646)	0.0%		
		Total	(257)	(457)	(714)	0.0%	(16,821)	(0.6%)

Defense Logistics Agency

BRAC 95

DLA BRAC Charter

Internal Control Plan/Checklist

OSD Kick-Off Memorandum

OSD Policy Memorandum

DEFENSE LOGISTICS AGENCY

Inter-Office Memorandum

IN REPLY REFER TO CAAJ(BRAC)

9 MAY 1994

SUBJECT: DLA Base Realignment and Closure (BRAC) Executive Group and Team Charter

TO: DLA BRACEG Members

1. Reference: CAAJ(BRAC) IOM, 3 Mar 94, subject as above (enclosure 1).

2. Since distribution of enclosure 1, the BRAC Executive Group and Team Charter has been revised to reflect the addition of the Materiel Management Deputy Executive Directors for Supply and Distribution as voting members of the Executive Group (enclosure 2).

3. We now need to finalize the designation of alternate functional representatives for the following BRACEG members:

Deputy Director(Corporate Administration)
Deputy Director(Materiel Management)
Executive Director(Supply Management)
Executive Director(Distribution)
Executive Director(Human Resources)
General Counsel
Deputy Executive Director(Supply Management)
Deputy Executive Director(Distribution)
Assistant Executive Director(Installations Group)
Staff Director(Environment and Safety Policy)
Executive Director(Information Services)
Staff Director(Public Affairs)

To ensure the integrity of the recommendation process, we must formally designate alternate voting members. We also must ensure that the non-voting advisory members are functionally represented in their absence by knowledgeable alternate members.

M. V. McManamay

2 Encl

M. V. McMANAMAY
Team Chief
DLA BRAC

*U.S. Government Printing Office: 1990-261-036/12348

DEFENSE LOGISTICS AGENCY

Inter-Office Memorandum

IN REPLY REFER TO CAAJ (BRAC)

3 MAR 1994

SUBJECT: DLA Base Realignment and Closure Executive Group (BRACEG) and Team Charter

TO: DLA BRACEG

1. The General Order and Charter reestablishing the BRACEG and Team were approved by VADM Straw and are at enclosure one. VADM Straw determined that voting members of the BRACEG should be limited to the DLA Principal Deputy Director, Deputy Directors, Executive Directors, the Chief Financial Officer, and the General Counsel.

2. To ensure that functional areas are represented at all meetings, each voting and non voting member should formally designate by IOM one alternate functional representative who will attend meetings and otherwise represent the member in his absence. This designation should be made by 14 March 1994 to CAAJ (BRAC). As stated in the charter, the alternate representative for a voting member may vote in that member's absence.

M. V. McManamay

1 Encl

M. V. McMANAMAY
Team Chief
DLA BRAC Team

DLA FORM 111 PREVIOUS EDITION MAY BE USED UNTIL EXHAUSTED

Encl 1

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100

CAI

16 February 1994

GENERAL ORDER
NO. 3-94

I. AUTHORITY: DLA-D approval of CA Staff Summary Sheet dated 10 December 1993, subject: Reestablishment of the DLA Base Realignment and Closure (BRAC) Executive Group and BRAC Team.

II. Pursuant to cited authority and effective 10 February 1994:

A. The DLA BRAC Executive Group is reestablished to direct the DLA base realignment and closure process. The Executive Group guides DLA policies, procedures, and recommendations related to the development and implementation of base realignment and closure actions. The Director, DLA makes the final decision on which bases to recommend to the Secretary of Defense for realignment and closure and approves plans for implementation of base realignment and closure actions. The BRAC Senior Technical Advisors, non-voting members of the Executive Group, provide executive level technical support and advice to the voting members of the DLA BRAC Executive Group.

B. The DLA BRAC Team is reestablished to provide technical staff support to the DLA BRAC Executive Group for development of BRAC recommendations and implementation of BRAC actions. The BRAC Team is divided into two working groups: The BRAC 95 Working Group and the BRAC Implementation Working Group.

1. The BRAC 95 Working Group provides technical staff support to the DLA BRAC Executive Group in the following areas: development of policies and procedures, including DLA subelements to DoD selection criteria and definitions for excess capacity; internal controls; data collection; analysis to support recommendations for realignment and closure of DLA activities; and the development of the final report and supporting documentation.

2. The BRAC Implementation Working Group provides implementation support for all approved BRAC actions for BRAC 88, BRAC 91, BRAC 93, and BRAC 95. The BRAC Implementation Working Group develops plans for implementing approved BRAC recommendations; develops budget requirements in conjunction with Business Management Offices, Field Activities, and Financial Office Staff for submission to DoD; provides guidance and on-site assistance; schedules and tracks implementation milestones; and provides liaison with OSD, the Services, and losing/gaining sites.

GENERAL ORDER
NO. 3-94

III. Attached is the Charter for the DLA BRAC Executive Group and the BRAC Working Team.

BY ORDER OF THE DIRECTOR:

Christine L. Gallo

Atch

CHRISTINE L. GALLO
Executive Director
(Plans & Policy Integration)

DISTRIBUTION
2

DLA BASE REALIGNMENT AND CLOSURE (BRAC) EXECUTIVE GROUP AND BRAC TEAM CHARTER

I. AUTHORITY

The DLA BRAC Executive Group and BRAC Team were reestablished by General Order 3-94 to develop and implement DLA's base realignment and closure process, procedures, recommendations, and actions.

II. BACKGROUND

A. Reductions in the Defense infrastructure through base realignments and closures are being stressed by the Secretary of Defense to increase military efficiency and effectiveness and reduce the cost of the Defense establishment.

B. The Defense Base Closure and Realignment Act of 1990 (PL 101-510), as amended, established a process and procedures for closing and realigning bases. OSD guidance elaborates on the requirements of the Act.

1. Bases are grouped into categories with similar missions or capabilities/attributes.

2. Categories are assessed for excess capacity to determine whether reduced requirements from the Military Services and other customers can translate into the realignment or closure of DLA activities within a category.

3. Activities within a category identified as having excess capacity are evaluated against DoD selection criteria and DLA subelements to the DoD selection criteria.

4. Specific DLA activities and space may be identified which will be candidates for closure/realignment.

5. The Secretary of Defense must close and realign all military installations recommended for closure and realignment by the BRAC Commission, unless the President does not approve the recommendations or a congressional joint resolution of disapproval is enacted.

6. The Secretary must initiate all the closures and realignments within two years and complete all the closures within six years, beginning from the date the President approves the recommendations.

7. DLA must provide to OSD any recommended closures or realignments. Exceptions are 1) the closure of a military installation where fewer than 300 civilian personnel are employed, or 2) the realignment of a military installation employing at least 300 civilian personnel which reduces civilian personnel by fewer than 1,000 or by less than 50 percent. DLA installations which meet these exceptions may be closed or realigned at DLA's direction without formal BRAC review.

III. RESPONSIBILITIES

A. DLA BRAC Executive Group:

1. Directs the DLA base realignment and closure process.

2. Guides DLA policies, procedures, and recommendations related to the development and implementation of base realignment and closure actions.

3. Makes recommendations to the Director, DLA for his decision concerning any proposed DLA base realignment or closure which falls within the thresholds of the Act.

4. Provides staff representatives to the DLA BRAC Team, either full or part time.

5. Includes the following voting members (one alternate may be identified to vote for each member in an "acting" capacity):

Principal Deputy Director, DLA (Chairman)
Deputy Director, Corporate Administration (First Vice Chairman)
Deputy Director, Materiel Management (Second Vice Chairman)
Deputy Director, Acquisition
Executive Director, Contract Management
Executive Director, Procurement
Executive Director, Supply Management
Executive Director, Distribution
Executive Director, Plans and Policy Integration
Executive Director, Human Resources
Chief Financial Officer
General Counsel
Deputy Executive Director, Supply Management
Deputy Executive Director, Distribution

6. Includes the following non-voting members who serve as Senior Technical Advisors and provide executive level technical support and advice:

Assistant Executive Director, Installations Group
Staff Director, Environment and Safety
Executive Director, Information Services
Staff Director, Congressional Affairs
Staff Director, Public Affairs
Chief, DLA BRAC Team (Executive Secretary)

7. The Principal Deputy Director:

a. Serves as Chairman of the DLA BRAC Executive Group.

b. Serves as the Agency senior leadership focal point for DLA base realignment and closure.

c. Represents DLA at OSD BRAC Executive Group meetings.

d. Schedules in-progress reviews, as necessary, with the DLA BRAC Executive Group to provide members with information and elicit direction.

e. Provides general guidance to the Chief, DLA BRAC Team, to implement tasking or other direction from the DLA BRAC Executive Group.

f. Monitors DLA BRAC Executive Group and BRAC Team progress.

g. Reports progress on BRAC actions to the Director, DLA.

8. The Deputy Director, Corporate Administration:

a. Serves as the First Vice-Chairman of the DLA BRAC Executive Group.

b. Is designated as the alternate to the Chairman in his absence.

9. The Deputy Director, Materiel Management:

a. Serves as the Second Vice-Chairman of the DLA BRAC Executive Group.

b. Is designated as the alternate to the First Vice-Chairman in his absence.

10. The Chief, DLA BRAC Team:

a. Serves as the Executive Secretary of the DLA BRAC Executive Group.

b. Makes presentations to the DLA BRAC Executive Group concerning DLA BRAC Team developmental and implementation efforts as well as other BRAC issues.

c. Records proceedings of the DLA BRAC Executive Group.

d. Takes direction from the Chairman, DLA BRAC Executive Group.

e. Provides day-to-day direction to the DLA BRAC Team.

f. Serves as the senior staff liaison for BRAC operational issues with other staffs from OSD, the Military Services, and DLA activities.

B. DLA BRAC Team:

The DLA BRAC Team is divided into two working groups: the BRAC 95 Working Group and the BRAC Implementation Working Group.

1. The BRAC 95 Working Group:

a. Provides technical staff support to the DLA BRAC Executive Group for BRAC 95.

b. Develops policies and procedures, including definitions for excess capacity, DLA subelements to DoD selection criteria, and internal controls.

c. Collects data and performs analysis to support recommendations for realignment and closure of DLA activities.

d. Writes the draft and final reports and provides supporting documentation.

2. The BRAC Implementation Working Group:

a. Provides technical staff support to the DLA BRAC Executive Group related to BRAC implementation actions.

b. Develops plans for implementing approved BRAC recommendations.

c. Provides guidance to field activities and ensures consistency in all functional implementation actions.

d. Provides on-site assistance to DLA field activities.

IV. DURATION

This charter is in effect until the DLA BRAC Executive Group and BRAC Team are disestablished by the Director, DLA.

Approved: Ed Straw

Date: 10 FEB 1994

EDWARD M. STRAW
Vice Admiral, SC, USN
Director

Round 4 - Base Realignment and Closure (BRAC)

An Internal Control Plan for the Collection and Analysis of Data

13 APR 1994

A. The objectives of the plan are to ensure that:

1. The data are:

   a. Consistent and standard.
   b. Accurate and complete.
   c. Certifiable as required by law.
   d. Verifiable by HQ DLA Business Area and PLFA functional managers.
   e. Auditable by DLA internal review offices and external audit and inspection agencies.
   f. Replicable by a third party using documentation developed during the data collection procedures.
   g. Stored and analyzed in a secure area and;

2. There shall be a separation of duties so that the collection of data, the analysis of data, data verification, and site selections are accomplished by different groups of individuals. The Chief DLA BRAC Team will ensure the accomplishment of an unbiased and impartial BRAC process.

B. Procedures of the plan include the following:

1. Uniform guidance defining data requirements and sources.

a. Functional representatives on the BRAC Working Group are to define data requirements, sources of information, and data elements for their areas of responsibility. The purpose of developing uniform guidance is to ensure that collection of the data is consistent and standard.

b. Functional representatives on the BRAC Working Group will decide what data elements are to be collected, and will prepare plans for the collection of data.

c. To ensure consistency and correctness of the data collection plans, the plans will be written and coordinated through the BRAC Working Group, approved by the Executive Group, and published for distribution.

d. PLFAs are to submit data to the BRAC Working Group.

e. Each category of activity will have a data collection plan and will include the following minimum information:

(1) Type of data to be collected.
(2) Type of facility from which it is to be collected.
(3) Source(s) of the data.
(4) Method of collection, (e.g., extraction from manual files or ADP systems).
(5) Time period represented by the data.
(6) Time period during which the data is to be collected.
(7) Position or title of individuals who are to collect the data.
(8) Medium in which the data is to be collected, (e.g., electronic, paper, data base, spreadsheet, etc.)
(9) Format in which the data is to be reported.
(10) Suspense date for reporting to the BRAC Working Group.

2. Systems for verifying the accuracy of data at all levels of command, i.e., HQ DLA, PLFAs, SLFAs, etc.

a. PLFA commanders have overall responsibility for the collection and submission of complete and accurate data. The BRAC Working Group will not accept submissions of draft data.

b. Commanders (and, where applicable, management team representatives) are to certify, to the best of their knowledge, that the data submitted at the request of the BRAC Executive and Working Groups are accurate and complete. Commanders' certification is based on their confidence that the data have been verified by management. The BRAC Internal Control Checklist is to be signed at the level at which the data was collected.

c. PLFA commanders are to appoint a BRAC Point of Contact (BRAC-POC) who will be responsible to the PLFA commander and the BRAC Working Group. The BRAC-POC will ensure:

(1) Uniform data collection guidance is followed in the data collection process.
(2) Internal control checklists (see para B.2f) are completed for every data collection plan.
(3) Assistance in Internal review audits (see para B.2e) to insure on time completion.
(4) Data to be certified by the commander are accurate and complete.

(5) Data submissions to the BRAC Working Group are forwarded on time.

d. The DLA Internal Review Office (DDAI) is responsible for auditing the accuracy and completeness of data submitted for the BRAC process.

e. DDAI will provide audit policy and perform on-site verification of selective data. DDAI will be augmented by DoDIG, PLFA audit staffs and HQ DLA subject matter experts (engineers, facility specialists, etc.) for performance of on-site verifications.

(1) The purpose of the internal review audits is twofold: (a) serve as part of the commander's certification process; and (b) determine whether the data is supported by an audit trail. Auditors shall test data accuracy, verify that the data were collected in accordance with the data collection plan, and recommend corrective action. Internal audits of data can be completed before submission to the BRAC Working Group, but not later than 30 days after the initial submission of the data to the BRAC Working Group..
(2) Internal review auditors normally review statistical samples of data. The actual level of effort must be enough to achieve reasonable assurance of data accuracy.
(3) PLFA internal review office will not be used to collect data, except as required to perform audits.

f. Internal Control Checklist

(1) A checklist will be used by BRAC POCs to verify the accuracy and completeness of data and document an audit trail for third-party verification.
(2) Third-party verification may be affected by the DoD IG, the GAO, the Defense BRAC Commission, etc.
(3) The checklist is to be included in the data collection plans.

g. Functional managers of the BRAC Working Group are responsible to the BRAC Executive Group for verifying data collected by the PLFAs. Verifications are to be performed on an as-needed basis and will consider verifications done by the PLFA personnel and audits by internal review personnel.

h. Members of the BRAC Executive Group are responsible to the Director, DLA, for making recommendations that fulfill the requirements and the intents of the Defense Base Closure and Realignment Act of 1990, P.L 101-510, as amended and the BRAC Working Group is responsible for submitting the data to the Executive Group. All submissions and recommendations to the Director, DLA, will be certified by the Chief DLA BRAC Team and the Chairman of the BRAC Executive Group (DLA-DD). Finally, the Director, DLA, must certify to the Secretary of Defense that data used in making BRAC 95 recommendations to the Secretary are accurate and complete to the best of his knowledge and belief.

3. Documentation justifying corrections made to data received from subordinate commands.

a. Corrections to previously certified data are to be submitted to the Director of the BRAC Working Group and copies furnished to DDAI for subsequent verification. PLFA commanders who discover errors in data previously certified are to submit such corrections as soon as the error is discovered, within the time frames established by the BRAC Executive Group. If the BRAC Working Group discovers errors in previously certified data, the BRAC Working Group shall task the PLFA(s) to make corrections, and establish appropriate suspense dates.

b. All corrections must be fully documented in writing. Documentation should consist of at least:

(1) A reason for the correction.
(2) The data element(s) involved.
(3) A comparison between original and corrected data.
(4) Verification by the responsible PLFA manager.
(5) Certification by the PLFA commander.

c. The BRAC Working Group is responsible for considering all properly justified and substantive corrections of data in the overall analysis.

4. Requests from OSD and the BRAC Commission after the DLA recommendations have been provided to OSD for additional analysis or data will be reviewed by DDAI and certified by the Director. An audit trail will be maintained.

5. *Analysis of data.*

a. Responsibilities. The BRAC Working Group is responsible for performing and coordinating all BRAC related analyses. Members of the BRAC Working Group are responsible for performing BRAC related analyses for those DLA activities where they have functional responsibility. The BRAC Working Group will request analyses from field activities or from the DLA Operations Research Office, Defense General Supply Center, Richmond, where the application of operations research or economic analysis is required.

b. Procedures. The BRAC Working Group will develop an audit trail that will maintain the integrity of all data submitted by the PLFAs.

c. Classification of Analysis. The BRAC Working Group is to determine when analysis results will be classified above the close hold level. Normally this will occur when the analysis has yielded significant findings, results, or conclusions that are envisioned as recommendations for Executive Group approval. Prior to this time all working papers, data, models, or preliminary results will be treated as close hold. BRAC related information will not be released to anyone outside the BRAC Executive or Working Groups (except the DoDIG and GAO) unless authorized by the Director, DLA, Chairman of the BRAC Executive Group or the Principal Deputy.

d. Analysis Evaluation. DDAI will be responsible for evaluating the analyses performed by the BRACWG.

e. Storage of Results. If analysis results are classified Confidential or SECRET, they are to be secured in an area to be designated by the Chief of the BRAC Working Group.

6. ***Procedures to check the accuracy of the analyses made from the data.***

a. All new submissions of data will be analyzed to determine accuracy and changes to analyses will be made as appropriate.

b. For audit trail purposes, the original analysis is to be retained and marked appropriately.

c. DDAI will be responsible for evaluating all new submissions of data requested by the BRACWG in the time frames required to meet OSD/BRAC Commission suspenses.

7. *An assessment by DDAI of the adequacy of the BRAC Internal Control Plan.*

a. The DDAI representative to the BRAC Working Group will determine whether the internal control plan is adequate by periodically reviewing:

(1) Managerial (BRAC-POC) verifications of the data.
(2) Internal review audit reports on data accuracy.
(3) Commanders' certifications of data have been accomplished in accordance with the law.

b. The BRAC Working Group will return data that have not been collected in compliance with the internal control plan. Cognizant PLFAs will revise, as necessary, data that have been returned in this manner.

DLA BRAC INTERNAL CONTROL CHECKLIST

1. Name of PLFA/SLFA: _____

2. BRAC-POC Identification:
   a. Name: _____
   b. Office Symbol: _____
   c. Phone: _____
   d. Fax: _____

   Alternate BRAC-POC Identification:
   a. Name: _____
   b. Office Symbol: _____
   c. Phone: _____
   d. Fax: _____

3. Data Collection Plan Identification:

_____

(note: attach copy of data collection plan)

4. Workpapers - For each data collection plan:

   a. Do workpapers exist? Yes___ No___
   b. Are workpapers neat, legible, and organized? Yes___ No___
   c. Do workpapers show dates the data was collected? Yes___ No___
   d. As appropriate, do the workpapers show either the "beginning and ending dates" of the period covered by the data, or the "as of date" of the data? Yes___ No___

5. Data Collection Personnel - Review the workpapers for this data collection plan. Do the workpapers indicate:

   a. The name, office symbol, and phone number of the individual(s) who collected each element of data for this collection plan? Yes___ No___

   b. That the data was verified or by management personnel independent of the data collection process? Yes___ No___

6. Sources of Data - Review workpapers for this data collection plan. For each data element, answer the following questions.

a. If data came from existing files, do the workpapers indicate the files used and locations of the files? Yes___ No___ N/A___

b. **For all computations, do the workpapers indicate:**

1) The raw numbers/figures that went into the computation? Yes___ No___ N/A___

2) The files or other source of data for the raw numbers/figures? Yes___ No___ N/A___

3) The method of computation? Yes___ No___ N/A___

4) Whether computations have been verified? Yes___ No___ N/A___

5) Do the computations ensure the validity of the data projected for 30 September 1994? Yes___ No___ N/A___

c. **For data developed through analysis, do the workpapers indicate:**

1) The person who performed the analysis? Yes___ No___ N/A___

2) The source(s) of information used in the analysis? Yes___ No___ N/A___

3) The type of information in the analysis? Yes___ No___ N/A___

4) The method of analysis? Yes___ No___ N/A___

d. If the workpapers include testimonial information or data, do the workpapers indicate:

1) The name, position, title, grade, office symbol, and phone number of the person(s) who gave the testimony? Yes___ No___ N/A___

2) The name, position, title, grade, office symbol, and phone number of the person(s) who recorded the testimony? Yes___ No___ N/A___

3) The date the testimony was given? Yes___ No___ N/A___

e. If the workpapers contain data based on observations (e.g., physical measurements, work counts, item counts), indicate:

1) The name, position, title, grade, office symbol, and phone number of the person(s) who made the observations. Yes___ No___ N/A___

2) The date and time the observations were made. Yes___ No___ N/A___

3) The specific method of observation, (note: the list of examples in paragraph 6.e is not an all inclusive list). Yes___ No___ N/A___

7. Audit of BRAC Data

a. Has an audit of this data been scheduled by the Internal Review Office (DDAI)? (Note: If an audit has not been scheduled, or if there is no plan to schedule an audit, do not complete item 7.b - 7.f). Yes___ No___

b. Has the audit been started? Yes___ No___

c. Has the audit been completed? Yes___ No___

d. If the audit has started, but not yet completed, will it be completed within 30 days after certification of the data and submission to the BRAC Working Group? Yes___ No___

e. If the audit has been completed, has a report been published; does the BRAC-POC have a copy on file; and has a copy of the report been submitted to DDAI in accordance with the BRAC Audit Guidance? Yes___ No___

f. If the completed audit report contains recommendations for the improvement of data, has there been compliance with those recommendations? Yes___ No___

_____

SIGNATURE DATA PREPARER

_____

PRINTED NAME, OFFICE SYMBOL, TELEPHONE NO.

THE DEPUTY SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

7 JAN 1994

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
COMPTROLLER
GENERAL COUNSEL
INSPECTOR GENERAL
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: 1995 Base Realignments and Closures (BRAC 95)

Reducing the Department's unneeded infrastructure through base closures and realignments is a top Defense priority. We have made good progress so far, but there are more reductions we can and must accomplish. The 1995 round of base realignments and closures (BRAC 95) is the last round of closures authorized under Public Law 101-510. Hence, our efforts to balance the DoD base and force structures, and preserve readiness through the elimination of unnecessary infrastructure, are critical. Consequently, we must begin the BRAC 95 process now.

I look to you, individually and collectively, to recommend further infrastructure reductions consistent with the Defense Guidance and DoD's planned force reductions. The Defense Guidance BRAC 95 goal of an overall 15% reduction in plant replacement value should be considered a minimum DoD-wide goal.

Significant reductions in infrastructure and overhead costs can only be achieved after careful studies address not only structural changes to the base structure, but also operational and organizational changes, with a strong emphasis on cross-service utilization of common support assets.

The attached guidance establishes policy, procedures, authorities and responsibilities for selecting bases for realignment or closure under Public Law 101-510, as amended by Public Law 102-190 and Public Law 103-160. This guidance supersedes Deputy Secretary of Defense memoranda of May 5, 1992, and all other Office of the Secretary of Defense guidance issued regarding making recommendations for the 1993 round of base realignments and closures.

William J. Perry

Attachment

1995 Base Realignments and Closures (BRAC 95)
Policy, Procedures, Authorities and Responsibilities

Purpose

Part A, Title XXIX of Public Law 101-510, as amended by Public Law 102-190 and Public Law 103-160, establishes the exclusive procedures under which the Secretary of Defense may pursue realignment or closure of military installations inside the United States, with certain exceptions. The law established independent Defense Base Closure and Realignment Commissions to review the Secretary of Defense's recommendations in calendar years 1991, 1993 and 1995.

The guidance herein establishes the policy, procedures, authorities and responsibilities for selecting bases for realignment or closure for submission to the 1995 Defense Base Closure and Realignment Commission (the 1995 Commission).

This guidance supersedes Deputy Secretary of Defense memoranda of May 5, 1992, and all other Office of the Secretary of Defense Guidance for the 1993 round of closures.

Goals

DoD Components must reduce their base structure capacity commensurate with approved roles and missions, planned force drawdowns and programmed workload reductions over the FYDP. For BRAC 95, the goal is to further reduce the overall DoD domestic base structure by a minimum of 15 percent of DoD-wide plant replacement value. Preserving readiness through the elimination of unnecessary infrastructure is critical to our national security.

It is DoD policy to make maximum use of common support assets. DoD Components should, throughout the BRAC 95 analysis process, look for cross-service or intra-service opportunities to share assets and look for opportunities to rely on a single Military Department for support.

Applicability

This guidance applies to those base realignment and closure recommendations which must, by law, be submitted to the 1995 Defense Base Closure and Realignment Commission (the 1995 Commission) for review. This guidance also applies to recommendations which are forwarded to the 1995 Commission for review, though not required to be forwarded under the law.

This guidance does not apply to implementing approved closures and realignments resulting from the recommendations of the 1991 and 1993 Defense Base Closure and Realignment Commissions.

Public Law 101-510, Numerical Thresholds

Public Law 101-510 stipulates that no action be taken to close or realign an installation that exceeds the civilian personnel numerical thresholds set forth in the law, until those actions have obtained final approval pursuant to the law. The numerical thresholds established in the law require its application for the closure of installations with at least 300 authorized civilian personnel. For realignments, the law applies to actions at installations with at least 300 authorized civilian personnel which reduce and relocate 1000 civilians or 50% or more of the civilians authorized.

DoD Components must use a common date to determine whether Public Law 101-510 numerical thresholds will be met. For BRAC 95, the common date will be September 30, 1994. Nonappropriated fund employees are not direct hire, permanent civilian employees of the Department of Defense, as defined by Public Law 101-510, and therefore should not be considered in determining whether the numerical thresholds of the law will be met.

Exceptions

Public Law 101-510, as amended, does not apply to actions which:

o Implement realignments or closures under Public Law 100-526, relating to the recommendations of the 1988 Defense Secretary's Commission on Base Realignment and Closure (the 1988 Commission);

o Study or implement realignments or closures to which Section 2687 of Title 10, United States Code, is not applicable;

o Reduce force structure. Reductions in force structure may be made under this exception even if the units involved were designated to relocate to a receiving base by the 1988, 1991, or 1993 Commission; or

o Impact any facilities used primarily for civil works, rivers and harbor projects, flood control, or other projects not under the primary jurisdiction or control of the Department of Defense.

Activities in Leased Space

DoD Component activities located in leased space are subject to Public Law 101-510, as amended. Additional guidance on how to apply this requirement will be issued by the Under Secretary of Defense for Acquisition and Technology.

Policy Guidance

Basis for Recommendations

Base realignment, closure or consolidation studies that could result in a recommendation to the 1995 Commission of a base closure or realignment must meet the following requirements:

o The studies must have as their basis the Force Structure Plan required by Section 2903 of Public Law 101-510;

o The studies must be based on the final criteria for selecting bases for closure and realignment required by Section 2903; and

o The studies must be based on analyses of the base structure by like categories of bases using: objective measures for the selection criteria, where possible; the force structure plan; programmed workload over the FYDP; and military judgement in selecting bases for closure and realignment.

o The studies must consider all military installations inside the United States (as defined in the law) on an equal footing, including bases recommended for partial closure, realignment, or designated to receive units or functions by the 1988, 1991 or 1993 Commissions.

Cross-Service Opportunities

DoD Components and BRAC 95 Joint Cross-Service Groups should, where operationally and cost effective, strive to: retain in only one Service militarily unique capabilities used by two or more Services; consolidate workload across the Services to reduce capacity; and assign operational units from more than one Service to a single base.

Changes to Previous Recommendations

DoD components may propose changes to previously approved designated receiving base recommendations of the 1988, 1991 and 1993 Commissions provided such changes are necessitated by revisions to force structure, mission or organization, or significant revisions to cost effectiveness that have occurred

since the relevant commission recommendation was made. Documentation for such changes must involve clear military value or significant savings, and be based on the final criteria, the force structure plan and the policy guidance for the BRAC 95 process.

Authorities

The BRAC 95 process must enhance opportunities for consideration of cross-service tradeoffs and multi-service use of the remaining infrastructure. Since BRAC 95 is the last round of closures authorized under Public Law 101-510, these efforts are critical to balancing the DoD base and force structures and to preserving readiness through the elimination of unnecessary infrastructure. Sharing authority among the Military Departments, Defense Agencies and the Office of the Secretary of Defense is essential to sound decision making and taking advantage of available cross-service asset sharing opportunities. The authorities of the DoD Components and the joint groups established by this policy guidance follow and are depicted in Appendix A.

BRAC 95 Review Group

The Under Secretary of Defense for Acquisition and Technology (USD(A&T)) will chair a senior level BRAC 95 Review Group to oversee the entire BRAC 95 process. The members of the BRAC 95 Review Group will be: a senior level representative from each Military Department; the chairperson of the BRAC 95 Steering Group; the chairperson(s) of each BRAC 95 Joint Cross-Service Group; senior representatives from the Joint Staff, DoD Comptroller (COMP), Program Analysis and Evaluation (PA&E), Reserve Affairs (RA), General Counsel (GC), Environmental Security and the Defense Logistics Agency (DLA); and such other members as the USD(A&T) considers appropriate. The BRAC 95 Review Group authorities include, but are not limited to: reviewing BRAC 95 analysis policies and procedures; reviewing excess capacity analyses; establishing closure or realignment alternatives and numerical excess capacity reduction targets for consideration by the DoD Components; reviewing BRAC 95 work products of the DoD Components and BRAC 95 Joint Cross-Service Groups; and making recommendations to the Secretary of Defense, including cross-service tradeoff recommendations and recommendations on submission of below-threshold actions to the 1995 Commission.

BRAC 95 Steering Group

The Assistant Secretary of Defense for Economic Security (ASD(ES)) will chair a BRAC 95 Steering Group of study team leaders from: the Military Departments; DLA; each Joint Cross-Service Group; representatives from the Joint Staff, COMP, PA&E, RA, GC and Environmental Security; and such other members as the ASD(ES) considers appropriate. The purpose of the BRAC 95 Steering Group is to assist the BRAC 95 Review Group in exercising its authorities and to review DoD Component supplementary BRAC 95 guidance.

BRAC 95 Joint Cross-Service Groups

BRAC 95 Joint Cross-Service Groups are hereby established in six areas with significant potential for cross-service impacts in BRAC 95.

The purpose of the five functional area joint cross-service groups is: to determine the common support functions and bases to be addressed by each cross-service group; to establish the guidelines, standards, assumptions, measures of merit, data elements and milestone schedules for DoD Component conduct of cross-service analyses of common support functions; to oversee DoD Component cross-service analyses of these common support functions; to identify necessary outsourcing policies and make recommendations regarding those policies; to review excess capacity analyses; to develop closure or realignment alternatives and numerical excess capacity reduction targets for consideration in such analyses; and to analyze cross-service tradeoffs.

The purpose of the economic impact joint cross-service group is: to establish the guidelines for measuring economic impact and, if practicable, cumulative economic impact; to analyze DoD Component recommendations under those guidelines; and to develop a process for analyzing alternative closures or realignments necessitated by cumulative economic impact considerations, if necessary.

BRAC 95 Joint Cross-Service Groups shall complete the analytical design tasks above and issue guidance to the DoD Components, after review by the BRAC 95 Review Group, no later than March 31, 1994. The six BRAC 95 Joint Cross-Service Groups are:

o Depot Maintenance: The group will be chaired by the Deputy Under Secretary Defense for Logistics (DUSD(L)) with members from each Military Department, the Joint Staff and DLA, and other offices as considered appropriate by the DUSD(L). The DASD(ER&BRAC) and the Deputy Assistant Secretary of Defense for Production Resources will also serve as members.

o Test and Evaluation: The group will be jointly chaired by the Director, Test and Evaluation (D,T&E) and the Director, Operational Test and Evaluation (D,OT&E) with members from each Military Department, Defense Research and Engineering (DR&E), and other offices as considered appropriate by the chairpersons. The DASD(ER&BRAC) will also serve as a member.

o Laboratories: The group will be chaired by the Director, Defense Research and Engineering (D,DR&E) with members from each Military Department, T&E, OT&E and other offices as considered appropriate by the D,DR&E. The DASD(ER&BRAC) will also serve as a member.

o Military Treatment Facilities including Graduate Medical Education: The group will be chaired by the Assistant Secretary of Defense for Health Affairs (ASD(HA)) with members from each Military Department and other offices as considered appropriate by ASD(HA). The DASD(ER&BRAC) will also serve as a member.

o Undergraduate Pilot Training: The group will be chaired by the Assistant Secretary of Defense for Personnel and Readiness (ASD(P&R)) with members from each Military Department and others as considered appropriate by the ASD(P&R). The DASD(ER&BRAC) will also serve as a member.

o Economic Impact: The group will be chaired by Deputy Assistant Secretary of Defense for Economic Reinvestment and BRAC (DASD(ER&BRAC)) with members from each Military Department, the Office of Economic Adjustment (OEA) and other offices as considered appropriate by the DASD(ER&BRAC).

DoD Components

The Secretaries of the Military Departments, the Directors of the Defense Agencies, and the Heads of other DoD Components shall (without delegation) submit their recommendations for base realignments or closures under Public Law 101-510, as amended, to the Secretary of Defense. Recommendations and supporting documentation shall be delivered to the Assistant Secretary of Defense for Economic Security for appropriate processing and forwarding to the Secretary of Defense.

Heads of DoD Components will designate the individuals to serve on the joint groups as described above.

Coordination

The joint groups and DoD Components, in pursuing their BRAC 95 work, should coordinate with each other and should take into account other analyses or studies external to the BRAC process which may impact their deliberations. For example, the Test and Evaluation joint group should consider input from the Test and Evaluation Executive Agent Board of Directors.

USD(A&T) -- Additional Guidance

The Under Secretary of Defense for Acquisition and Technology (USD(A&T)) may issue such instructions as may be necessary: to implement these policies, procedures, authorities and responsibilities; to ensure timely submission of work products to the BRAC 95 Review Group and Joint Cross-Service Groups, the Secretary of Defense and the 1995 Commission; and, to ensure consistency in application of selection criteria, methodology and reports to the Secretary of Defense, the 1995 Commission and the Congress. The authority and duty of the Secretary of Defense to issue regulations under Title XXIX of Public Law 101-510, as amended, is hereby delegated to the USD(A&T). The USD(A&T) should exercise this authority in coordination with other DoD officials as appropriate.

Responsibilities

Selection Criteria

The BRAC 95 Review Group, chaired by the USD(A&T), will make a recommendation to the Secretary of Defense on whether an amendment to the selection criteria is appropriate no later than January 31, 1994. If the recommendation is to amend the criteria, the recommendation will include the proposed amendment.

If the Secretary of Defense approves amending the criteria, USD(A&T) will publish the proposed amendment in the Federal Register by February 15, 1994, for a 30 day public comment period. The BRAC 95 Review Group will review the public comments received, incorporate appropriate comments and make a recommendation to the Secretary of Defense on the final criteria no later than March 31, 1994.

Force Structure Plan

The Chairman of the Joint Chiefs of Staff, in coordination with the Under Secretary of Defense for Policy (USD(P)), the Under Secretary of Defense for Acquisition and Technology (USD(A&T)), the Assistant Secretary of Defense for Reserve Affairs, General Counsel, DoD Comptroller, Director Program

Analysis and Evaluation, and such other officials as may be appropriate, shall develop the force structure plan in accordance with Public Law 101-510, as amended, and submit it to the Secretary of Defense for approval. Pending issuance of the final force structure plan by the Secretary of Defense, DoD Components shall use an interim force structure plan to be developed and issued in accordance with the above coordination procedures by the Chairman of the Joint Chiefs of Staff. The interim force structure guidance shall be issued no later than January 31, 1994. Additional force structure guidance shall be issued as soon as practicable after the FY96-FY01 Program Review is completed in the Summer of 1994. The final force structure plan shall be issued as soon as possible after final force decisions are made during the preparation of the FY96 budget, but no later than December 15, 1994. The interim and final force structure plans must include guidance on overseas deployed forces.

Nominations

Public Law 101-510, as amended, requires that commissioners be nominated by the President no later than January 3, 1995, or the 1995 base closure process will be terminated. The Counselor to the Secretary of Defense and Deputy Secretary of Defense will coordinate all matters relating to the Secretary's recommendations to the President for appointments to the 1995 Commission. All inquires from individuals interested in serving on the Commission should be referred to the Counselor.

Commission Support

The Under Secretary of Defense for Acquisition and Technology (USD(A&T)), assisted by the Director of Administration and Management (D,A&M), will provide the Department's support to the 1995 Commission.

Primary Point of Contact

The USD(A&T) shall be the primary point of contact for the Department of Defense with the 1995 Commission and the General Accounting Office (GAO). Each DoD component shall designate to USD(A&T) one or more points of contact with the 1995 Commission and the GAO. The USD(A&T) shall establish procedures for interaction with the 1995 Commission and the GAO.

Internal Controls

The DoD Inspector General shall be available to assist the DoD Components in developing, implementing and evaluating internal control plans.

Depot Maintenance Outsourcing and Industrial Base Considerations

USD(A&T) is currently analyzing depot maintenance outsourcing considerations and is assessing public and private industrial base capabilities. Key policy decisions resulting from this review should be promulgated, if practicable, by March 1, 1994, in order to maximize possible efficiencies in maintenance depot infrastructure.

Procedures

Record Keeping

DoD Components and joint groups empowered by this memorandum to participate in the BRAC 95 analysis process shall, from the date of receipt of this memorandum, develop and keep:

o Descriptions of how base realignment and closure policies, analyses and recommendations were made, including minutes of all deliberative meetings;

o All policy, data, information and analyses considered in making base realignment and closure recommendations;

o Descriptions of how DoD Component recommendations met the final selection criteria and were based on the final force structure plan; and

o Documentation for each recommendation to the Secretary of Defense to realign or close a military installation under the law.

Internal Controls

DoD Components and joint groups empowered by this memorandum to participate in the BRAC 95 analysis process must develop and implement an internal control plan for base realignment, closure or consolidation studies to ensure the accuracy of data collection and analyses.

At a minimum, these internal control plans should include:

o Uniform guidance defining data requirements and sources;

o Systems for verifying the accuracy of data at all levels of command;

o Documentation justifying changes made to data received from subordinate commands;

o Procedures to check the accuracy of the analyses made from the data; and

o An assessment by auditors of the adequacy of each internal control plan.

Data Certification

Public Law 101-510, as amended, requires specified DoD personnel to certify to the best of their knowledge and belief that information provided to the Secretary of Defense or the 1995 Commission concerning the closure or realignment of a military installation is accurate and complete.

DoD components shall establish procedures and designate appropriate personnel to certify that data and information collected for use in BRAC 95 analyses are accurate and complete to the best of that person's knowledge and belief. DoD Components' certification procedures should be incorporated with the required internal control plan. Both are subject to audit by the General Accounting Office.

Finally, Secretaries of the Military Departments, Directors of Defense Agencies, and heads of other DoD Components must certify to the Secretary of Defense that data and information used in making BRAC 95 recommendations to the Secretary are accurate and complete to the best of their knowledge and belief.

Criteria Measures/Factors

DoD Components and BRAC 95 Joint Cross-Service Groups must develop one or more measures/factors for applying each of the final criteria to base structure analyses. While objective measures/factors are desirable, they will not always be possible to develop. Measures/factors may also vary for different categories of bases. DoD Components and BRAC 95 Joint Cross-Service groups must document the measures/factors used for each of the final criteria.

Categories of Bases

One of the first steps in evaluating the base structure for potential closures or realignments must involve grouping installations with like missions, capabilities, or attributes into categories, and when appropriate, subcategories. Categorizing bases is the necessary link between the forces described in the Force Structure Plan, programmed workload, and the base structure. Determining categories of bases is a DoD

Component and BRAC 95 Joint Cross-Service Group responsibility. DoD Components and BRAC 95 Joint Cross-Service Groups should avoid over-categorization in order to maximize opportunities for cross-service or intra-service tradeoffs.

Reserve Component Impacts

Considerable overall DoD savings can be realized through maximizing the use of Reserve component enclaves and through joint use of facilities by the Reserve components. However, these overall DoD savings may not be identified during the BRAC 95 process. Consequently, DoD Components should look for opportunities to consolidate or relocate Reserve components onto active bases to be retained in the base structure and onto closing or realigning bases.

DoD Components must complete Reserve component recruiting demographic studies required by DoD Directive 1225.7 to ensure that the impact on the Reserve components of specific closures and realignments are considered.

Cost of Base Realignment Actions (COBRA) Cost Model

DoD Components must use the COBRA cost model to calculate the costs, savings and return on investment of proposed closures and realignments. The Army is executive agent for COBRA and model improvements are underway.

Community Preference

DoD Components must document the receipt of valid requests received from communities expressing a preference for the closure of a military installation under Section 2924 of Public Law 101-510. DoD components will also document the steps taken to give these requests special consideration. Such documentation is subject to review by the General Accounting Office, the Commission and the Congress.

Release of Information

Data and analyses used by the DoD Components to evaluate military installations for closure and realignment will not be released until the Secretary's recommendations have been forwarded to the 1995 Commission on March 1, 1995, unless specifically required by law. The 1995 Commission is required to hold public hearings on the recommendations.

The General Accounting Office (GAO), however, has a special role in assisting the Commission in its review and analysis of the Secretary's recommendations and must also prepare a report detailing the Department of Defense's selection process. As

such, the GAO will be provided, upon request, with as much information as possible without compromising the deliberative process. The DoD Components must keep records of all data provided to the GAO.

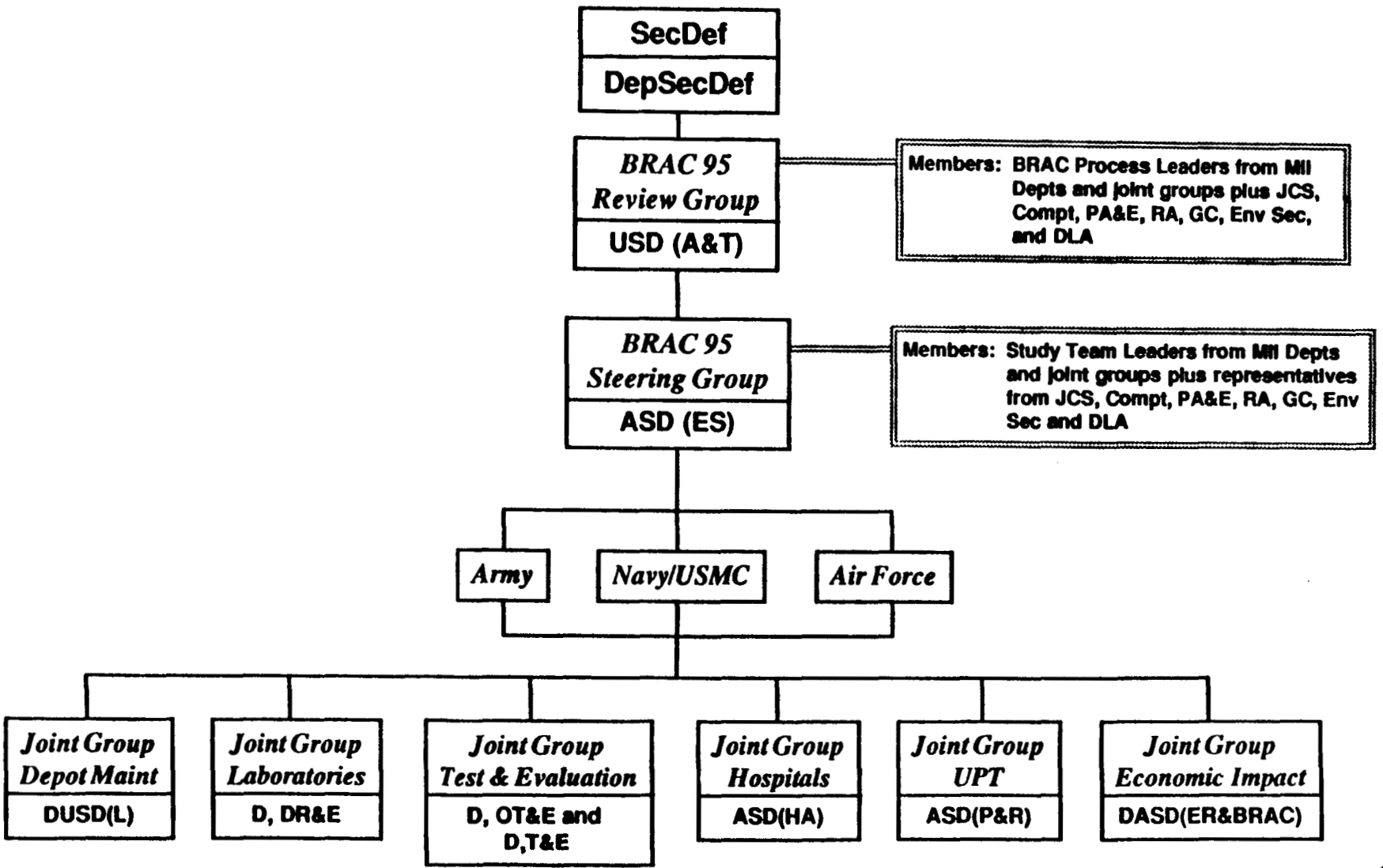
Dissemination of Guidance

DoD Components shall disseminate this guidance and subsequent policy memoranda as widely as possible throughout their organizations. The BRAC 95 Steering Group will review DoD Component supplementary guidance.

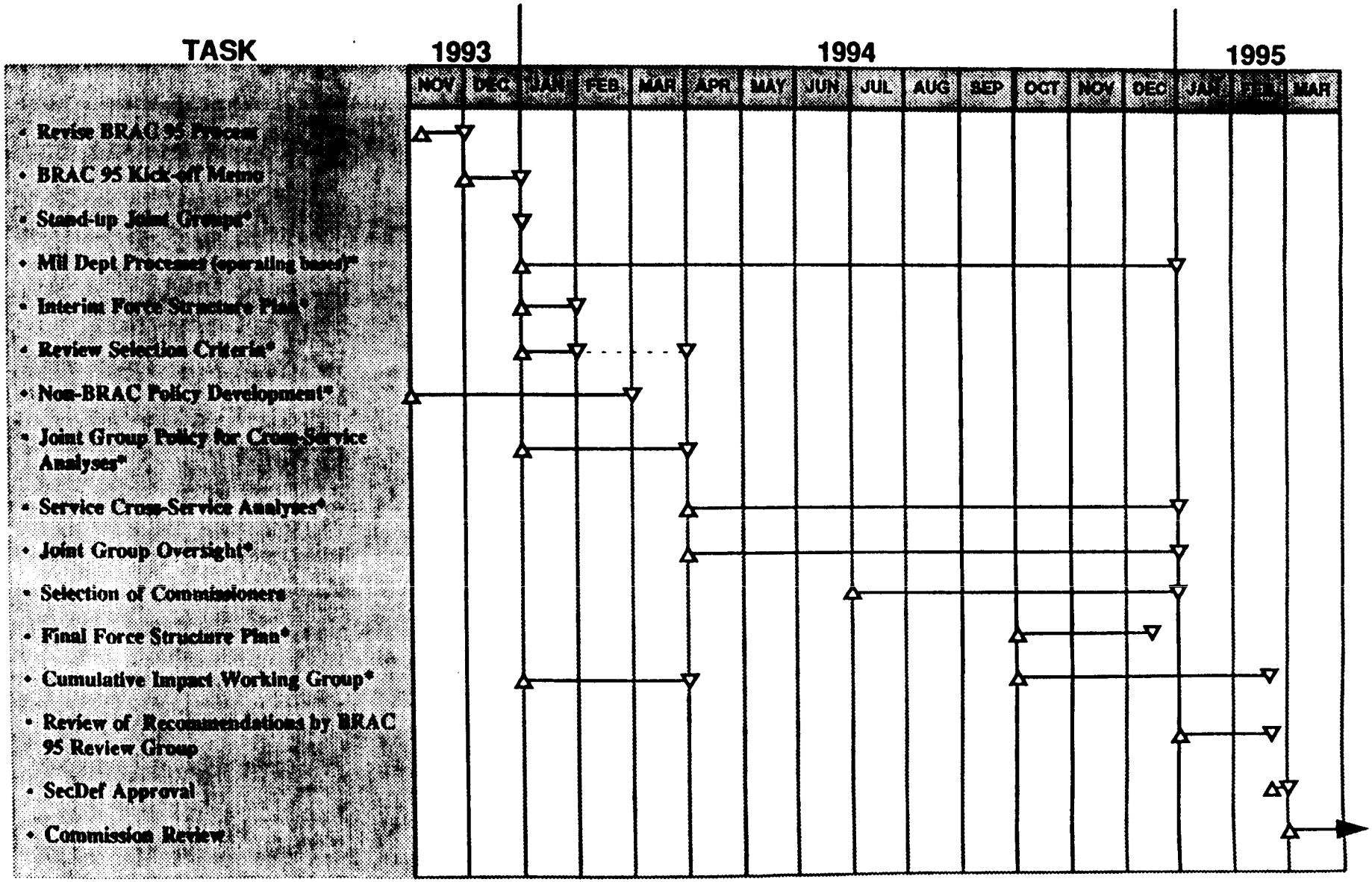
Timelines

The timelines described in this memorandum are depicted at Appendix B.

BRAC 95 Organization for Analysis



BRAC 95 Timeline



* Work products reviewed by BRAC 95 Review Group

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION AND TECHNOLOGY

MAY 31 1994

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
COMPTROLLER
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL
INSPECTOR GENERAL
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR OF ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: 1995 Base Realignments and Closures (BRAC 95) -- Policy Memorandum One

Background

Deputy Secretary of Defense memorandum of January 7, 1994, (attached) established policy, procedures, authorities, and responsibilities for selecting bases for realignment or closure under Public Law (P.L.) 101-510, as amended, for the 1995 base closure process (BRAC 95). This memorandum is the first in a series of Under Secretary of Defense for Acquisition and Technology (USD(A&T)) policy memoranda implementing the Deputy Secretary's BRAC 95 guidance.

Application of P.L. 101-510 Thresholds

This guidline amplifies the DepSecDef January 7, 1994, policy guidance on P.L. 101-510 numerical thresholds.

In determining whether the Act's numerical closure or realignment thresholds are met, independent actions that result in closures or realignments shall be considered separately. In other words, independent actions affecting an individual installation need not be aggregated to apply the numerical thresholds of the Act. However, closure or realignment actions shall not be broken into smaller increments for the purpose of avoiding application of the Act. Subject to the foregoing, independent closure or realignment actions that do not exceed the numerical thresholds set forth in the Act may proceed outside the established BRAC 95 process. Questions regarding whether or not proposed actions are independent should be referred to DoD Components' General Counsel.

Conversely, as the DoD Components review their base structure or conduct functional studies with base closure or realignment impacts, a determination must be made as to whether a comprehensive review or study impacting more than one installation should be considered a single action under P.L. 101-510. To be considered a single action, the review or study must:

(1) Result in the closure or realignment of at least one installation which would trigger the numerical thresholds of P.L. 101-510; and

(2) Involve inextricably linked elements, in that failure to proceed with any one element of the action would require reevaluation of the entire action.

Capacity/Military Value Analyses

An early step in BRAC 95 evaluations is determining whether a category/subcategory has potential excess capacity for the end state force levels contained in the Force Structure Plan. Should no excess capacity be found in a category/subcategory, there is no need to continue analyzing that portion of the base structure, unless there is a military value or other reason to continue the analysis (such as a cross-category opportunity to look at installations with similar capabilities, but in different categories). Bases in such categories/subcategories shall remain subject to joint cross-service review and remain available as potential receivers of missions or functions.

Conversely, if a DoD Component recommends a base for closure or realignment, the supporting analysis must have considered all bases within that category/subcategory, as well as cross-category opportunities. If, in applying the military value criteria, you find bases that are militarily/geographically unique or mission-essential (such that no other base could substitute for them) you may justify that fact and exclude these bases from further analysis. Bases so excluded shall remain subject to joint cross-service review and remain available as potential receivers of missions or functions.

Return on Investment (ROI)

Return on investment must be calculated, considered and reported with DoD Components' justifications for each recommended installation closure or realignment package. All costs and savings attributable over time to a closure or realignment package, subject to the below guidance, should be calculated, including costs or savings at receiving locations. Costs or savings elements that are identified, but determined to be insignificant, need not be calculated. However, DoD Component records should indicate that determination.

The Cost of Base Realignment Actions (COBRA) model calculates return on investment. DepSecDef's January 7, 1994, policy memorandum requires the DoD Components to use the most current COBRA version, in order to ensure consistency in methodology. Although the model does not produce budget quality data, it uses standard cost factors and algorithms to estimate costs and savings over time which permit a consistent comparison of bases in a functional or installation category.

We recognize that DoD Component planning and accounting mechanisms are sufficiently different to warrant some Department/Agency specific standard cost factors in the COBRA model. DoD Component documentation must justify the use of such cost factors, particularly when performing cross-service analysis.

Specific instructions follow for the calculation of discount and inflation rates, health care costs, Homeowners Assistance Program, and savings for input to the COBRA model.

o Discount and Inflation Rates OMB Circular A-94 specifies the discount and inflation rates to be used in ROI calculations.

o Health Care Costs

oo CHAMPUS Costs Base closures and realignments can have an impact on CHAMPUS costs DoD-wide. These net cost impacts must be included in analysis of closures or realignments involving Military Treatment Facilities.

o Homeowners Assistance Program (HAP) The Secretary of the Army will provide each DoD Component with a list of installations that have a reasonable probability of having a HAP program approved, should the installations be selected for closure or realignment. HAP costs will be included for each of the installations so identified by the Secretary of the Army.

o Land Value Given existing law and practice regarding the disposal of real property, especially public benefit and economic development transfers, proceeds from the sale of land and facilities generally may not be realized. In cases where some proceeds can be expected, DoD Components must estimate the amount to be received for such real property. Estimated land and facility proceeds will generally be based on the anticipated reuse of the land and facilities, assuming appropriate zoning. Also, where an installation has unique contamination problems, a portion of the installation may have to be segregated from disposal so that community reuse may proceed on the balance. Estimated proceeds should be adjusted: for any such parceling, including discounting proceeds when sale of contaminated property is possible only after the cleanup remedy has been installed and

approved; for reduced prices where property is likely to be sold for restricted uses; or, when significant public benefit or economic development transfers are anticipated.

o Force Structure Savings The savings associated with force structure drawdowns shall not be included in the return on investment calculations. While declining force structure, as depicted in the required Force Structure Plan, will often be the underlying reason for recommending base closures or realignments, the savings associated with closing bases should generally be founded on the elimination of base operating support (BOS), infrastructure and related costs.

o Military Construction DoD Components will describe anticipated construction requirements (barracks square feet, etc.) to implement a BRAC recommendation and not actual projects. These requirements only become projects during the implementation phase after the 1995 Commission reports to the President and after installation site surveys are conducted and formal project documents (DD 1391s) are prepared.

o Construction Cost Avoidances Closing and realigning bases can result in construction cost avoidances. Cost avoidances should include FY96-01 programmed military and family housing construction that can be avoided at the closing or realigning bases, other than new-mission construction.

COBRA Model Assumptions

The following statements clarify certain cost assumptions written into the COBRA model:

o Local Moves Moves of less than 50 miles will not incur PCS moving costs.

o Priority Placement System Costs. Sixty percent of all employees will be placed in other jobs through the DoD Priority Placement Program. Fifty percent of all employees placed in other jobs through the Program will be relocated at government expense. These percentages are based on historical data.

o Employee Attrition and Turnover. Fifteen Percent of all employees will not need to be placed or severed due to normal attrition and turnover.

o Retirement Factors. Fifteen percent of all employees are eligible for retirement. Five percent of those are eligible for normal retirement and ten percent are eligible for early retirement.

o Homeowner's Assistance Program (HAP). The HAP home value rate is 22.9 percent. The HAP receiving rate is 5 percent.

o Students For the purposes of return on investment calculations, relocation of students will only impact the COBRA model's calculation of overhead costs, and as appropriate, estimates of military construction requirements.

Receiving Bases

DoD Components must identify receiving bases for large units or activities, including tenants, which are to be relocated from closing or realigning bases. Such relocations must be included in DoD Component's recommendations to the Secretary of Defense. The COBRA model will calculate the costs for relocating such units or activities. DoD Components do not need to identify specific receiving bases for units or tenants with less than 100 civilian/military employees. Finding homes for these activities can be left to execution. However, DoD Components should establish a generic "base x" within the COBRA model to act as the surrogate receiving base for the aggregation of these smaller units or activities, in order to ensure completeness of cost and savings calculations.

Reserve Enclaves

This expands on the DepSecDef January 7, 1994, policy guidance on Reserve Component impacts.

On each base designated for closure or realignment, the future of guard and reserve units of all Military Departments residing on or receiving support from that base must be considered. Once a decision has been made to include an enclave or to relocate guard and reserve units, the affected unit identifications must be included in the DoD Components' recommendations to the Secretary of Defense. Military construction and repair costs of fitting out an enclave for reserve component or guard use will be estimated and included as part of the return on investment calculations.

Noel Longuemare

R. Noel Longuemare
Principal Deputy Under Secretary of
Defense (Acquisition & Technology)

ASSISTANT SECRETARY OF DEFENSE

3300 DEFENSE PENTAGON
WASHINGTON DC 20301-3300

ECONOMIC
SECURITY

November 23, 1994

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: 1995 Base Realignments and Closures (BRAC 95) -- Policy Memorandum Two -- Joint Cross-Service Group Functional Analysis Process

This memorandum summarizes the process, involving both Joint Cross-Service Groups (JCSGs) and the individual Military Departments, for developing BRAC alternatives in situations involving such common support functions as labs, depots, test & evaluation, undergraduate pilot training and medical facilities.

JCSGs will determine a functional value for each of the common support functions at each activity within their jurisdiction. These functional values will be independent of the military value of any installation, which is separately determined by the Military Departments. The assessments of functional value and assessments of functional capacity and requirements, using certified data, will then be incorporated into JCSG analyses of possible functional closure or realignment alternatives. The JCSG's (which include representatives from the Military Departments) will use their expertise and judgment to develop these functional closure or realignment alternatives.

To assist them as an analytic tool in this process, the JCSGs will use a linear programming optimization model (documentation attached) to the maximum extent possible. The model provides a basis for further analysis and the application of judgment in developing functional alternatives. While the model has value in assessing alternatives for relocations and consolidations of common support functions, it cannot by itself make recommendations regarding closures or realignments of installations. Those can be made only by the Military Departments or the BRAC 95 Review Group, reflecting judgment concerning the military value of installations, based on the final criteria and the six-year force structure plan.

Each JCSG is currently supported in its evaluations by a Joint Cross-Service Working Group (JCSWG), variously referred to as "sub-groups", "study teams" or "technical and support groups." JCSWGs will adapt the linear programming (optimization) model to assist each JCSG in its analysis and aid in developing alternatives. All JCSGs will be supported by a single Tri-Department BRAC Group consisting of representatives from each Military Department, which will execute runs of the linear programming (optimization) model, using certified data, according to the objective functions and policy imperatives provided by the JCSGs and the management controls required by the internal control plan. JCSG alternatives can be derived from any number of combinations of objective functions and policy imperatives as long as they have been previously approved by the Chairman of the BRAC 95 Steering Group.

The Military Departments will conduct their individual BRAC processes in parallel with the JCSG analyses, to determine the relative military value of their installations. JCSG products such as functional value may be used to assist in determining installation military value. If it is useful to a JCSG in developing its alternatives for analysis, a JCSG may solicit the guidance of the Military Departments concerning the military value of installations. It must be recognized that any such guidance must necessarily be preliminary and will not constitute a final determination of military value or of suitability for closure or realignment.

The JCSGs and the Military Departments will then review the sets of optimization model outputs. Working together, the JCSGs and the Military Departments will apply their collective judgment to develop feasible functional alternatives to facilitate cross-service actions that will strive to maximize infrastructure (overhead) reductions at minimal cost. This cooperative work by the JCSGs and the Military Departments should be completed in time for the BRAC 95 Review Group to consider any issues that may be appropriate and to leave sufficient time for the Military Departments to formulate their recommendations. The JCSGs and Military Departments will continue to interact during November and December as the Military Departments consider cross-service alternatives in their respective BRAC analytical processes.

The Military Departments will present their recommendations for closure and realignment to the Secretary of Defense no later than mid-February, 1995. The Military Departments will provide the Secretary of Defense a status report, to include all preliminary closure and realignment candidates, by January 3, 1995. The Office of the Assistant Secretary of Defense for Economic Security will staff the Military Department recommendations within the Office of the Secretary of Defense. The BRAC 95 Review Group or OSD principals may solicit the opinion of or task the JCSG's during this period, if and as appropriate.

The process described above involves appropriate interaction between JCSG and Military Department analyses and permits consideration of joint functional alternatives to be incorporated within the existing BRAC process of the Military Departments. If you have questions concerning the process, please contact Mr. Robert Bayer, Deputy Assistant Secretary of Defense for Installations, 703-697-1771.

for L

Joshua Gotbaum

Attachment

Joint Cross-Service Analysis Tool User's Guide

Executive Summary

Background

The Deputy Secretary of Defense established policy for the Department of Defense 1995 base realignment and closure (BRAC 95) process with strong emphasis on cross-service opportunities. This document describes operations and capabilities of the common analytical tool to assist Joint Cross-Service Groups (users) in the development of cross-service alternatives as part of the BRAC process.

Analytical Tool

A standard tool often used to develop optimal solutions to complex allocation problems is the mixed-integer, linear program (MILP). The cross-service analysis of allocations of common support functional requirements to Military Department sites and activities is a complex allocation problem.

The MILP formulation described in this document can be used to develop cross-service functional alternatives. The data elements required for this tool are derived from the certified data available to the user. Policy imperatives and other constraints and considerations can be incorporated into the model to allow the tailoring of formulations to accommodate functional attributes and perspectives.

The tool provides the capability to vary the objective function for a formulation in order to obtain families of solutions. A solution defines a set of functional allocations and identification of sites or activities where cross-service functional workload could be assigned. An objective function that combines military value of sites and activities with functional values is discussed in this document. This particular objective function will tend to consolidate common support functions into high military value sites or activities. At the same time, this objective function will assign common support functions to sites having high functional values. The weighting between these two goals can be parameterized to obtain families of solutions for further consideration.

Second and third best alternatives for a given formulation can be obtained using methods described in this document. These alternatives may be considered as additions to the set for further review.

Other objective functions that the user may wish to consider in addition to the one mentioned above, include minimizing excess functional capacity, minimizing the total number of sites performing cross-service functions, and maximizing the sum of functional values. This tool will also allow the user to explore the sensitivity of the optimal solution for a given formulation to particular model inputs.

The MILP formulation described provides the basic analytical tool to generate cross-service functional alternatives.

Contents

Section		Page
	Executive Summary	1
	User's Guide Organization	3
1	Analytical Methodology Overview	3
2	Data Elements	5
3	Optimization Formulations	5
4	Optimization Examples	10
5	Generating Alternatives	12
6	Optimization Software	13
Appendix		
A	AMPL Model Input File	A-1
B	AMPL Data Input File	B-1

User's Guide Organization

This user's guide provides an overview of the analytical methodology in the next section. That section describes the products of the methodology and discusses terminology relating to what a *site or activity* is relative to a *function*.

Section 2 describes the basic data elements that are used in the methodology. Section 2 also discusses data elements in terms of what these elements are meant to represent.

The different optimization problem formulations that the user may choose to use to explore alternatives are discussed in section 3. These include finding a small set of high military value sites or activities that can perform the functional requirement, minimizing excess capacity, and minimizing the number of sites. All of these formulations are parameterized in such a way that the user can explore trade-offs between different factors, such as military value or excess capacity, and assignments of functional requirement based upon functional value. This section also discusses the incorporation of policy imperatives in the optimization problem formulations.

Section 4 demonstrates the application of each of these formulations to a notional set of data. Section 5 describes the methodology for obtaining the second and third best solutions to a given formulation. Finally, section 6 identifies the commercial software product that was used to solve the optimization example problems. Input files for this solver are included in the appendices.

1. Analytical Methodology Overview

The optimization formulations described in this document require a set of data elements as inputs. All of the formulations require a functional value and functional capacity for each site capable of performing that specific cross-service function. The DoD requirement for each cross-service function is needed. Some of the formulations will also require the military values for each site.

A preliminary formulation that allocates cross-service functional requirements based upon functional capacities and functional value will be conducted. The objective function of this formulation will assign the DoD requirement for each cross-service function to sites or activities having the highest functional value for each function. These assignments will only be constrained by the functional capacities at each site. This analysis will not require the military values for the sites.

The primary formulations optimize the assignment of cross-service functions based upon military values of sites, functional values, and capacities. These formulations are very flexible in that multiple objective functions and policy imperatives modeled as constraints may be used to explore different solutions.

A standard resource allocation tool comprises the core of this analytical approach. A standard tool used to find optimal solutions to complex allocation problems is the mixed-integer, linear program (MILP). Allocation of common support functional requirements to military department sites and activities subject to constraints is a complex allocation problem.

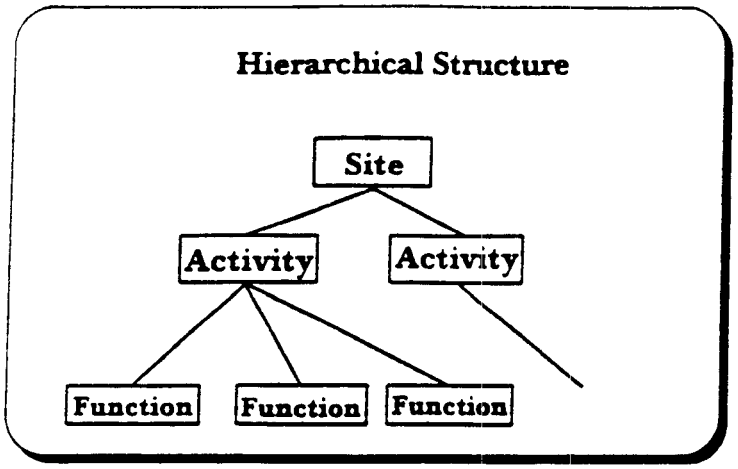
Process Products

The following table lists the various products of the analytical approach defined in this document.

Process products	Description
Capacity analyses	Develop methodology to measure the capacity of a site or activity to perform a function. Use data call responses to calculate capacities.
Requirements analyses	For each function, develop methodology to estimate the out-year DoD requirement to perform the function. Calculate the required capacity and identify excess capacity reduction goals.
Functional value (FV) assessments	Develop measures and weights for assessing the value of performing a function at a site or an activity based upon data call responses. Provide FV for all appropriate functions and site/activity combinations.
Optimize functional requirement allocations (preliminary formulation)	Find the best allocation of functional requirements to sites or activities based solely upon functional capacities and functional values.
Optimize allocations of functional requirements to high military value sites or activities (primary formulations)	Develop solutions based upon the first three products, above, and policy imperatives. Solutions will be developed using the optimization formulations described later in this document as a tool to explore alternatives.

Hierarchical Structure

The Office of the Secretary of Defense (OSD), the departments, and other groups all use different terms to describe the various components of infrastructure that are to be considered by the users. In this document a ***site*** refers to an installation, base, or station. An ***activity*** refers to a component of the site such as depot or test facility residing on the site. A site may have one or more activities. A ***function*** is the capability to perform a particular support action or produce a particular commodity. A common support function is a function. An activity includes a collection of functions. For example, a depot (an activity) may repair engines and airframes. These would be two functions performed at this activity. A function may be further broken down into subfunctions or facilities required to perform functions, but the approach described here does not consider the subfunctions or facilities. Subfunctions or facilities can be incorporated into the process described here if the appropriate data is available. The following diagram illustrates this hierarchical structure.



2. Data Elements

The analytical approach assumes that the following data will be available for all of the sites and functions:

Data Elements	Description
mv_s	Military value of site s expressed as 3 (high), 2 (medium), or 1 (low).
fv_{sf}	Functional value for performing function f at site/activity s expressed as a number from 0 (low) to 100 (high).
cap_{sf}	Capacity of site/activity s to perform function f.
req_f	The total DoD requirement or goal to perform function f.

The military value of a site, mv_s, should measure the overall value of the site.

The fv_{sf} functional value for performing function f at site (or activity) s measures the capability and quality of performing work of type f at site (or activity) s. Capacity to perform a specialized subfunction that is not one of the functions called out in the formulation can be considered in calculating functional value.

3. Optimization Formulations

The mixed integer linear programming (MILP) model formulations, that are described below, serve as the basic analytical tools to assist users in the development of cross-service alternatives, allow for modification of formulations, and incorporation of policy imperatives.[1]

[1]A *policy imperative* is a statement that restricts the solutions that are acceptable and that can be modeled as a constraint in the formulation. An example of a policy imperative is included in one of the examples.

Preliminary Formulation.

The preliminary formulation of the optimization problem will be solved once the initial data (fv_{sf}, cap_{sf}, req_f) are available. This formulation, called **MAXFV** will maximize the functional values weighted by the assigned workload and normalized by the functional requirement. No constraints other than the functional capacities at each site and the requirement to meet the DoD requirement for each cross-service function are included in this formulation. This solution will serve as a baseline of what is possible if no other factors, such as military values of sites or costs, are considered.

For each function, this formulation will load as much of the functional DoD requirement as it can into the site or activity having the highest functional value for that function. If that site or activity does not have the capacity to accommodate the full requirement, the site or activity having the next highest functional value will be allocated any remaining requirement up to its capacity, and so on.

The mathematical description of this formulation follows:

$$\underset{l_{sf}}{Maximize} \ \Sigma_{s \in S} \Sigma_{f \in F} l_{sf} \times fv_{sf}/req_f$$

subject to :

$\Sigma_{s \in S} l_{sf} = req_f$: for all functions $f \in F$,

$l_{sf} \leq k_{sf} \times cap_{sf}$: for all sites $s \in S$ and $f \in F$,

$o_s \leq \Sigma_{f \in F} k_{sf}$: for all sites $s \in S$,

$k_{sf} \leq o_s$: for all sites $s \in S$ and $f \in F$,

$k_{sf} \leq \frac{l_{sf}}{\alpha \times cap_{sf}}$: for all functions $f \in F$ and sites $s \in S$,

$0 \leq o_s \leq 1$, *integer* : for all sites $s \in S$,

$0 \leq k_{sf} \leq 1$, *integer* : for all sites $s \in S$ and functions $f \in F$;

where

$S =$ The set of all sites under consideration by joint cross-service groups;

$F =$ The set of all functions under consideration by joint cross-service groups;

$o_s =$ 1 if any functional requirement is assigned to the site, and 0 otherwise;

$\alpha =$ 0.01. No assignment of less than one percent of capacity will be allowed.

Decision variable

$l_{sf} =$ amount of the DoD requirement for function f to be assigned to site s.

$k_{sf} =$ 1 if any amount of function f is assigned to site s, 0 otherwise.

The o_s variables are included in this formulation only to keep count of the number of sites that actually have some functional requirement assigned to them. Their inclusion in the model does not affect the assignment of the functional requirement to sites or activities. The two constraints involving the o_s variables are used to ensure that these variables are set to the correct values.

The k_{sf} variables that are structural variables that indicate whether or not any functional workload of type f has been assigned to site s. The α parameter can be used to prevent small functional workload assignments. If α is set to 0.01, then the minimum workload assignment of a function to a site, given that any functional workload for this function is made to this site, would be one percent of that site's capacity to perform that function. The α parameter may be adjusted as required to meet the requirements of the particular user.

Primary Formulations

These formulations explore potential cross-service functional alternatives. The basic formulation is shown below. Specification of the objective function, $f(o_s, l_{sg}, k_{sh})$, will create a different optimization problem.

$$\underset{o_s,\, l_{sg},\, k_{sh}}{Minimize}\ f(o_s, l_{sg}, k_{sh})$$

subject to

$\Sigma_{s \in S}\, l_{sf} = req_f$: for all functions $f \in F$,

$o_s \le \Sigma_{f \in F}\, k_{sf}$: for all sites $s \in S$,

$0 \le l_{sf} \le k_{sf} \times cap_{sf}$: for all functions $f \in F$ and sites $s \in S$,

$k_{sf} \le o_s$: for all sites $s \in S$ and $f \in F$,

$k_{sf} \le \frac{l_{sf}}{\alpha \times cap_{sf}}$: for all functions $f \in F$ and sites $s \in S$,

$0 \le o_s \le 1$, *integer* : for all sites $s \in S$,

$0 \le k_{sf} \le 1$, *integer* : for all sites $s \in S$ and functions $f \in F$,

where

$S =$ The set of all sites under consideration by joint cross-service groups;

$F =$ The set of all functions under consideration by joint cross-service groups;

$\alpha =$ 0.01. No assignment of less than one percent of capacity will be allowed.

Decision variables

$o_s =$ 1 if any cross-service functional requirements are assigned to the site or activity, 0 otherwise;

$l_{sf} =$ amount of the DoD requirement for function f to be assigned to site or activity s.

$k_{sf} =$ 1 if any DoD requirement for function f is to be assigned to site s, 0 otherwise.

Three different optimization formulations that vary only in the specification of the objective function are discussed next.

The MINNMV Formulation. This formulation will find a small number of sites having the highest military value that can accommodate the DoD required workload. In addition, it will assign the DoD requirement for each cross-service function to the retained sites (or activities) having the highest functional value for that function. The purpose of this formulation is to assign, to the extent possible, the cross-service functional requirements to sites or activities having high military value and high functional values. The rationale for this approach is that sites having high military value are the ones most likely to be retained by the military departments. The objective function for this formulation is as follows:

$$\underset{o_s, l_{tg}}{Minimize}\ f(o_s, l_{tg}, k_{uh}) = \left(\frac{w}{u_1}\right) \times \Sigma_{s \in S}\, o_s \times nmv_s - \left(\frac{100-w}{u_2}\right) \times \Sigma_{t \in S} \Sigma_{g \in F}\, l_{tg} \times fv_{tg}/req_g$$

where

$0 \le w \le 100$ Weight parameter used to vary the emphasis between military value and functional value,

$u_1 \ge 0, u_2 \ge 0$ $u_1 = \Sigma_{s \in S}(4 - mv_s),\ u_2 = \Sigma_{f \in F} \max_{s \in S} fv_{sf}$

$nmv_s =$ $4 - mv_s$.

This formulation will be referred to as the **MINNMV** model since it minimizes the sum of $4 - mv_s$ for retained sites or activities. Site or activities having a high military value (3) will have 1 as their value. Site or activities with low military value (1) will have 3 as their value.

The parameters u_1 and u_2 are used to scale the two components of the objective function. Scaling the components of the objective function enhances the ability of the solver to find a solution. Apart from the weight parameters, these scaling parameters will scale the components of the objective function to values near 1.0 .

The weight parameter, w, can be varied to change the emphasis the formulation gives to military value versus functional value. If $w = 0$, this formulation matches the preliminary formulation (**MAXFV**) as site military value would have zero weight. Conversely, if w is set to a large value ($w = 99$), functional value would have little weight. The **MAXFV** and **MINNMV** formulations are the same formulation, only differing in the parameter w . Varying w in the formulation allows the model to be used to create a family of solutions. These points are illustrated by an example in the next section.

The component of the objective function that addresses military value of sites, $\Sigma_{s \in S}\, o_s \times nmv_s = \Sigma_{s \in S}\, o_s \times (4 - mv_s)$, affects the optimal solution as follows. (For this discussion we will ignore the functional value component of the objective function, $-\Sigma_{t \in S} \Sigma_{g \in F}\, l_{tg} \times fv_{tg}/req_g$.) If there were no constraints in the formulation, i.e., satisfy the DoD requirement, the minimum value of the objective function would be achieved by setting

$o_s = 0$ for all sites since $4 - mv_s \geq 1$ for all sites. Given that some sites have to be open, all else being equal, it is better to open a site with $mv_s = 3$ because it increases the objective function by the least amount.

The MINXCAP Formulation. If the parameter w is set to a large value ($w = 99$), this problem formulation will find the set of retained sites having the smallest total functional capacity but still able to perform the DoD functional requirement. Depending on w, functional assignments are also optimized. The objective function for this formulation is:

$$\underset{o_s, l_{tg}, k_{uh}}{Minimize}\ f(o_s, l_{tg}, k_{uh}) = \left(\frac{w}{u_1}\right) \times \Sigma_{s \in S}\, o_s \times (\Sigma_{f \in F}\, cap_{sf}/req_f) - \left(\frac{100-w}{u_2}\right) \times \Sigma_{t \in S}\, \Sigma_{g \in F}\, l_{tg} \times fv_{tg}/req_g$$

If $w = 0$, this formulation, like the **MINNMV** formulation, is also equivalent to the **MAXFV** formulation. If w is set to a large value, excess capacity is reduced as much as possible without regard to functional values. As in the **MINNMV** formulation, u_1 and u_2 are used to scale the components of the objective function. For this formulation $u_1 = \Sigma_{s \in S}\, \Sigma_{f \in F}\, cap_{sf}/req_f$. The other scale parameter u_2 is set to the same value for all formulations.

The MINSITES Formulation. This formulation, depending on the value of w, will find the minimum-sized set of site or activities that can perform the DoD functional requirement. As in the previous formulations, if $w = 0$, this formulation is also equivalent to **MAXFV**. The objective function for this formulation is given by:

$$\underset{o_s, l_{tg}, k_{uh}}{Minimize}\ f(o_s, l_{tg}, k_{uh}) = \left(\frac{w}{u_1}\right) \times \Sigma_{s \in S}\, o_s - \left(\frac{100-w}{u_2}\right) \times \Sigma_{t \in S}\, \Sigma_{g \in F}\, l_{tg} \times fv_{tg}/req_g$$

If w is set to a large value, the cross-service functional workload is assigned to the smallest possible number of sites regardless of functional values. For this formulation $u_1 = |S|$, the number of sites in the set S.

The MAXSFV formulation. This formulation maximizes the sum of the functional values for all of the retained sites. The objective function for this formulation is given by:

$$\underset{o_s, l_{tg}, k_{uh}}{Maximize}\ f(o_s, l_{tg}, k_{uh}) = \left(\frac{w}{u_1}\right) \times \Sigma_{s \in S}(o_s \times \Sigma_{f \in F}\, fv_{sf}) + \left(\frac{100-w}{u_2}\right) \times \Sigma_{t \in S}\, \Sigma_{g \in F}\, l_{tg} \times fv_{tg}/req_g$$

For this formulation $u_1 = \Sigma_{f \in F}\, \Sigma_{s \in S}\, fv_{sf}$. If the number of sites to be retained is not constrained, all of the sites will be retained in the solution since the objective function is maximized when $o_s = 1$ for all sites. Obtaining meaningful results with this formulation, therefore, requires a constraint on the number of sites retained.

Policy Imperatives

A policy imperative is any statement that can be formulated as a constraint in the model. The model described here is very flexible in its capacity to handle imperatives. Examples of imperatives that can be modeled include:

- assigning functions in groups,
- increasing the average DoD military value of the sites assigned any cross-service functional workload,
- requiring the weighted functional value for a given common support function to be at least as great as some value,
- limiting the number of sites that have any cross-service functional workload assigned to them,
- requiring that each department's average military value is not allowed to go below some level,
- requiring a certain number of sites in a geographic area to remain open, and
- requiring the distribution of functional workload to follow a certain pattern, e.g., in one department, in one location, or on both coasts.

This is not an exhaustive list of the possibilities for policy imperatives. An example of a policy imperative added to the **MINNMV** formulation is given in the following section.

Consistent Alternatives

The functional data and constraints from all of the users may be combined into a single formulation. In the event that two users obtain solutions that are inconsistent (e.g., the solutions have a site or activity receiving cross-service functional workload in one, and losing all of its cross-service functional workload in the other) this capability can be used to resolve the inconsistency.

4. Optimization Examples

The following examples use representative, notional data to demonstrate the formulations. Three different departments, X, Y, and Z, each have 5 sites (A, B, C, D, and E). Six functions are considered: air vehicles, munitions, electronic combat, fixed-wing avionics, conventional missiles and rockets, and satellites. Table 1 shows the basic data for these sites. Table 1 also shows the DoD requirement by function and the percent of excess capacity. Percent excess capacity is calculated as

$$100 \times \left(\frac{\sum_{s \in S} cap_{sf}}{req_f} - 1 \right).$$

Preliminary Formulation (MAXFV).

Results for the **MAXFV** formulation are shown in table 2. If there is no functional requirement assigned to a site, the capacity for that function is shown as zero at that site even if the site has requirements for other functions assigned. Notice that, for this solution, *all sites have some cross-service functional workload assigned.*

The column in table 2 labeled *Wgt FV* shows the weighted functional value for each function. Wgt FV for function $f \in F = \frac{\sum_{s \in S} fv_{s,f} \times req_{s,f}}{\sum_{s \in S} req_{s,f}}$. Wgt FV is an indicator of the quality of the cross-service allocation of the functional requirement across all sites and activities. The average FV, the weighted average FV, and the weighted percent excess capacity are also shown in the table. These three numbers are gross measures of the quality of the solution.

Primary Formulation (MINNMV).

Table 3 shows the data for the optimal solution to the **MINNMV** formulation with $w = 99$. The number of sites having cross-service functional workload assigned has been reduced from 15 to six. Excess capacity is greatly reduced. The weighted percent excess capacity is only 31 percent compared to 60 for the **MAXFV** formulation. The DoD military value average is increased by 28.8 percent. The military value averages for the two departments with any sites retained have both been increased. The weighted functional value scores are not as good as the scores obtained from the **MAXFV** formulation. The average FV score is almost 14 points lower than for the **MAXFV** formulation.

Primary Formulation (MINNMV) with Policy Imperative

As an example of a policy imperative, consider the following. Suppose the user responsible for the missile function determines that only two sites should perform the conventional missiles and rockets function. The optimal solution to the original **MINNMV** formulation assigned the missile function to four different sites. Modifying the **MINNMV** formulation such that only two sites are allowed to perform the missile function results in the solution shown in table 4. The optimal solution still requires only six sites to perform the cross-service functions, but the sites are different. Only four of the sites are common to both solutions. Since the model has an additional constraint, the average military value has decreased compared to the original **MINNMV** formulation.

Parameterization of the MINNMV Formulation

Table 5 summarizes the results of varying the parameter w in the **MINNMV** formulation over the values 0, 2, 3, 5, 10, 20, 30, 40, 60, and 99 . As is to be expected, the number of sites and activities with cross-service functional workload assigned and weighted functional value decrease as w increases. The average military value generally increases as w increases. Though these results pertain only to this particular example, they clearly illustrate qualitative differences between the **MAXFV** and **MINNMV** formulations. The optimal solutions to the formulation do not change as w varies over the range of 60 to 99.

This example illustrates how the parameter w can be used to generate a family of cross-service functional solutions. For instance, a user with table 5 before him could decide that from this family of solutions, the solution obtained by setting $w = 20$ is worth exploring further since the weighted functional values are very close to the best values obtained in the **MAXFV** formulation and the weighted average percent excess capacity has been reduced from 60 to 17 percent. Table 6 displays the full output from this formulation.

Figure 1 displays this information in graphical form. The figure shows the sharp decrease in the average functional value for conventional missiles and rockets when w is changed from 20 to 30. The figure also displays the increase in average military value that is achieved by using the **MINNMV** formulation.

Primary Formulation (MINXCAP)

Table 7 shows the output of the **MINXCAP** formulation with $w = 99$. As would be expected, this formulation produces a solution that greatly reduces excess capacity, but the weighted functional values have suffered. The weighted average percent excess capacity has been reduced to almost 6 percent.

Primary Formulation (MINSITES)

The results of using the **MINSITES** formulation with $w = 99$ are given in table 8. The optimal solution retains only six sites. The sites are different than the sites retained in the **MINNMV** solution.

Primary Formulation (MAXSFV)

The results of using the MAXSFV formulation with the number of retained sites constrained to be no more than six are displayed in table 9.

Summary of Formulation Results

The following table summarizes the basic statistics for the five formulations.

Statistics	MAXFV	MINNMV	MINXCAP	MINSITES	MAXSFV
Sites retained	15	6	7	6	6
Weighted avg. percent excess capacity	60.37	31.39	6.11	12.14	24.1
Weighted average FV	84.7	73.9	74.2	76.5	62.9
Average military value	2.2	2.83	2	2.67	2.67

5. Generating Alternatives

Alternative solutions, in terms of the retained sites or activities, may be obtained by excluding a set of retained or open sites from a formulation. For example, the optimal solution obtained from the **MINNMV** formulation (see table 3) retains sites XA, XC, XD, ZA, ZB, and ZD. To find another optimal solution with the same objective function value or the next best solution, we define the set $\Delta_1 = \{XA, XC, XD, ZA, ZB, ZD\}$ and add the following constraints to the **MINNMV** formulation:

$\Sigma_{s \in \Delta_1} o_s \leq |\Delta_1| - \alpha$ (condition 1)

$\Sigma_{s \in S - \Delta_1} o_s \geq \beta$ (condition 2)

$\alpha + \beta \geq 1$

$\alpha = 0, 1$ and $\beta = 0, 1$.

A solution that satisfies either condition 1 ($\alpha = 1$) or condition 2 ($\beta = 1$) will be different from the original optimal solution. The formulation given above guarantees that at least one of these two conditions will hold at the optimal solution. The second best solution to the **MINNMV** formulation is given in table 10. The second-best solution retains sites XC, XD, YC, ZA, ZB, ZD. This solution actually has weighted functional values that are superior to those of the original optimal solution for some of the functions. Comparing values in tables 3 and 10, it would be difficult to argue that the optimal solution is clearly superior to the solution given in table 10.

If we define the set $\Delta_2 = \{XC, XD, YC, ZA, ZB, ZD\}$, then the following formulation can be used to find the third best solution:

$\Sigma_{s \in \Delta_1 \cap \Delta_2} o_s \leq |\Delta_1 \cap \Delta_2| - \alpha$ (condition 1)

$\Sigma_{s \in \Delta_1 \cap \Delta_2} o_s \geq \beta$ (condition 2)

$\left.\begin{array}{l} \Sigma_{s \in \Delta_1 - \Delta_2} o_s \geq \gamma \\ \Sigma_{s \in \Delta_2 - \Delta_1} o_s \geq \gamma \end{array}\right\rangle$ (condition 3)

$\alpha + \beta + \gamma \geq 1$

$\alpha = 0, 1$, $\beta = 0, 1$, and $\gamma = 0, 1$.

Any solution that satisfies any one of the three conditions will be different from the first two solutions. Table 11 shows the third best solution. Comparing table 11 to tables 3 and 10 results in a less compelling case for the strength of the third best alternative. Based upon this type of comparison, the first two solutions would be subjected to further analysis before selecting one as a recommendation.

6. Optimization Software

The solutions to these optimization problems were obtained using the commercially-available, IBM Optimization Subroutine Library (OSL)[2] interfaced with AMPL[3]. The text file describing these formulations in the AMPL format is contained in appendix A. Note that all of the different objective functions are defined in this single text file. This file contains the code required to generate the second and third best alternatives. The AMPL-format data file for the

[2] *Optimization with OSL* by Ming S. Hung, Walter O. Rom, and Allan D. Waren, published by The Scientific Press.

[3] *AMPL: A Modeling Language for Mathematical Programming* by Robert Fourer, David M. Gay, and Brian Kernighan, published by The Scientific Press, 1993.

example is given in appendix B. These files are processed by the AMPL/OSL package to produce the outputs discussed in the examples section of this document.

Table 1. Joint Cross-Service Analysis Example
Basic Data

Function	Department X A	X B	X C	X D	X E	Y A	Y B	Y C	Y D	Y E	Z A	Z B	Z C	Z D	Z E	Totals
Capacities																
Air vehicles	450	7000	2500	0	0	5000	500	0	0	0	3000	1200	0	2857	0	22,507
Munitions	850	200	4500	0	0	300	0	2000	0	0	1000	0	1000	0	0	9,850
Electronic combat	3000	0	0	0	0	1000	0	0	0	0	2000	0	0	1543	20	7,563
Fixed-wing avionics	0	0	250	3500	0	0	0	400	3500	0	1000	4000	0	2000	500	15,150
Conv. missiles/rockets	0	0	200	0	3000	0	0	200	100	2000	3000	700	200	300	200	9,900
Satelites	0	0	300	4000	0	0	0	500	0	0	250	50	0	300	2200	7,600
Function FV Scores																
Air vehicles	50	70	68	0	0	57	72	0	0	0	81	92	0	86	0	
Munitions	88	71	58	0	0	54	0	88	0	0	72	0	75	0	0	
Electronic combat	67	0	0	0	0	91	0	0	0	0	52	0	0	78	77	
Fixed-wing avionics	0	0	92	94	0	0	0	78	69	0	72	93	0	66	71	
Conv. missiles/rockets	0	0	62	0	89	0	0	59	93	92	56	59	50	65	91	
Satelites	0	0	71	58	0	0	0	64	0	0	85	61	0	73	93	
Department Military Value	3	3	3	2	1	2	1	3	2	1	3	3	2	3	1	

Function	DoD req.	Pct. excess
Air vehicles	9,463	137.8
Munitions	5,503	79.0
Electronic combat	3,234	133.9
Fixed-wing avionics	3,775	301.3
Conv. missiles/rockets	3,743	164.5
Satelites	2,480	206.5

Table 2. MAXFV Model Output

Function	Department X A	X B	X C	X D	X E	Y A	Y B	Y C	Y D	Y E	Z A	Z B	Z C	Z D	Z E	Retained totals	Percent excess
Retain=1, Close=0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15	
Department Mil. Val.	3	3	3	2	1	2	1	3	2	1	3	3	2	3	1		
Capacities																	
Air vehicles	0	7000	0	0	0	0	500	0	0	0	3000	1200	0	2857	0	14557	53.8
Munitions	850	200	4500	0	0	0	0	2000	0	0	1000	0	1000	0	0	9550	73.5
Electronic combat	3000	0	0	0	0	1000	0	0	0	0	0	0	0	1543	20	5563	72.0
Fixed-wing avionics	0	0	0	3500	0	0	0	0	0	0	0	4000	0	0	0	7500	98.7
Conv. missiles/rockets	0	0	0	0	3000	0	0	0	100	2000	0	0	0	0	200	5300	41.6
Satelites	0	0	0	0	0	0	0	0	0	0	250	0	0	300	2200	2750	10.9
																Wgt. avg.	60.37
Workload assigned																**Totals**	
Air vehicles	0	1906	0	0	0	0	500	0	0	0	3000	1200	0	2857	0	9463	
Munitions	850	200	453	0	0	0	0	2000	0	0	1000	0	1000	0	0	5503	
Electronic combat	671	0	0	0	0	1000	0	0	0	0	0	0	0	1543	20	3234	
Fixed-wing avionics	0	0	0	3500	0	0	0	0	0	0	0	275	0	0	0	3775	
Conv. missiles/rockets	0	0	0	0	1443	0	0	0	100	2000	0	0	0	0	200	3743	
Satelites	0	0	0	0	0	0	0	0	0	0	250	0	0	30	2200	2480	
Department avg. MV			2.4					1.8					2.4				
Percent change			-0.0					0.0					-0.0				
DoD average MV								2.20									
Percent change								0.0									

DoD weighted FVs	
Function	**Wgt FV**
Air vehicles	81.2
Munitions	79.6
Electronic combat	79.7
Fixed-wing avionics	93.9
Conv. missiles/rockets	90.8
Satelites	92.0
Average FV	**86.2**
Weighted avg. FV	**84.7**

Table 3. MINNMV Model Output

Function	Department X A	X B	X C	X D	X E	Y A	Y B	Y C	Y D	Y E	Z A	Z B	Z C	Z D	Z E	Retained totals	Percent excess
Retain=1, Close=0	1	.0	1	1	0	0	0	0	0	0	1	1	0	1	0	6	
Department Mil. Val.	3	3	3	2	1	2	1	3	2	1	3	3	2	3	1		
Capacities																	
Air vehicles	0	0	2500	0	0	0	0	0	0	0	3000	1200	0	2857	0	9557	1.0
Munitions	850	0	4500	0	0	0	0	0	0	0	1000	0	0	0	0	6350	15.4
Electronic combat	3000	0	0	0	0	0	0	0	0	0	0	0	0	1543	0	4543	40.5
Fixed-wing avionics	0	0	0	3500	0	0	0	0	0	0	0	4000	0	0	0	7500	98.7
Conv. missiles/rockets	0	0	200	0	0	0	0	0	0	0	3000	700	0	300	0	4200	12.2
Satelites	0	0	300	4000	0	0	0	0	0	0	250	50	0	300	0	4900	97.6
																Wgt. avg.	31.39
Workload assigned																Totals	
Air vehicles	0	0	2406	0	0	0	0	0	0	0	3000	1200	0	2857	0	9463	
Munitions	850	0	3653	0	0	0	0	0	0	0	1000	0	0	0	0	5503	
Electronic combat	1691	0	0	0	0	0	0	0	0	0	0	0	0	1543	0	3234	
Fixed-wing avionics	0	0	0	3500	0	0	0	0	0	0	0	275	0	0	0	3775	
Conv. missiles/rockets	0	0	200	0	0	0	0	0	0	0	2543	700	0	300	0	3743	
Satelites	0	0	300	1580	0	0	0	0	0	0	250	50	0	300	0	2480	
Department avg. MV			2.7					0.0					3.0				
Percent change			11.1					-100.0					25.0				
DoD average MV								2.83									
Percent change								28.8									

DoD weighted FVs	
Function	Wgt FV
Air vehicles	80.6
Munitions	65.2
Electronic combat	72.2
Fixed-wing avionics	93.9
Conv. missiles/rockets	57.6
Satelites	64.2
Average FV	72.3
Weighted avg. FV	73.9

Table 4. MINNMV Model with Policy imerative Output

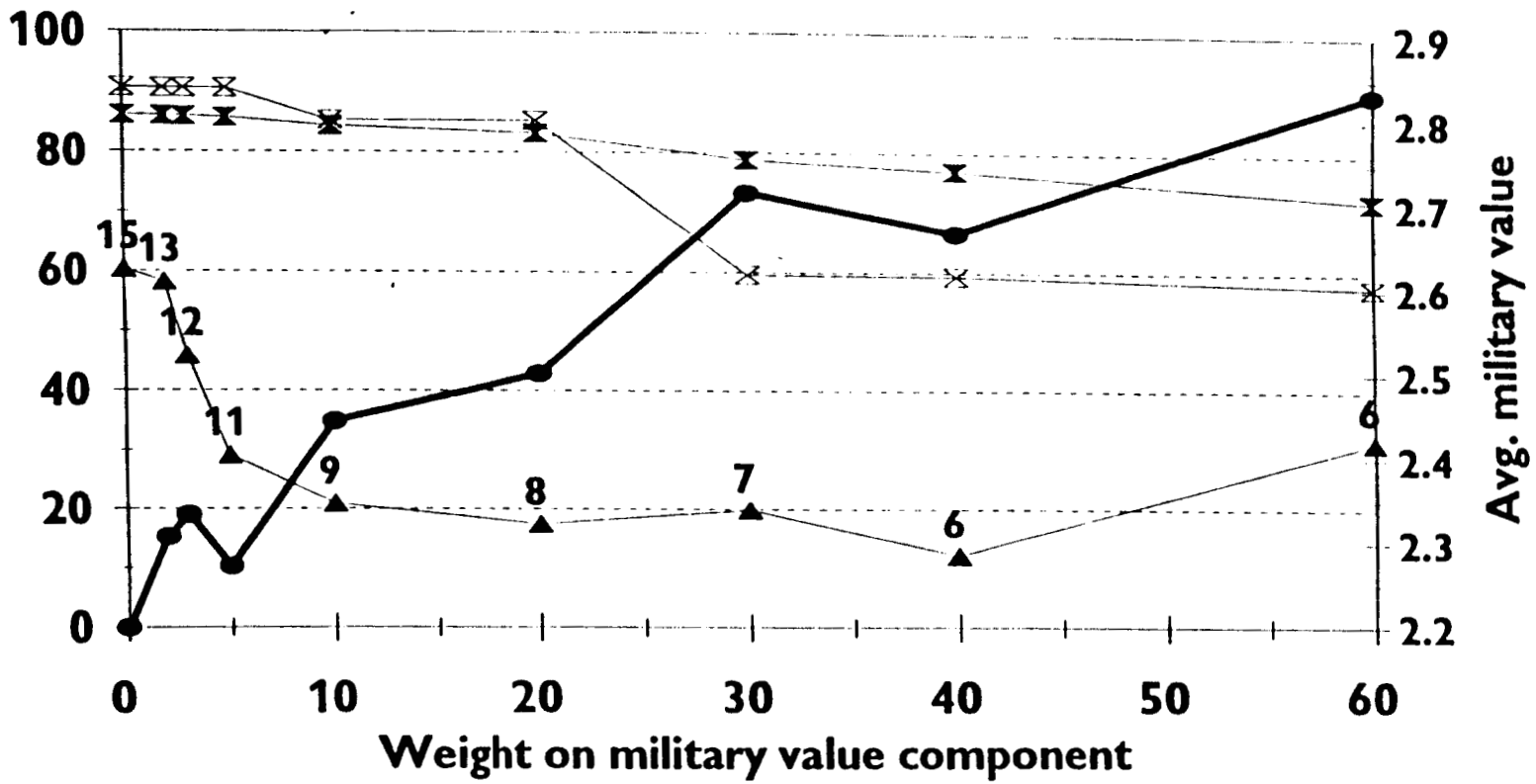
Function	Department X A	X B	X C	X D	X E	Y A	Y B	Y C	Y D	Y E	Z A	Z B	Z C	Z D	Z E	Retained totals	Percent excess
Retain=1, Close=0	0	1	1	1	1	0	0	0	0	0	1	0	0	1	0	6	
Department Mil. Val.	3	3	3	2	1	2	1	3	2	1	3	3	2	3	1		
Capacities																	
Air vehicles	0	7000	0	0	0	0	0	0	0	0	3000	0	0	2857	0	12857	35.9
Munitions	0	200	4500	0	0	0	0	0	0	0	1000	0	0	0	0	5700	3.6
Electronic combat	0	0	0	0	0	0	0	0	0	0	2000	0	0	1543	0	3543	9.6
Fixed-wing avionics	0	0	250	3500	0	0	0	0	0	0	1000	0	0	0	0	4750	25.8
Conv. missiles/rockets	0	0	0	0	3000	0	0	0	0	0	3000	0	0	0	0	6000	60.3
Satelites	0	0	300	4000	0	0	0	0	0	0	250	0	0	300	0	4850	95.6
																Wgt. avg.	33.70
Workload assigned																**Totals**	
Air vehicles	0	3606	0	0	0	0	0	0	0	0	3000	0	0	2857	0	9463	
Munitions	0	200	4303	0	0	0	0	0	0	0	1000	0	0	0	0	5503	
Electronic combat	0	0	0	0	0	0	0	0	0	0	1691	0	0	1543	0	3234	
Fixed-wing avionics	0	0	250	3500	0	0	0	0	0	0	25	0	0	0	0	3775	
Conv. missiles/rockets	0	0	0	0	3000	0	0	0	0	0	743	0	0	0	0	3743	
Satelites	0	0	300	1630	0	0	0	0	0	0	250	0	0	300	0	2480	
Department avg. MV			2.3					0.0					3.0				
Percent change			-6.3					-100.0					25.0				
DoD average MV								2.50									
Percent change								13.6									

DoD weighted FVs	
Function	**Wgt FV**
Air vehicles	78.3
Munitions	61.0
Electronic combat	64.4
Fixed-wing avionics	93.7
Conv. missiles/rockets	82.4
Satelites	64.1
Average FV	**74.0**
Weighted avg. FV	**74.7**

Table 5. Parameterization of the MINNMV Model

	Percent of weight on FV									
	0 MAXFV	2	3	5	10	20	30	40	60	99 MINNMV
Sites/activities open	15	13	12	11	9	8	7	6	6	6
Percent excess										
Air vehicles	53.8	48.5	48.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Munitions	73.5	73.5	73.5	69.9	51.7	51.7	51.7	15.4	15.4	15.4
Electronic combat	72.0	72.0	72.0	72.0	72.0	41.1	41.1	41.1	40.5	40.5
Fixed-wing avionics	98.7	98.7	6.0	6.0	6.0	6.0	6.0	6.0	98.7	98.7
Conv. missiles/rockets	41.6	38.9	38.9	38.9	4.2	4.2	22.9	17.6	12.2	12.2
Satelites	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	97.6	97.6
Wgt. avg. % excess	**60.37**	**58.24**	**45.83**	**29.16**	**21.00**	**17.46**	**19.94**	**12.14**	**31.39**	**31.39**
Weighted FV										
Air vehicles	81.2	81.1	81.1	80.6	80.6	80.6	80.6	80.6	80.6	80.6
Munitions	79.6	79.6	79.6	79.2	76.1	76.1	76.1	65.2	65.2	65.2
Electronic combat	79.7	79.7	79.7	79.7	79.7	72.3	72.3	72.3	72.2	72.2
Fixed-wing avionics	93.9	93.9	93.0	93.0	93.0	93.0	93.0	93.0	93.9	93.9
Conv. missiles/rockets	90.8	90.7	90.7	90.7	85.4	85.4	59.6	59.5	57.6	57.6
Satelites	92.0	92.0	92.0	92.0	92.0	92.0	92.0	92.0	64.2	64.2
Average FV	**86.2**	**86.2**	**86.0**	**85.9**	**84.5**	**83.2**	**78.9**	**77.1**	**72.3**	**72.3**
Weighted avg. FV	**84.7**	**84.6**	**84.5**	**84.2**	**82.9**	**82.1**	**78.6**	**76.5**	**73.9**	**73.9**
DoD average MV	**2.20**	**2.31**	**2.33**	**2.27**	**2.44**	**2.50**	**2.71**	**2.67**	**2.83**	**2.83**

Figure 1. Parameterization of MINNMV



Number of sites open are shown as labels on the excess capacity plot.

Avg. percent excess capacity — Average military value

Average FV — Missile/rocket FV

Table 6. MINNMV Model Output with Weight = 20

Function	Department X A	X B	X C	X D	X E	Y A	Y B	Y C	Y D	Y E	Z A	Z B	Z C	Z D	Z E	Retained totals	Percent excess
Retain=1, Close=0	1	0	1	0	1	0	0	1	0	0	1	1	0	1	1	8	
Department Mil. Val.	3	3	3	2	1	2	1	3	2	1	3	3	2	3	1		
Capacities																	
Air vehicles	0	0	2500	0	0	0	0	0	0	0	3000	1200	0	2857	0	9557	1.0
Munitions	850	0	4500	0	0	0	0	2000	0	0	1000	0	0	0	0	8350	51.7
Electronic combat	3000	0	0	0	0	0	0	0	0	0	0	0	0	1543	20	4563	41.1
Fixed-wing avionics	0	0	0	0	0	0	0	0	0	0	0	4000	0	0	0	4000	6.0
Conv. missiles/rockets	0	0	200	0	3000	0	0	200	0	0	0	0	0	300	200	3900	4.2
Satelites	0	0	0	0	0	0	0	0	0	0	250	0	0	300	2200	2750	10.9
																Wgt. avg.	**17.46**
Workload assigned																**Totals**	
Air vehicles	0	0	2406	0	0	0	0	0	0	0	3000	1200	0	2857	0	9463	
Munitions	850	0	1653	0	0	0	0	2000	0	0	1000	0	0	0	0	5503	
Electronic combat	1671	0	0	0	0	0	0	0	0	0	0	0	0	1543	20	3234	
Fixed-wing avionics	0	0	0	0	0	0	0	0	0	0	0	3775	0	0	0	3775	
Conv. missiles/rockets	0	0	200	0	3000	0	0	43	0	0	0	0	0	300	200	3743	
Satelites	0	0	0	0	0	0	0	0	0	0	250	0	0	30	2200	2480	
Department avg. MV			2.3					3.0					2.5				
Percent change			-2.8					66.7					4.2				
DoD average MV								2.50									
Percent change								13.6									

DoD weighted FVs	
Function	**Wgt FV**
Air vehicles	80.6
Munitions	76.1
Electronic combat	72.3
Fixed-wing avionics	93.0
Conv. missiles/rockets	85.4
Satelites	92.0
Average FV	**83.2**
Weighted avg. FV	**82.1**

Table 7. MINXCAP Model Output

Function	Department X A	X B	X C	X D	X E	Y A	Y B	Y C	Y D	Y E	Z A	Z B	Z C	Z D	Z E	Retained totals	Percent excess
Retain=1, Close=0	1	0	1	0	1	1	1	0	0	0	0	1	0	0	1	7	
Department Mil. Val.	3	3	3	2	1	2	1	3	2	1	3	3	2	3	1		
Capacities																	
Air vehicles	450	0	2500	0	0	5000	500	0	0	0	0	1200	0	0	0	9650	2.0
Munitions	850	0	4500	0	0	300	0	0	0	0	0	0	0	0	0	5650	2.7
Electronic combat	3000	0	0	0	0	1000	0	0	0	0	0	0	0	0	20	4020	24.3
Fixed-wing avionics	0	0	0	0	0	0	0	0	0	0	0	4000	0	0	0	4000	6.0
Conv. missiles/rockets	0	0	200	0	3000	0	0	0	0	0	0	700	0	0	200	4100	9.5
Satelites	0	0	300	0	0	0	0	0	0	0	0	0	0	0	2200	2500	0.8
																Wgt. avg.	6.11
Workload assigned																**Totals**	
Air vehicles	263	0	2500	0	0	5000	500	0	0	0	0	1200	0	0	0	9463	
Munitions	850	0	4500	0	0	153	0	0	0	0	0	0	0	0	0	5503	
Electronic combat	2214	0	0	0	0	1000	0	0	0	0	0	0	0	0	20	3234	
Fixed-wing avionics	0	0	0	0	0	0	0	0	0	0	0	3775	0	0	0	3775	
Conv. missiles/rockets	0	0	200	0	3000	0	0	0	0	0	0	343	0	0	200	3743	
Satelites	0	0	280	0	0	0	0	0	0	0	0	0	0	0	2200	2480	
Department avg. MV			2.3					1.5					2.0				
Percent change			-2.8					-16.7					-16.7				
DoD average MV								2.00									
Percent change								-9.1									

DoD weighted FVs	
Function	**Wgt FV**
Air vehicles	64.9
Munitions	62.5
Electronic combat	74.5
Fixed-wing avionics	93.0
Conv. missiles/rockets	84.9
Satelites	90.5
Average FV	**78.4**
Weighted avg. FV	**74.2**

Table 8. MINSITES Model Output

Function	Department X A	X B	X C	X D	X E	Y A	Y B	Y C	Y D	Y E	Z A	Z B	Z C	Z D	Z E	Retained totals	Percent excess
Retain=1, Close=0	1	0	1	0	0	0	0	0	0	0	1	1	0	1	1	6	
Department Mil. Val.	3	3	3	2	1	2	1	3	2	1	3	3	2	3	1		
Capacities																	
Air vehicles	0	0	2500	0	0	0	0	0	0	0	3000	1200	0	2857	0	9557	1.0
Munitions	850	0	4500	0	0	0	0	0	0	0	1000	0	0	0	0	6350	15.4
Electronic combat	3000	0	0	0	0	0	0	0	0	0	0	0	0	1543	20	4563	41.1
Fixed-wing avionics	0	0	0	0	0	0	0	0	0	0	0	4000	0	0	0	4000	6.0
Conv. missiles/rockets	0	0	200	0	0	0	0	0	0	0	3000	700	0	300	200	4400	17.6
Satelites	0	0	0	0	0	0	0	0	0	0	250	0	0	300	2200	2750	10.9
																Wgt. avg.	12.14
Workload assigned																Totals	
Air vehicles	0	0	2406	0	0	0	0	0	0	0	3000	1200	0	2857	0	9463	
Munitions	850	0	3653	0	0	0	0	0	0	0	1000	0	0	0	0	5503	
Electronic combat	1671	0	0	0	0	0	0	0	0	0	0	0	0	1543	20	3234	
Fixed-wing avionics	0	0	0	0	0	0	0	0	0	0	0	3775	0	0	0	3775	
Conv. missiles/rockets	0	0	200	0	0	0	0	0	0	0	2343	700	0	300	200	3743	
Satelites	0	0	0	0	0	0	0	0	0	0	250	0	0	30	2200	2480	
Department avg. MV			3.0					0.0					2.5				
Percent change			25.0					-100.0					4.2				
DoD average MV								2.67									
Percent change								21.2									

DoD weighted FVs	
Function	Wgt FV
Air vehicles	80.6
Munitions	65.2
Electronic combat	72.3
Fixed-wing avionics	93.0
Conv. missiles/rockets	59.5
Satelites	92.0
Average FV	77.1
Weighted avg. FV	76.5

Table 9. MAXSFV Model Output

Function	Department X A	X B	X C	X D	X E	Y A	Y B	Y C	Y D	Y E	Z A	Z B	Z C	Z D	Z E	Retained totals	Percent excess
Retain=1, Close=0	0	0	1	1	0	1	0	0	0	0	1	1	0	1	0	6	
Department Mil. Val.	3	3	3	2	1	2	1	3	2	1	3	3	2	3	1		
Capacities																	
Air vehicles	0	0	2500	0	0	5000	0	0	0	0	3000	0	0	0	0	10500	11.0
Munitions	0	0	4500	0	0	300	0	0	0	0	1000	0	0	0	0	5800	5.4
Electronic combat	0	0	0	0	0	0	0	0	0	0	2000	0	0	1543	0	3543	9.6
Fixed-wing avionics	0	0	250	0	0	0	0	0	0	0	1000	4000	0	2000	0	7250	92.1
Conv. missiles/rockets	0	0	200	0	0	0	0	0	0	0	3000	700	0	0	0	3900	4.2
Satelites	0	0	0	4000	0	0	0	0	0	0	0	0	0	0	0	4000	61.3
																Wgt. avg.	24.10
Workload assigned																**Totals**	
Air vehicles	0	0	2500	0	0	5000	0	0	0	0	1963	0	0	0	0	9463	
Munitions	0	0	4500	0	0	300	0	0	0	0	703	0	0	0	0	5503	
Electronic combat	0	0	0	0	0	0	0	0	0	0	2000	0	0	1234	0	3234	
Fixed-wing avionics	0	0	250	0	0	0	0	0	0	0	1000	525	0	2000	0	3775	
Conv. missiles/rockets	0	0	43	0	0	0	0	0	0	0	3000	700	0	0	0	3743	
Satelites	0	0	0	2480	0	0	0	0	0	0	0	0	0	0	0	2480	
Department avg. MV			2.5					2.0					3.0				
Percent change			4.2					11.1					25.0				
DoD average MV								2.67									
Percent change								21.2									

DoD weighted FVs	
Function	**Wgt FV**
Air vehicles	64.9
Munitions	59.6
Electronic combat	61.9
Fixed-wing avionics	73.1
Conv. missiles/rockets	56.6
Satelites	58.0
Average FV	**62.3**
Weighted avg. FV	**62.9**

Table 10. MINNMV Model Output: Alternative 1

Function	Department X A	X B	X C	X D	X E	Y A	Y B	Y C	Y D	Y E	Z A	Z B	Z C	Z D	Z E	Retained totals	Percent excess
Retain=1, Close=0	0	0	1	1	0	0	0	1	0	0	1	1	0	1	0	6	
Department Mil. Val.	3	3	3	2	1	2	1	3	2	1	3	3	2	3	1		
Capacities																	
Air vehicles	0	0	2500	0	0	0	0	0	0	0	3000	1200	0	2857	0	9557	1.0
Munitions	0	0	4500	0	0	0	0	2000	0	0	1000	0	0	0	0	7500	36.3
Electronic combat	0	0	0	0	0	0	0	0	0	0	2000	0	0	1543	0	3543	9.6
Fixed-wing avionics	0	0	0	3500	0	0	0	0	0	0	0	4000	0	0	0	7500	98.7
Conv. missiles/rockets	0	0	200	0	0	0	0	200	0	0	3000	700	0	300	0	4400	17.6
Satelites	0	0	300	4000	0	0	0	500	0	0	250	50	0	300	0	5400	117.7
																Wgt. avg.	34.41
Workload assigned																Totals	
Air vehicles	0	0	2406	0	0	0	0	0	0	0	3000	1200	0	2857	0	9463	
Munitions	0	0	2503	0	0	0	0	2000	0	0	1000	0	0	0	0	5503	
Electronic combat	0	0	0	0	0	0	0	0	0	0	1691	0	0	1543	0	3234	
Fixed-wing avionics	0	0	0	3500	0	0	0	0	0	0	0	275	0	0	0	3775	
Conv. missiles/rockets	0	0	200	0	0	0	0	200	0	0	2343	700	0	300	0	3743	
Satelites	0	0	300	1080	0	0	0	500	0	0	250	50	0	300	0	2480	
Department avg. MV			2.5					3.0					3.0				
Percent change			4.2					66.7					25.0				
DoD average MV								2.83									
Percent change								28.8									

DoD weighted FVs	
Function	Wgt FV
Air vehicles	80.6
Munitions	71.4
Electronic combat	64.4
Fixed-wing avionics	93.9
Conv. missiles/rockets	57.8
Satelites	65.4
Average FV	72.3
Weighted avg. FV	74.4

Table 11. MINNMV Model Output: Alternative 2

Function	Department															Retained totals	Percent excess
	X					Y					Z						
	A	B	C	D	E	A	B	C	D	E	A	B	C	D	E		
Retain=1, Close=0	1	1	1	1	0	0	0	0	0	0	1	1	0	0	0	6	
Department Mil. Val.	3	3	3	2	1	2	1	3	2	1	3	3	2	3	1		
Capacities																	
Air vehicles	0	7000	0	0	0	0	0	0	0	0	3000	1200	0	0	0	11200	18.4
Munitions	850	200	4500	0	0	0	0	0	0	0	1000	0	0	0	0	6550	19.0
Electronic combat	3000	0	0	0	0	0	0	0	0	0	2000	0	0	0	0	5000	54.6
Fixed-wing avionics	0	0	0	3500	0	0	0	0	0	0	0	4000	0	0	0	7500	98.7
Conv. missiles/rockets	0	0	200	0	0	0	0	0	0	0	3000	700	0	0	0	3900	4.2
Satelites	0	0	300	4000	0	0	0	0	0	0	250	50	0	0	0	4600	85.5
																Wgt. avg.	37.42
Workload assigned																Totals	
Air vehicles	0	5263	0	0	0	0	0	0	0	0	3000	1200	0	0	0	9463	
Munitions	850	200	3453	0	0	0	0	0	0	0	1000	0	0	0	0	5503	
Electronic combat	3000	0	0	0	0	0	0	0	0	0	234	0	0	0	0	3234	
Fixed-wing avionics	0	0	0	3500	0	0	0	0	0	0	0	275	0	0	0	3775	
Conv. missiles/rockets	0	0	200	0	0	0	0	0	0	0	2843	700	0	0	0	3743	
Satelites	0	0	300	1880	0	0	0	0	0	0	250	50	0	0	0	2480	
Department avg. MV			2.8					0.0					3.0				
Percent change			14.6					-100.0					25.0				
DoD average MV								2.83									
Percent change								28.8									

DoD weighted FVs	
Function	Wgt FV
Air vehicles	76.3
Munitions	65.7
Electronic combat	65.9
Fixed-wing avionics	93.9
Conv. missiles/rockets	56.9
Satelites	62.4
Average FV	70.2
Weighted avg. FV	71.6

Appendix A

AMPL Model Input File

```
# JCSG Model Example

# Ronald H. Nickel, Ph.D.
# LTC Roy Rice, USAF

# 8-3-94

set X_sites;          # The set of Department X sites.
set Y_sites;          # The set of Department Y sites.
set Z_sites;          # The set of Department Z sites.

set SITE := X_sites union {Y_sites union Z_sites};
            # The set of all labs and T&E sites.

set EXCLD1 within SITE default {};  # A solution to be excluded.

set EXCLD2 within SITE default {};  # A solution to be excluded.

set EXCLD_INTER := if card(EXCLD2) > 0 then (EXCLD1 inter EXCLD2)
                        else EXCLD1;

set EXCLD_1DIFF2 := EXCLD1 diff EXCLD2;   # Sites in EXCLD1 but not
                                          # in EXCLD2.

set EXCLD_2DIFF1 := EXCLD2 diff EXCLD1;   # Sites in EXCLD2 but not
                                          # in EXCLD1.

set EXCLD_COMPLEMENT := SITE diff (EXCLD1 union EXCLD2);
               # The set of sites not in EXCLD1 or EXCLD2.

param excld_num := max(0,card(EXCLD_INTER)-1);

set FUNC;        # The set of functions.

set SITE_CAP within {SITE, FUNC} ;  # The set of site/function
                              # combinations that are
                              # meaningful.

param CAPAC {SITE_CAP}; # The functional capacity at each site for each
               # meaningful site/function combination.

param no_func := card(FUNC);    # The number of function types.

# Define the set performing missile functions.

set MISSLE_FUNC within {FUNC};

param missile_sites >= 0, default 15;
            # Number of sites allowed to perform the
            # missile function.  Used in the policy
            # imperative example (missile_sites = 3).

param max_sites >= 0, default card(SITE);
            # Number of open sites allowed in the
            # solution.

param REQ {FUNC};   # The DoD requirement for each function.
```

```
param MV {SITE};     # Military value for each site.

param NMV {s in SITE} := 4 - MV[s]; # Negative MV scoring.

param FV {SITE_CAP} >= 0.0; # Functional value by site and function.

param min_assign default 0.001; # Cannot assign less than
                                # min_assign * CAPAC[s,f] of
                                # function f to site s.

#
# Calculate upper bounds for the objective function components.
#

param MINNMV_UB := sum {s in SITE} NMV[s];

param MINSITES_UB := card(SITE);

param MINXCAP_UB := sum {(s,f) in SITE_CAP} CAPAC[s,f]/REQ[f];

param MAXSFV_UB := sum {(s,f) in SITE_CAP} FV[s,f];

param MAXFV_UB := sum {f in FUNC} max {(s,f) in SITE_CAP} FV[s,f];

#
# Use WGT_PCT to weight the functional value and non-functional value
# components of the objective functions.
#

param WGT_PCT >= 0, <= 100, default 99; # Percent of weight to put on
        # non-functional-value portion of the objective function.

param WGT1 := WGT_PCT;  # Weight for non-FV portion of the objective
                # functions.

param WGT2 := 100-WGT1; # Weight for FV portion of the objective functions.

#
# Decision variables
#

var OPEN {SITE} binary >= 0;     # Open or closed decision variable for
                # each site.

var SITE_LOAD {(s,f) in SITE_CAP} >= 0.0, <= CAPAC[s,f];
            # Amount of the requirement for function f to
            # be assigned to site s . Amount assigned
            # is limited by capacity of site s to perform
            # function f.

var SITE_FUNC {(s,f) in SITE_CAP} binary;
            # 1 if any assignment of workload for function
            # f is made to site s; 0 otherwise.

# The following variables, ALPHA, BETA,and GAMMA, are used to find
# alternative solutions.
```

```
var ALPHA binary; # At least one site from the intersection is excluded
                  # from the solution.

var BETA binary;  # At least one site from the complement of the union
                  # is included is included in the solution.

var GAMMA binary; # At least one site from
                  #   EXCLD1 - (EXCLD1 intersect EXCLD2)
                  # and at least one site from
                  #   EXCLD2 - (EXCLD1 intersect EXCLD2)
                  # are included in the solution.

#
# Objective Functions.
#

# Minimize total open site negative military value and
# maximize the normalized FV-weighted assignment of functional workload
# to sites.

minimize MINNMV:
    (WGT1/MINNMV_UB) * sum {s in SITE} OPEN[s]*NMV[s]
    - (WGT2/MAXFV_UB) * sum {(t,g) in SITE_CAP} FV[t,g]
    * (SITE_LOAD[t,g]/REQ[g]);

# Minimize the number of open sites and maximize the normalized
# FV-weighted assignment of functional workload to sites.

minimize MINSITES:
    (WGT1/MINSITES_UB) * sum {s in SITE} OPEN[s]
    - (WGT2/MAXFV_UB) * sum {(t,g) in SITE_CAP} FV[t,g]
    * (SITE_LOAD[t,g]/REQ[g]);

# Minimize total capacity and maximize the normalized FV-weighted
# assignment of functional workload to sites.

minimize MINXCAP:
    (WGT1/MINXCAP_UB) * sum {s in SITE}  OPEN[s] *
        (sum {(s,f) in SITE_CAP} CAPAC[s,f]/REQ[f])
    - (WGT2/MAXFV_UB) * sum {(t,g) in SITE_CAP} FV[t,g]
    * (SITE_LOAD[t,g]/REQ[g]);

# Maximize functional value without workload assignment weightings
# and maximize the normalized FV-weighted assignment of functional
# workload to sites.

maximize MAXSFV:
    (WGT1/MAXSFV_UB) * sum {(s,f) in SITE_CAP} FV[s,f]
    - (WGT2/MAXFV_UB) * sum {(t,g) in SITE_CAP} FV[t,g]
    * (SITE_LOAD[t,g]/REQ[g]);

#
# Constraints
#

# The requirement for each function has to be met.
```

```
subject to func_assgn {f in FUNC}:
    sum {(s,f) in SITE_CAP} SITE_LOAD[s,f] = REQ[f];

# Cannot assign functional workload to a site unless
# the site is open for assignment of that function.

subject to func_open {(s,f) in SITE_CAP}:
    SITE_LOAD[s,f] <= SITE_FUNC[s,f]*CAPAC[s,f];

# Sites with no functional requirement assigned
# are closed.

subject to site_closed {s in SITE}:
    OPEN[s] <= sum {(s,f) in SITE_CAP} SITE_FUNC[s,f];

# Allocation of functional requirements cannot be made
# to sites that are not open.

subject to site_open {s in SITE}:
    sum {(s,f) in SITE_CAP} SITE_FUNC[s,f] <= OPEN[s] * no_func;

# SITE_FUNC variables are set to 0 if little or no functional
# workload is assigned to a site.

subject to site_func_0 {(s,f) in SITE_CAP}:
    SITE_FUNC[s,f] <= SITE_LOAD[s,f]/(min_assign * CAPAC[s,f]);

# This constraint is an example of a policy imperative.
# Constrain the number of sites doing munitions work.
# This constraint only constrains the model if
#
#   missile_sites < card(SITE).

subject to missile_2 {f in MISSLE_FUNC}:
    sum {(s,f) in SITE_CAP} SITE_FUNC[s,f] <= missile_sites;

# This constraint is used to constrain the number of
# open sites in a solution.  max_sites has a default
# value equal to card(SITE), i.e., it does not constrain
# the solution unless max_sites is set to a lower value.

subject to no_sites:
    sum {s in SITE} OPEN[s] <= max_sites;

#
# Exclude solutions defined by the sets EXCLD1 and EXCLD2.
#

subject to alt_opt_cond_1:
    sum {s in EXCLD_INTER} OPEN[s] <= excld_num + 1 - ALPHA;

subject to alt_opt_cond_2:
   sum {s in EXCLD_COMPLEMENT} OPEN[s] >= BETA;

subject to alt_opt_cond_3a:
   sum {s in EXCLD_1DIFF2} OPEN[s] >= GAMMA;
```

```
subject to alt_opt_cond_3b:
   sum {s in EXCLD_2DIFF1} OPEN[s] >= GAMMA;

subject to alt_opt_cond_123:
   ALPHA + BETA + GAMMA >= 1;
```

Appendix B

AMPL Data Input File

```
# Data file for JCSG optimization examples.

# Ron NIckel
# 7-6-94

set X_sites :=
    X_A
    X_B
    X_C
    X_D
    X_E;

set Y_sites :=
    Y_A
    Y_B
    Y_C
    Y_D
    Y_E;

set Z_sites :=
    Z_A
    Z_B
    Z_C
    Z_D
    Z_E;

set EXCLD1 := X_A X_C X_D Z_A Z_B Z_D;

set EXCLD2 := X_C X_D Y_C Z_A Z_B Z_D;

set FUNC :=
    Air_Veh
    Mun
    E_Cmbt
    Avion
    Mis
    Sat;

set SITE_CAP :  Air_Veh Mun     E_Cmbt  Avion   Mis     Sat :=
        X_A             +               +       +               -       -
        X_B             +               +       -               -       -
        X_C             +               +       -               +       +
        X_D             -               -       -               +       -
        X_E             -               -       -               -       +
        Y_A             +               +       +               -       -
        Y_B             +               -       -               -       -
        Y_C             -               +       -               +       +
        Y_D             -               -       -               +       +
        Y_E             -               -       -               -       +
        Z_A             +               +       +               +       +
        Z_B             +               -       -               +       +
        Z_C             -               +       -               -       +
        Z_D             +               -       +               +       +
        Z_E             -               -       +               +       +

# Used to model the policy imperative.
```

```
set MISSLE_FUNC := Mis;

param CAPAC:    Air_Veh Mun     E_Cmbt  Avion   Mis     Sat :=
        X_A     450             850     3000            .       .       .
        X_B     7000            200     .               .       .       .
        X_C     2500            4500    .               250     200     300
        X_D     .               .       .               3500    .       4000
        X_E     .               .       .               .       3000    .
        Y_A     5000            300     1000            .       .       .
        Y_B     500             .       .               .       .       .
        Y_C     .               2000    .               400     200     500
        Y_D     .               .       .               3500    100     .
        Y_E     .               .       .               .       2000    .
        Z_A     3000            1000    2000            1000    3000    250
        Z_B     1200            .       .               4000    700     50
        Z_C     .               1000    .               .       200     .
        Z_D     2857            .       1543            2000    300     300
        Z_E     .               .       20              500     200     2200;

param FV:       Air_Veh Mun     E_Cmbt  Avion   Mis     Sat :=
    X_A     50              88      67              .       .       .
    X_B     70              71      .               .       .       .
    X_C     68              58      .               92      62      71
    X_D     .               .       .               94      .       58
    X_E     .               .       .               .       89      .
    Y_A     57              54      91              .       .       .
    Y_B     72              .       .               .       .       .
    Y_C     .               88      .               78      59      64
    Y_D     .               .       .               69      93      .
    Y_E     .               .       .               .       92      .
    Z_A     81              72      52              72      56      85
    Z_B     92              .       .               93      59      61
    Z_C     .               75      .               .       50      .
    Z_D     86              .       78              66      65      73
    Z_E     .               .       77              71      91      93;

param REQ :=
    Air_Veh 9463
    Mun             5503
    E_Cmbt  3234
    Avion           3775
    Mis             3743
    Sat             2480;

# Banded military values for each site.
# 3 is good, 1 is bad.

param MV :=
    X_A     3
    X_B     3
    X_C     3
    X_D     2
    X_E     1
    Y_A     2
    Y_B     1
    Y_C     3
    Y_D     2
```

```
Y_E     1
Z_A     3
Z_B     3
Z_C     2
Z_D     3
Z_E     1;
```

ASSISTANT SECRETARY OF DEFENSE

3300 DEFENSE PENTAGON
WASHINGTON DC 20301-3300

ECONOMIC
SECURITY

December 27, 1994

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR OF ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: **1995 Base Realignments and Closures (BRAC 95) -- Clarification of the Joint Cross-Service Group Functional Analysis Process**

The Deputy Secretary's January 7, 1994, memorandum initiating the BRAC 95 process established the authority for the functional joint cross-service groups to provide closure and realignment alternatives for Military Department analysis. This memorandum clarifies that policy.

As described in Policy Memorandum Two, the Military Departments will analyze alternatives provided for their consideration by the Joint Cross Service Groups. Alternatives provided by the Chairperson of the JCSG's should be analyzed by the Military Departments whether they are, or are not, consensus of all the members of the JCSG.

Policy Memorandum Two also notes that the JCSG's will use a linear programming optimization model as a tool, a "basis for further analysis and the application of judgment". A JCSG, its Chair or Co-Chair, may recommend for analysis by the Military Departments configurations other than those that are the result of particular runs of the optimization model. This will allow Military Department analysis of the broadest possible range of interservicing alternatives within the Department's BRAC 95 process.

Some JCSG alternatives may prove infeasible, or the volume of these alternatives may preclude timely analysis of each proposal. The Chairperson of the JCSG's may withdraw alternatives from further analysis, or prioritize alternatives to ensure that the most significant proposals receive timely and thorough cost and feasibility analysis.

for Robert E. Cooper
Joshua Gotbaum

ASSISTANT SECRETARY OF DEFENSE

3300 DEFENSE PENTAGON
WASHINGTON DC 20301-3300

ECONOMIC
SECURITY

29 DEC 1994

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR OF ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: 1995 Base Realignments and Closures (BRAC 95) -- Policy Memorandum Three

Background

This memorandum is the third in a series of additional policy guidance implementing the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), as amended, and the Deputy Secretary's 1995 Base Realignments and Closures (BRAC 95) guidance of January 7, 1994.

Final Selection Criteria

The 1995 Base Closure and Realignment (BRAC 95) Selection Criteria at attachment one, required by Section 2903(b) of Public Law 101-510, form the basis, along with the force structure plan, of the base closure and realignment process. These criteria were provided by the Deputy Secretary's November 2, 1994, memorandum. DoD components shall use these criteria in the base structure analysis to nominate BRAC 95 closure or realignment candidates. The criteria will also be used by the 1995 Defense Base Closure and Realignment Commission in their review of the Department of Defense final recommendations.

Activities in Leased Space

This expands on the policy guidance contained in the DepSecDef January 7, 1994, BRAC 95 memorandum.

DoD Component organizations located in leased space are subject to Public Law 101-510. Civilian personnel authorizations of organizations in leased space, which are part of an organization located on a nearby military installation or one within the same metropolitan statistical area (MSA), shall be considered part of the civilian personnel authorization of that

installation. Certain military activities performed in leased facilities constitute an installation because of common mission, permanently authorized personnel, and separate support structure. Each DoD component should aggregate the remaining civilian personnel authorizations of their organizations in leased space within a MSA and consider the aggregate to be a single installation for applying the numerical thresholds of Public Law 101-510. In aggregating leased space activities in the National Capital Region (NCR), the NCR, as defined by the National Capital Planning Act (40 USC 71), will be used as the MSA.

Return on Investment (ROI)

This expands on the policy guidance contained in the Under Secretary of Defense (Acquisition and Technology) memorandum of May 31, 1994 (Policy Memorandum One).

- Medicare Costs Medicare Costs will not be included in DOD Component cost analyses. The Medicare program consists of part A (hospital and related costs) and Part B (supplemental costs). Part A is financed by Medicare payroll taxes. The only appropriated funds used to support Medicare are those portions of the Part B costs that exceed the monthly premiums paid by the members/beneficiaries. Therefore, total Medicare appropriations will not significantly change return on investment calculations.

- Unemployment Costs The Military Departments and Defense Agencies annually budget unemployment contributions to the Federal Employees Compensation Account for DoD military and civilian employees. DoD Components should include the contributions to this account attributable to closures and realignments in their cost calculations. However, state unemployment costs will not be included in DoD component cost analyses since such costs result only indirectly from BRAC actions and would not be borne by DoD.

- Costs to other Federal Agencies and State and Local Governments In general, DoD components need not consider costs or savings to other federal agencies and state and local governments in their calculations of BRAC 95 costs and savings.

There are, however, a limited number of circumstances when DoD components should include the costs of BRAC 95 actions to other Federal Agencies in their cost calculations. Costs to other Federal Agencies should be included only when they are measurable, identifiable costs that DoD would incur as a **direct** result of BRAC-related actions. The key distinguishing features of costs to other federal agencies that should be included is (1) DoD is unambiguously responsible for paying such costs and (2) such costs would be incurred as a direct, rather than indirect, result of BRAC actions.

For example, if a BRAC-related action would result in early termination of a lease agreement with the General Services Administration, and the lease agreement contains a provision that requires DoD to pay a penalty for breaking the lease, then the amount of the penalty should be included in cost calculations. Similarly, DoD components should include unemployment insurance costs for which they are liable. Both of these are costs **to DoD** that result **directly** from BRAC actions. In contrast, DoD components need not consider cost impacts that BRAC actions could have on Federal programs such as Medicare because (1) such costs would not be borne by DoD and (2) they result only indirectly from BRAC actions, or (3) result from base reuse activities, which cannot be known during BRAC decision-making processes.

COBRA Analyses of Cross-Service/Agency Scenarios

The Military Departments and Defense Agencies will use the following procedure for developing COBRA runs for closure and realignment scenarios involving more than one Military Department or Defense Agency:

- Military Departments or Defense Agencies having cognizance over a losing base in a cross-service scenario will identify the Departments or Agencies which have cognizance for the gaining bases in the scenario. The losing base Military Department will then task these Military Departments and Agencies to collect the necessary gaining base COBRA data.

- Each losing base Department or Agency will then prepare a COBRA analysis. Savings associated with eliminated billets/positions, overhead and mission costs should be identified under the Losing Base in the scenario. In scenarios where more than one Department or Agency has a losing base, these separate COBRA runs can then be combined by using a new summarization function of the COBRA model, the Adder.

Interaction among the Departments and Agencies will be necessary to coordinate scenario-specific data elements such as equipment transfers, MILCON requirements, consolidation savings, etc.

DoD-wide Standard Factors for COBRA Analyses

As noted in Policy Memorandum One, some standard factors used in the Cost of Base Realignment Actions (COBRA) are sufficiently different to warrant DoD Component-specific cost factors. However, most of the standard factors used in COBRA algorithms reflect standard rates which should be applied consistently in all DoD closure/realignment scenarios. Attachment two contains the DoD-wide COBRA standard factors which should be used in all COBRA analyses.

Environmental Restoration Costs

Environmental Restoration costs at closing bases are not to be considered in cost of closure calculations. DoD has a legal obligation for environmental restoration regardless of whether a base is closed or realigned. Where closing or realigning installations have known, unique contamination problems requiring environmental restoration, these will be considered as a potential limitation on near-term community reuse of the installation.

Environmental Compliance Costs

Environmental compliance costs can be a factor in a base closure or realignment decision. Costs associated with bringing existing practices into compliance with environmental rules and regulations can potentially be avoided when the base closes. Environmental compliance costs may be incurred at receiving locations also, and therefore will be estimated.

Environmental Impacts

For environmental impact considerations, there is no need to undertake new environmental studies. DoD Components may use all available environmental information regardless of when, how or for what purpose it was collected. If a DoD Component should choose to undertake a new environmental study, the study must collect the same information from all bases in the DoD Component's base structure, unless the study is designed to fill gaps in information so that all bases can be treated equally. Attachment three provides a sample of the reporting format used to summarize the environmental consequences of closure or realignment of an installation.

Economic Impact Calculations

DoD Components shall measure the economic impact on communities of BRAC 95 alternatives and recommendations using (1) the total potential job change in the economic area and (2) the total potential job change as a percent of economic area employment. These measures highlight the potential impact on economic area and also take into account the size of the economic area. In accomplishing this task, Components will follow the detailed guidance at attachment four.

Base Realignment and Closure Definitions

In order to ensure consistent terminology, DoD Components will use the definitions at attachment five to describe their recommendations.

Reporting Formats

Attachments six and seven describe general reporting formats for: (1) the anticipated DoD report to the 1995 Commission, and (2) Military Department and Defense Agency justification for their March 1, 1995, closure and realignment recommendations.

for

Joshua Gotbaum

Attachments

Department of Defense

Final Selection Criteria

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

Military Value

1. The current and future mission requirements and the impact on operational readiness of the Department of Defense's total force.

2. The availability and condition of land, facilities and associated airspace at both the existing and potential receiving locations.

3. The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations.

4. The cost and manpower implications.

Return on Investment

5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.

Impacts

6. The economic impact on communities.

7. The ability of both the existing and potential receiving communities' infrastructure to support forces, missions and personnel.

8. The environmental impact.

COBRA Standard Cost Factor Table

The attached table is a listing of standard cost factors for use in COBRA analyses. These factors, defined below, are categorized as Joint Factors, Joint Methods and Unique Factors, further identified as applicable to gaining or losing bases. Those factors not identified as a gaining or losing factor should be applied consistently in all closure and realignment scenarios.

Joint Factors: Joint Factors are a reflection of standard DoD-wide rates which should be applied consistently in all DoD closure and realignment scenarios. The value for each joint factor is provided in the table.

Joint Methods: These are cost factors that are arrived at in a similar manner by all DoD Components, but the actual value may differ by Component.

Unique Factors: Unique Factors are the result of differing policies and methodologies between the Components.

Gaining: Factors applicable to a gaining (receiving) base in a closure or realignment scenario.

Losing: Factors applicable to a losing base in a closure or realignment scenario.

	STANDARD FACTOR	TYPE FACTOR	VALUE	LOSING/ GAINING BASE
1	Officers Married	JOINT METHOD		LOSING
2	Enlisted Married	JOINT METHOD		LOSING
3	Enlisted Housing Milcon	JOINT METHOD		GAINING
4	Officer Salary	JOINT METHOD		LOSING
5	Officer BAQ w/Dependents	JOINT METHOD		LOSING
6	Enlisted Salary	JOINT METHOD		LOSING
7	Enlisted BAQ w/Dependents	JOINT METHOD		LOSING
8	Average Unemployment Costs	JOINT FACTOR	$174	
9	Unemployment Eligible	JOINT FACTOR	18	
10	Civilian Salary	JOINT METHOD		LOSING
11	Civilian Turnover	JOINT FACTOR	15%	
12	Civilian Early Retirement	JOINT FACTOR	10%	
13	Civilians Reg Retirement	JOINT FACTOR	5%	
14	Civilian RIF Pay Factor	JOINT FACTOR	39%	
15	Civilian Retirement Pay Factor	JOINT FACTOR	9%	
16	Priority Placement	JOINT FACTOR	60%	
17	PPS Involving PCS	JOINT FACTOR	50%	
18	Civilian PCS Cost	JOINT FACTOR	$28,800	
19	New Hire Cost	UNIQUE		GAINING
20	National Median Home Price	JOINT FACTOR	$114.6k	
21	Home Sale Reimburse Rate	JOINT FACTOR	10%	
22	Max Home Sale Reimbursement	JOINT FACTOR	$22,385	
23	Home Purchase Reimburse Rate	JOINT FACTOR	5%	
24	Max Home Purc Reimburse Rate	JOINT FACTOR	11,191	
25	Civilian Homeowning Rate	JOINT FACTOR	64%	
26	HAP Home Value Rate	JOINT FACTOR	22.9%	
27	HAP Homeowner Rec Rate	JOINT FACTOR	5%	
28	RSE Home Value Reimbures	UNIQUE		LOSING
29	RSE Homeowner Rec Rate	UNIQUE		LOSING
30	RPMA Buildings Index	JOINT FACTOR	.93	
31	BOS Index (Population)	JOINT FACTOR	.54	
32	Program Management	JOINT FACTOR	10%	
33	Caretaker Admin Space	JOINT FACTOR	162SF	
34	Mothball Cost	JOINT FACTOR	$1.25/SF	
35	Avg Bach Qtrs Size	UNIQUE		GAINING

	STANDARD FACTOR	TYPE FACTOR	VALUE	LOSING/ GAINING BASE
36	Avg Fam Qtrs Size	UNIQUE		GAINING
37	REHAB vs NEW	UNIQUE		GAINING
38	Info Management Account	UNIQUE		GAINING
39	Design Percent	UNIQUE		GAINING
40	SIOH	UNIQUE		GAINING
41	Cntingency	UNIQUE		GAINING
42	Site Prep	UNIQUE		GAINING
43	Discount Rate	JOINT FACTOR	2.75%	
44	Inflation Rate	JOINT FACTOR	0%	
45	APPDET Report Rates	JOINT FACOTRS	2.9,3.0	
46	Material Per Assigned Person	JOINT FACTOR	710LBS	
47	Officer HHG Weight	JOINT FACTOR	14,500	
48	Enlisted HHG Weight	JOINT FACTOR	9,000	
49	Military HHG Weight	JOINT FACTOR	6,400	
50	Civilian HHG Weight	JOINT FACTOR	18,000	
51	HHG Packing Cost	JOINT FACTOR	35$/CWT	
52	Equipment Packing and Crating	JOINT FACTOR	284$/TON	
53	Military Lt Vehicle Cost	UNIQUE		LOSING
54	Heavy/Special Vehicle Cost	UNIQUE		LOSING
55	POV Reimbursement Cost	JOINT FACTOR	.18$/MILE	
56	Air Transport Cost	JOINT FACTOR	.20$/MILE	
57	Miscellaneous Expenses	JOINT FACTOR	$700	
58	Average Military Tour Length	UNIQUE		LOSING
59	Routine PCS Costs	UNIQUE		LOSING
60	One-time PCS Costs- Off	UNIQUE		LOSING
61	One-time PCS Costs- Enl	UNIQUE		LOSING
	CONSTRUCTION FACTORS:	UNIQUE		GAINING

	STATIC FACTOR	TYPE FACTOR	VALUE	
1	Civilians Not Willing to Move	JOINT FACTOR	6%	
2	Frieght Cost Per Ton-Mile	JOINT FACTOR	$.07	

Environmental Impact Considerations

SUMMARY OF ENVIRONMENTAL CONSEQUENCES

RESULTING FROM CLOSURE/REALIGNMENT ACTION AT:

_____	_____
Installation Name	**Location**

(Provide a summary statement and status for the following environmental attributes at each installation affected by the closure/realignment action, including receiving installations. These key environmental attributes are not meant to be all inclusive. Others may be added as appropriate.)

- Threatened/Endangered Species
- Sensitive Habitats and Wetlands
- Cultural/Historic Resources
- Land and Air Space Use
- Pollution Control (Air Emissions, Compliance Issues)
- Hazardous Materials/Waste (Clean-up Implications/Asbestos, LBPs, PCBs, USTs, Radon)
- Programmed Environmental Costs/Cost Avoidances

GUIDANCE FOR APPLYING THE ECONOMIC IMPACT CRITERION IN THE 1995 BASE REALIGNMENT AND CLOSURE (BRAC 95) PROCESS

PURPOSE

The purpose of this attachment is to provide guidance for applying the economic impact criterion in decision making processes for the Department of Defense's 1995 recommendations to the Defense Base Closure and Realignment Commission. The goal of this guidance is to apply the economic impact criterion in a reasonable, fair, consistent, and auditable manner that complies with statutory and regulatory requirements. This guidance supersedes the guidance issued on April 4, 1994, by the Chairman of the Joint Cross-Service Group on Economic Impact.

BACKGROUND

The Defense Base Closure and Realignment Act (PL 101-510, as amended) states that the recommendations of the Secretary of Defense for closure or realignment of installations must be based on a force-structure plan and final selection criteria. "The economic impact on communities" is the sixth final selection criterion.

The Joint Cross-Service Group on Economic Impact, which was established by the Deputy Secretary of Defense (January 7, 1994, memorandum on 1995 Base Realignments and Closures (BRAC 95)), was tasked to provide guidance to DoD Components on how to calculate economic impact. The Deputy Secretary of Defense directed the Joint Cross-Service Group on Economic Impact:

> "to establish the guidelines for measuring economic impact and, if practicable, cumulative economic impact; to analyze DoD Component recommendations under those guidelines; and to develop a process for analyzing alternative closures or realignments necessitated by cumulative economic impact considerations, if necessary."

APPLICATION OF THE ECONOMIC IMPACT CRITERION

In developing recommendations for BRAC 95 closures and realignments, DoD Components shall consider the economic impact, to include the cumulative economic impact, on communities. The final selection criteria, however, state that priority consideration will be given to military value--the first four final selection criteria.

MEASURES OF BRAC 95 ECONOMIC IMPACT

DoD Components shall measure the economic impact on communities of BRAC 95 alternatives and recommendations using (1) the total potential job change in the economic area and (2) total potential job change as a percent of total--military and civilian--jobs in the economic area. These measures highlight the potential economic impact on economic areas and also take into account the size of each economic area.

Definition of Economic Area

The Joint Cross-Service Group on Economic Impact shall review and approve DoD Component assignments of each military installation to a particular economic area. For installations located in metropolitan statistical areas (MSAs), as defined by the Office of Management and Budget, the economic area is generally the MSA. For installations located in nonmetropolitan areas, the economic area is generally the county in which the installation is located. In some cases, the economic area is defined as a multi-county, non-MSA area. The criteria listed at Annex A to this attachment shall be used to guide the assignment of installations to economic areas. These definitions of economic area take into account the area where most of the installation's employees live and most of the labor-market impacts and economic adjustment will occur. (This guidance uses the term "economic area." In earlier BRAC rounds, this concept was also referred to as "region of influence.")

DoD Components will have the opportunity to identify, based on certified data, changes in the assignment of installations to economic areas. Such changes will be reviewed and approved by the Joint Cross-Service Group on Economic Impact.

Calculation

For each economic area where a BRAC 95 closure or realignment is considered, DoD Components shall identify the total potential job change in the economic area and calculate the total potential job change percentage by dividing total potential job changes by total--military and civilian--jobs in the economic area.

Total potential job change shall be defined as the sum of direct and indirect potential job changes for each BRAC 95 closure or realignment alternative or recommendation.

Direct job changes shall be defined as the sum of the net addition or loss of jobs for each of the following categories of personnel:

> Military Personnel. Permanent authorizations for officer and enlisted personnel. Trainees shall be included on an annual average basis. For example, members of the Guard and Reserve who serve full time (i.e., AGRs, TARs, etc.) should be included. Members of the Guard and Reserve who serve part time (during weekends, during two-weeks a year for active duty training, etc.) should not be included.

- DoD civilian employees. Permanent authorizations for appropriated fund DoD civilian employees are to be included as direct jobs. Direct jobs do not include non-appropriated fund activities, which are treated under indirect jobs.

- On-Base Contractors. Contractors that work on the installation in direct support of the installation's key military missions. These estimates should reflect an annual estimate on a full-time equivalency basis.

As described in the section entitled "Responsibilities" below, the Military Departments and the Defense Agencies will be responsible for providing direct job changes. Only job changes directly associated with base closures and realignments are to be included as direct job changes. Direct job changes shall not reflect job changes that result from planned force structure changes.

Indirect job changes shall be defined as the net addition or loss of jobs in each affected economic area that could potentially occur as a result of direct job changes. As described in the section entitled "Responsibilities" below, the Office of the Deputy Assistant Secretary of Defense for Installations shall provide factors (multipliers) that, when multiplied by the direct job changes, will provide potential indirect job changes.

Authoritative sources shall be used to determine total--military and civilian--jobs in economic areas.

MEASURES OF CUMULATIVE ECONOMIC IMPACT

During BRAC 95, DoD components shall consider the cumulative economic impact on communities for recommended installation closures and realignments as part of the economic impact on communities criterion. Cumulative economic impact shall be considered only as part of the economic impact criterion, which is one of the eight selection criteria.

Cumulative economic impact on a community shall be defined in two different ways:

First, the cumulative economic impact on an economic area of a DoD Component's BRAC 95 recommendations, plus the future economic impacts (i.e., economic impacts that have not yet been realized) of decisions of all DoD Components from DoD-wide BRAC 88, BRAC 91, and BRAC 93 rounds (hereafter "prior BRAC rounds"); and

Second, the cumulative economic impact on economic areas when more than one DoD component recommends a BRAC 95 closure or realignment in that economic area, plus the future economic impacts of decisions from prior BRAC rounds.

These calculations will account for circumstances in which basing decisions in one BRAC round have been changed in a subsequent BRAC round.

The cumulative economic impact of actions that have already taken place as a result of prior BRAC rounds (i.e., have already affected economic area employment) will be considered under "Historic Economic Data" discussed below.

Cumulative Economic Impact: Prior BRAC Rounds

DoD Components shall include in their consideration of recommendations the cumulative future economic impact of prior BRAC rounds.

When BRAC 95 alternatives occur in the same economic areas that have BRAC-related actions from the prior BRAC rounds, DoD Components shall review their recommendations by taking into account the cumulative future economic impact of prior BRAC rounds. The cumulative economic impact of actions that have already occurred from prior BRAC rounds (i.e., have already affected economic area employment) will be considered in the "Historic Economic Data" section below.

DoD Components shall consider the cumulative economic impacts of prior BRAC rounds that have not yet taken place by ensuring that the measures for economic impact (total potential job change in the economic area and total potential job change as a percent of total--military and civilian--jobs in the economic area) include total potential job changes that have not yet taken place from prior BRAC rounds DoD-wide.

Cumulative economic impact will be considered within the overall context of the approved selection criteria. Such a review shall be conducted so that the cumulative economic impact of prior BRAC rounds will be considered only as part of the economic impact criterion, which shall in turn be considered as part of the eight selection criteria.

The fact that prior BRAC rounds affect an economic area shall not, by itself, cause a recommendation to be changed.

Cumulative Economic Impact: Multiple BRAC 95 Recommendations

The Joint Cross-Service Group on Economic Impact will review the BRAC 95 recommendations submitted by the Secretaries of the Military Departments and the Directors of the Defense Agencies to the Secretary of Defense. During this review, the Joint Cross-Service Group shall identify economic areas with multiple proposed BRAC 95 actions.

The Joint Cross-Service Group on Economic Impact shall direct the appropriate DoD Components to review their recommendations submitted to the Secretary of Defense when there are multiple BRAC 95 recommendations in the same economic area that were not considered in the development of their recommendations.

DoD Components will then reassess their BRAC 95 recommendations by taking into account the cumulative economic impact of these multiple BRAC 95 recommendations and by ensuring that the measures for economic impact for the economic area (the total potential job change in the economic area and the total potential job change as a percent of total--military and civilian--jobs in the economic area) include the cumulative economic impact of multiple BRAC 95 recommendations, as well as the cumulative future economic impact of prior BRAC rounds.

Such a review shall be conducted so that the cumulative economic impact of multiple BRAC 95 recommendations will be considered as part of the economic impact criterion, which shall in turn be considered as part of the eight selection criteria. DoD Components will complete such reviews expeditiously in order to facilitate compliance with statutory deadlines for BRAC actions.

DoD Components may consider alternative closures and realignments, or mitigating actions, during this review. After the review is complete, DoD Components will report back to the Joint Cross-Service Group on Economic Impact, with a recommendation as to whether or not to change their initial recommendations.

The existence of multiple BRAC 95 recommendations in an economic area shall not, by itself, cause a recommendation to be changed.

HISTORIC ECONOMIC DATA

DoD Components shall consider the measures described above, viewed in the context of historic economic data, in applying the economic impact criterion. Historic data will, among other things, allow for consideration of the cumulative economic impacts that have already occurred (i.e., have already affected economic area employment) as a result of prior BRAC actions. Because communities' economies are so complex, it is difficult to separate the effects of prior BRAC actions from the effects of other economic factors. To address this analytical difficulty, DoD Components shall use historic data to consider the general conditions of communities' economies. Considering the general conditions of communities' economies will take into account the cumulative economic impacts that have already occurred due to prior BRAC actions, as well as the economic impact of other factors unrelated to BRAC actions.

Historic economic data shall be defined to include the following:

- Economic area civilian employment (1984 to 1993)
- Annualized change in economic area civilian employment, absolute and percent (1984 to 1993),
- Economic area per capita personal income (1984 to 1992)
- Annualized change in economic area per capita personal income, absolute and percent (1984 to 1992), and
- Economic area unemployment rates (1984 to 1993).

The Office of the Deputy Assistant Secretary of Defense for Installations will provide historic data, from authoritative sources, to the Military Departments and Defense Agencies.

USING MEASURES AND HISTORIC ECONOMIC DATA

This guidance does not establish threshold values for measures and historic economic data. Rather, DoD components will use the measures and historic economic data for relative comparisons of the economic impacts and cumulative economic impacts of recommendations.

RESPONSIBILITIES

Joint Cross-Service Group on Economic Impact

The Joint Cross-Service Group on Economic Impact shall analyze DoD Component recommendations and preliminary candidates to ensure that they are developed in accordance with this guidance, and shall monitor implementation of this and any additional guidance on economic impact that may be issued. The Joint Cross-Service Group on Economic Impact shall also carry out other analyses requested by the BRAC 95 Review Group or Steering Group.

The Joint Cross-Service Group will work closely with DoD Components to resolve issues. Issues that the Joint Cross-Service Group and DoD components cannot resolve will be referred to the BRAC 95 Steering Group.

Office of the DASD (Installations)

The office of the DASD (Installations) shall provide to the Military Departments and Defense Agencies a BRAC 95 Economic Impact Database tool that will contain the following:

- A listing of DoD installations
- The economic area to which each installation has been assigned
- Factors (multipliers) to estimate potential indirect job changes
- Historic economic data to include:
  - Economic area civilian employment (1984 to 1993)
  - Annualized change in economic area civilian employment, absolute and percent (1984 to 1993)
  - Economic area per capita personal income (1984 to 1992)
  - Annualized change in economic area per capita personal income, absolute and percent (1984 to 1992), and
  - Economic area unemployment rates (1984 to 1993)

- The capability to calculate the measures for economic impact and cumulative economic impact described in this guidance based on the information provided by the Military Departments and Defense Agencies

Military Departments and the Defense Agencies

The Military Departments and the Defense Agencies shall provide and enter into the DoD BRAC 95 Economic Impact Database:

- Current Base Personnel: As discussed above on page 3, this data will reflect projected billets and positions as of the start of FY 1996 for Officers, Enlisted, Military Students, Civilians, and Contractors, net of planned force structure changes.

- Job Changes (Out): the number of authorizations for DoD civilian, military (in training status), military (not in training status), and on-base contractor jobs to be relocated and/or disestablished under each alternative and recommendation, by installation, as a result of BRAC actions, both for DoD Component proposed BRAC 95 actions and for actions yet to be realized (i.e., future) from prior BRAC rounds, by fiscal year, from 1994 through 2001;

- Job Changes (In): the number of authorizations for civilian, military (in training status), military (not in training status) and on-base contractor jobs being gained under each alternative and recommendation, by installation, as a result of BRAC actions, both for all proposed BRAC 95 actions and for actions yet to be realized (i.e., future) from prior BRAC rounds, by fiscal year, from 1994 through 2001.

Because of the difficulty of obtaining accurate estimates, contractor job outs and ins may be aggregated into a single year.

DoD Components will provide the projected job changes from prior BRAC rounds and current personnel data to the Office of the Deputy Assistant Secretary of Defense for Installations. In identifying projected job changes associated with prior BRAC actions, the DoD Components shall use plans that are consistent with the President's Fiscal Year 1995 Budget.

The Military Departments and the Defense Agencies shall collect information as necessary for the computer-based tool. Such data shall be collected and handled in accordance with the Internal Control Plan of the Joint Cross-Service Group on Economic Impact and the respective Internal Control Plans of each Military Department and the Defense Agencies.

Shortly after submitting recommendations and preliminary candidates to the Secretary of Defense, the Military Departments and Defense Agencies shall provide to the Joint Cross-Service Group on Economic Impact computer files from the Economic Impact Database for their BRAC 95 recommendations and preliminary candidates.

DETERMINATION OF ECONOMIC AREAS

In response to changes by the Office of Management and Budget (OMB) in metropolitan area definitions related to the 1990 Census, and a review of earlier BRAC economic area definitions, the Joint Cross-Service Group on Economic Impact has established the following rules to guide the assignment of installations to economic areas for BRAC 95:

1. The economic area should include residences of the majority of the military and civilian employees at the activity.

2. An economic area is generally defined as a metropolitan statistical area (MSA) or a non-MSA county(s) unless there is evidence to support some other definition.

3. In those cases where OMB's 1993 redefinition of an MSA added counties which increased the MSA population by 10 percent or more, then continue to use the old MSA definition unless certified residency data shows that the new MSA definition is more appropriate.

4. An economic area should only be expanded to include an additional county if the resulting percentage increase in the number of employee residences included in the expanded economic area is greater than the resulting percentage increase in the total employment of the expanded economic area.

5. Installations in the same county should be in the same economic area.

6. If the economic area was previously defined (in prior BRAC rounds) as a non-MSA county(s), it should continue to be that county, even if that county has now been incorporated into an MSA.

Base Realignment and Closure Definitions

Close

All missions of the base will cease or be relocated. All personnel (military, civilian and contractor) will either be eliminated or relocated. The entire base will be excessed and the property disposed. Note: A caretaker workforce is possible to bridge between closure (missions ceasing or relocating) and property disposal which are separate actions under Public Law 101-510.

Close, Except

The vast majority of the missions will cease or be relocated. Over 95 percent of the military, civilian and contractor personnel will either be eliminated or relocated. All but a small portion of the base will be excessed and the property disposed. The small portion retained will often be facilities in an enclave for use by the reserve component. Generally, active component management of the base will cease. Outlying, unmanned ranges or training areas retained for reserve component use do not count against the "small portion retained". Again, closure (missions ceasing or relocating) and property disposal are separate actions under Public Law 101-510.

Realign

Some missions of the base will cease or be relocated, but others will remain. The active component will still be host of the remaining portion of the base. Only a portion of the base will be excessed and the property disposed, with realignment (missions ceasing or relocating) and property disposal being separate actions under Public Law 101-510. In cases where the base is both gaining and losing missions, the base is being realigned if it will experience a net reduction of DoD civilian personnel. In such situations, it is possible that no property will be excessed.

Relocate

The term used to describe the movement of missions, units or activities from a closing or realigning base to another base. Units do not realign from a closing or a realigning base to another base, they relocate.

Receiving Base

A base which receives missions, units or activities relocating from a closing or realigning base. In cases where the base is both gaining and losing missions, the base is a receiving base if it will experience a net increase of DoD civilian personnel.

Mothball, Layaway

Terms used when retention of facilities and real estate at a closing or realigning base are necessary to meet the mobilization or contingency needs of Defense. Bases or portions of bases "mothballed" will not be excessed and disposed. It is possible they could be leased for interim economic uses.

Inactivate, Disestablish

Terms used to describe planned actions which directly affect missions, units or activities. Fighter wings are inactivated, bases are closed.

Department of Defense (DoD)
Base Closure and Realignment
Report to the Commission

DoD Base Closure and Realignment Report (DoD Vol. I)	OASD(ES)
Table of Contents	
Executive Summary	OASD(ES)
Chapter 1. Defense Base Closure and Realignment Process	OASD(ES)
Chapter 2. Force Structure Plan - Unclassified	Joint Staff
Chapter 3. Final Criteria	OASD(ES)
Chapter 4. DoD Base Closure and Realignment Selection Process	OASD(ES)&JCSGs
Chapter 5. Recommendations	OASD(ES)
Chapter 6. Implementation	OASD(ES)
Appendices	OASD(ES)
Index of Recommendations	OASD(ES)
DoD Force Structure Plan (Classified) (DoD Vol. II)	Joint Staff
Department of the Army Analyses and Recommendations (DoD Vol. III)	Army
Table of Contents	
Executive Summary	
Chapter 1. Introduction/Background	
Chapter 2. Force Structure Plan	
Chapter 3. Base Closure and Realignment Selection Process	
Chapter 4. Description of Analyses	
Chapter 5. Recommendations	
Chapter 6. Budget Impacts	
Appendices (Unclassified or Classified, as required)	
Department of the Navy Analyses and Recommendations (DoD Vol. IV)	Navy
Table of Contents	
Executive Summary	
Chapter 1. Introduction/Background	
Chapter 2. Force Structure Plan	
Chapter 3. Base Closure and Realignment Selection Process	
Chapter 4. Description of Analyses	
Chapter 5. Recommendations	
Chapter 6. Budget Impacts	
Appendices (Unclassified or Classified, as required)	
Department of the Air Force Analyses and Recommendations (DoD Vol. V)	Air Force
Table of Contents	
Executive Summary	
Chapter 1. Introduction/Background	
Chapter 2. Force Structure Plan	
Chapter 3. Base Closure and Realignment Selection Process	
Chapter 4. Description of Analyses	
Chapter 5. Recommendations	
Chapter 6. Budget Impacts	
Appendices (Unclassified or Classified, as required)	
Defense Agencies Analyses and Recommendations (DoD Vol. VI to Vol _)	Defense Agencies
Table of Contents	
Executive Summary	
Chapter 1. Introduction/Background	
Chapter 2. Force Structure Plan	
Chapter 3. Base Closure and Realignment Selection Process	
Chapter 4. Description of Analyses	
Chapter 5. Recommendations	
Chapter 6. Budget Impacts	
Appendices (Unclassified or Classified, as required)	

NAME OF RECOMMENDATION
(e.g., Name of Activity/Facility/Installation, [State])

Recommendation: Describe what is to be closed and/or realigned; functions, activities, units, or organizations that will be eliminated or relocated; identify the receiving installations, if applicable; and describe functions, activities, units, or organizations that will remain on the installation, if applicable.

Justification: Explain the reasons for the recommendation: i.e., force structure reductions; mission transfer, consolidation, collocation, or elimination; excess capacity; cross-servicing; etc., as applicable.

Return on Investment: Include the total estimated one-time costs of implementing the recommendation, expected total one-time savings during the implementation period, expected annual recurring savings after implementation with return on investment years, and the net present value of costs and savings over a twenty year period. Express costs and savings in FY 1996 constant dollars.

Impact: Describe the impact the recommendation could have on the local community's economy in terms of total potential job change (direct and indirect) in absolute terms and as a percentage of employment in the economic area. Describe the impact the recommendation could have on the environment.

Document Separator

Defense Logistics Agency

BRAC 95

Meeting Minutes and Briefing Charts

Meetings with the Director

23 January 1995
3 February 1995
7 February 1995

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100

CLOSE HOLD

IN REPLY REFER TO CAAJ(BRAC)

3 FEB 1995

MEMORANDUM OF MEETING

SUBJECT: Summary of Meeting with the Director - 23 January 1995

I. PURPOSE: To present the outcome of the Executive Group's analysis of Inventory Control Point (ICP) and Depot scenarios, in preparation to react to preliminary Service decisions, expected on 25 January 1995. (Army and Air Force decisions on maintenance sites will drive the scope of Depot decisions, and Navy action on the Aviation Supply Office (ASO) could constrain ICP decisions.) DLA decisions are due 48 hours after the Military Service decisions. A list of attendees is at enclosure 1. Briefing charts are at enclosure 2.

II. BRIEF SUMMARY OF DISCUSSION:

A. Service decisions to close more maintenance sites than we had initially thought could constrain DLA decisions regarding Stand-Alone Depots because of capacity shortfalls. Closing both Defense Depot Ogden and Defense Depot Memphis still make sense from a military judgment perspective. However, we may have to consider keeping some capacity at a site where the maintenance operation is closing, but the base, or some portion of the base, will remain open.

B. There is an element of risk in any of the ICP options. However, workload consolidation by the different type of management needed by weapon system items and troop and general support items increases synergy and allows better management control.

1. The data says it requires more people to manage troop and general support items than it does to manage weapon system items. Different mixes of active and inactive items explains some of the difference, but much is cultural (i.e., since funding is based on sales, the more purchase requests generated, the more an ICP "earns"). Singling-up management of troop and general support items would sharpen management focus on the problem. However, the split at Defense General Supply Center (DGSC) and Defense Construction Supply Center (DCSC) needs to be verified.

2. If Navy closes the ASO, the cost for DLA to operate the base has to be figured into Options 2a and 2b. That makes Option I the highest pay back option.

3. Options I and II are the highest risk options because of turmoil and single point of failure.

4. The Executive Group recommends either Option I or IIIa because Richmond is a much better facility, and there is some synergy in having a collocated ICP and Depot. However, the Executive Group did not reach a consensus on which Option they preferred because of the perception of greater risk inherent in Option I. However, Option I is more consistent with the Supply Management Concept of Operations. If the Agency does not take advantage of the opportunity to single up now, it will not be able to do so later.

5. The advantage of moving management of Industrial Plant Equipment (IPE) items again is questionable, even though the Federal Supply Class is more similar to general support items than to weapon system items. Consider the impact of keeping IPE at DGSC in Option IIIa.

III. FOLLOW-UP ACTIONS:

A. Analyze a version of Option IIIa keeping IPE at DGSC--CAAJ(BRAC).

B. Verify the split between equivalents supporting weapon system items and troop and general support items at DCSC and DGSC--MMS.

2 Encl

M. V. McMANAMAY
Team Chief
DLA BRAC

GARY S. THURBER
Deputy Director
(Corporate Administration)

LAWRENCE P. FARRELL, JR.
Major General, USAF
Principal Deputy Director

LIST OF ATTENDEES
23 JANUARY 1995

D	VADM Straw
DD	Maj Gen Farrell
MM	Maj Gen Babbitt
AQ	RADM Vincent
CA	Mr. Thurber
GC	Mr. Baird
FO	Ms. Furiga
MMS	RADM Chamberlin
MMD	BG Burch
MMDD	Mr. Roy
MMDOS	Mr. Sanchez
MMS	CAPT Moore
DE	CAPT Finley
CAAJ(BRAC)	Ms. McManamay
CAAJ(BRAC)	Ms. Kelleher
CAAJ(BRAC)	Ms. Dorris
CAAJ(BRAC)	Mr. Bourassa
CAAJ(BRAC)	Mr. Geiger

BRAC 95

DECISION MEETING

FOR DIRECTOR, DLA

23 JANUARY 1995

Close Hold

AGENDA

- BRAC 95 Closure Options for ICPs/Depots
- Costs for Keeping Bases Open
- DCMD Results

Close Hold

CLOSING 2 ICPs

Each of These Options FULLY Supports Supply and Distribution Concepts of Operations

Option 1

ICP Close: DISC, DPSC
Stand-Alone Close: DDOU, DDMT
Collocated Close: DDRT, DDST
Depot Realign: DDCO, DDLP

	NSNs	PRS	SALES
DCSC	3.15M+	65%	55%
DGSC	.38M	35%	45%

Capacity w/Warehouses: -10M ACF
Capacity w/o Warehouses: -20M ACF
ICP Risk: **High**

			w/o Warehouses	
	SS	NPV	SS	NPV
ICP	46M	-490M	46M	-490M
Depot	98M	-968M	99M	-1054M
Total	144M	-1457M	145M	-1544M
% diff. from highest NPV		7.60%		6.80%

DDOU/DDMT
NPV: $ -237 M
SS: $ 22 M

Option 2a

ICP Close: DGSC, DISC
Stand-Alone Close: DDOU, DDRV
Collocated Close: DDRT, DDST
Depot Realign: DDCO, DDLP

	NSNs	PRS	SALES
DCSC	3.15M+	65%	55%
DPSC	.38M	35%	45%

Capacity w/Warehouses: -12M ACF
Capacity w/o Warehouses: -22M ACF
ICP Risk: **Moderate+**

			w/o Warehouses	
	SS	NPV	SS	NPV
ICP	51M	-558M	51M	-558M
Depot	95M	-945M	97M	-1031M
Total	146M	-1503M	148M	-1589M
% diff. from highest NPV		4.70%		4.00%

DDOU/DDRV
NPV: $ -189 M
SS: $ 18 M

Option 2b

ICP Close: DGSC, DISC
Stand-Alone Close: DDMT, DDRV
Collocated Close: DDRT, DDST
Depot Realign: DDCO, DDLP

	NSNs	PRS	SALES
DCSC	3.15M+	65%	55%
DPSC	.38M	35%	45%

Capacity w/Warehouses: -9M ACF
Capacity w/o Warehouses: -19M ACF
ICP Risk: **Moderate+**

			w/o Warehouses	
	SS	NPV	SS	NPV
ICP	51M	-558M	51M	-558M
Depot	98M	-1019M	99M	-1098M
Total	149M	-1577M	150M	-1656M
% diff. from highest NPV		0.0%		0.0%

DDMT/DDRV
NPV: $ -120 M
SS: $ 11 M

OPTION # 1
IMPACT BASED ON MILITARY VALUE

*CLOSE DISC/DPSC *CLOSE DDOU/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	766	1. DDJC	822	1. DCSC	738
2. NEW CUMBERLAND	704	2. DDSP	758	2. DGSC	565
3. RICHMOND	650	~~3. DDMT~~	~~507~~	~~3. DISC~~	~~541~~
4. TRACY/SHARPE	623	~~4. DDOU~~	~~506~~	~~4. DPSC~~	
~~5. OGDEN~~	~~611~~	5. DDRV	480		
~~6. MEMPHIS~~	~~571~~	6. DDCO	469		
~~7. N. PHILA.~~					

OPTION # 2a
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC/DISC

*CLOSE DDRV/DDOU

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	766	1. DDJC	822	1. DCSC	738
2. NEW CUMBERLAND	704	2. DDSP	758	~~2. DGSC~~	~~565~~
~~3. RICHMOND~~	~~650~~	3. DDMT	507	~~3. DISC~~	~~541~~
4. TRACY/SHARPE	623	~~4. DDOU~~	~~508~~	4. DPSC	
~~5. OGDEN~~	~~611~~	~~5. DDRV~~	~~480~~		
6. MEMPHIS	571	6. DDCO	469		
7. N. PHILA.					

OPTION # 2b
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC/DISC

*CLOSE DDRV/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	766	1. DDJC	822	1. DCSC	738
2. NEW CUMBERLAND	704	2. DDSP	758	~~2. DGSC~~	~~565~~
~~3. RICHMOND~~	~~650~~	~~3. DDMT~~	~~507~~	~~3. DISC~~	~~541~~
4. TRACY/SHARPE	623	4. DDOU	506	4. DPSC	
5. OGDEN	611	~~5. DDRV~~	~~480~~		
~~6. MEMPHIS~~	~~571~~	6. DDCO	469		
7. N. PHILA.					

CLOSING 1 ICP

Each of These Options PARTIALLY Supports Supply and FULLY Supports Distribution Concepts of Operations

Option 3a

ICP Close: DISC
Stand-Alone Close: DDOU, DDMT
Collocated Close: DDRT, DDST
Realign: DDCO, DDLP

	NSNs	PRS	SALES
DCSC	1.67M+	33%	27%
DGSC	1.48M+	32%	28%
DPSC	.38M	35%	45%

Capacity w/Warehouses: -10M ACF
Capacity w/o Warehouses: -20M ACF
ICP Risk: **Moderate**

	SS	NPV	w/o Warehouses SS	w/o Warehouses NPV
ICP	24M	-300M	24M	-300M
Depot	98M	-968M	99M	-1054M
Total	122M	-1268M	123M	-1354M
% diff. from highest NPV	11.7%		10.6%	

DDOU/DDMT
NPV: $ -237 M
SS: $ 22 M

Option 4a

ICP Close: DGSC, ~~DISC~~
Stand-Alone Close: DDOU, DDRV
Collocated Close: DDRT, DDST
Depot Realign: DDCO, DDLP

	NSNs	PRS	SALES
DCSC	1.67M+	33%	27%
DISC	1.48M+	32%	28%
DPSC	.38M	35%	45%

Capacity w/Warehouses: -12M ACF
Capacity w/o Warehouses: -22M ACF
ICP Risk: **Moderate**

	SS	NPV	w/o Warehouses SS	w/o Warehouses NPV
ICP	39M	-417M	39M	-417M
Depot	95M	-945M	97M	-1031M
Total	135M	-1362M	136M	-1448M
% diff. from highest NPV	5.2%		4.4%	

DDOU/DDRV
NPV: $ -189 M
SS: $ 18 M

Option 4b

ICP Close: DGSC
Stand-Alone Close: DDMT, DDRV
Collocated Close: DDRT, DDST
Realign: DDCO, DDLP

	NSNs	PRS	SALES
DCSC	1.67M+	33%	27%
DISC	1.48M+	32%	28%
DPSC	.38M	35%	45%

Capacity w/Warehouses: -9M ACF
Capacity w/o Warehouses: -19M ACF
ICP Risk: **Moderate**

	SS	NPV	w/o Warehouses SS	w/o Warehouses NPV
ICP	39M	-417M	39M	-417M
Depot	98M	-1019M	99M	-1098M
Total	137M	-1436M	138M	-1515M
% diff. from highest NPV	0.0%		0.0%	

DDMT/DDRV
NPV: $ -120 M
SS: $ 11 M

OPTION # 3a
IMPACT BASED ON MILITARY VALUE

*CLOSE DISC

*CLOSE DDOU/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	766	1. DDJC	822	1. DCSC	738
2. NEW CUMBERLAND	704	2. DDSP	758	2. DGSC	565
3. RICHMOND	650	~~3. DDMT~~	~~507~~	~~3. DISC~~	~~541~~
4. TRACY/SHARPE	623	~~4. DDOU~~	~~506~~	4. DPSC	
~~5. OGDEN~~	~~611~~	5. DDRV	480		
~~6. MEMPHIS~~	~~571~~	6. DDCO	469		
7. N. PHILA.					

OPTION # 4a
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC *CLOSE DDOU/DDRV

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	766	1. DDJC	822	1. DCSC	738
2. NEW CUMBERLAND	704	2. DDSP	758	~~2. DGSC~~	~~565~~
~~3. RICHMOND~~	~~650~~	3. DDMT	507	3. DISC	541
4. TRACY/SHARPE	623	~~4. DDOU~~	~~506~~	4. DPSC	
~~5. OGDEN~~	~~611~~	~~5. DDRV~~	~~480~~		
6. MEMPHIS	571	6. DDCO	469		
7. N. PHILA.					

OPTION # 4b
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC

*CLOSE DDRV/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	766	1. DDJC	822	1. DCSC	738
2. NEW CUMBERLAND	704	2. DDSP	758	~~2. DGSC~~	~~565~~
~~3. RICHMOND~~	~~650~~	~~3. DDMT~~	~~507~~	3. DISC	541
4. TRACY/SHARPE	623	4. DDOU	506	4. DPSC	
5. OGDEN	611	~~5. DDRV~~	~~480~~		
~~6. MEMPHIS~~	~~571~~	6. DDCO	469		
7. N. PHILA.					

	Million $	
	SS	NPV
DGSC ICP closes & Richmond Installation Closes	39	-417
DGSC ICP closes, Richmond Installation & Depot Open	23	-237

Cost of Keeping Sites Open
(Millions of Dollars)

OPTION #1

Closed Sites	NPV
DISC/DPSC	-490
DDOU/ DDMT	-968
Total	-1,458

Net NPV, Option #1 -1,265

Open Sites

Description	DCSC	DGSC	DDCO	DDRV	Total
BMAR	$31	$16	$68	$25	$140
Maint	$15	$7	$15	$16	$53
Totals	$46	$23	$83	$41	$193

OPTION #2a

Closed Sites	NPV
DGSC/ DISC	-558
DDOU/ DDRV	-945
Total	-1,503

Net NPV, Option #2a -1,302

Open Sites

Description	DCSC	DPSC	DDCO	DDMT	Total
BMAR	$31	$6	$68	$43	$148
Maint	$15	$5	$15	$18	$53
Totals	$46	$11	$83	$61	$201

OPTION #2b

Closed Sites	NPV
DGSC/ DISC	-558
DDMT/ DDRV	-1,019
Total	-1,577

Net NPV, Option #2b -1,360

Open Sites

Description	DCSC	DPSC	DDCO	DDOU	Total
BMAR	$31	$6	$68	$54	$159
Maint	$15	$5	$15	$23	$58
Totals	$46	$11	$83	$77	$217

Cost of Keeping Sites Open
(Millions of Dollars)

OPTION # 3a

Closed Sites	NPV
DISC	-300
DDMT/ DDOU	-968
Total	-1,268

Net NPV, Option #3a -1,066

Open Sites

Description	DCSC	DGSC	DPSC	DDCO	DDRV	Total
BMAR	$31	$16	$6	$68	$25	$146
Maint	$13	$7	$5	$15	$16	$56
Totals	$44	$23	$11	$83	$41	$202

OPTION #4a

Closed Sites	NPV
DGSC	-417
DDOU/ DDRV	-945
Total	-1,362

Net NPV, Option #4a -1,159

Open Sites

Description	DCSC	DISC	DPSC	DDCO	DDMT	Total
BMAR	$31	$6	$0	$68	$43	$148
Maint	$13	$3	$6	$15	$18	$55
Totals	$44	$9	$6	$83	$61	$203

OPTION #4b

Closed Sites	NPV
DGSC	-417
DDMT/ DDRV	-1,019
Total	-1,436

Net NPV, Option #4b -1,217

Open Sites

Description	DCSC	DISC	DPSC	DDCO	DDOU	Total
BMAR	$31	$6	$0	$68	$54	$159
Maint	$13	$3	$6	$15	$23	$60
Totals	$44	$9	$6	$83	$77	$219

RESULTS OF
DCMD BRAC 95 DECISIONS

	NPV	Steady State
Realignie Disestablish DCMCI	$ - 38.8	$ 3.2 (99)
Disestablish DCMDS	$ - 76.6	$ 6.1 (99)
Relocate DCMDW to Long Beach	$ - 48.2	$ 4.1 (00)

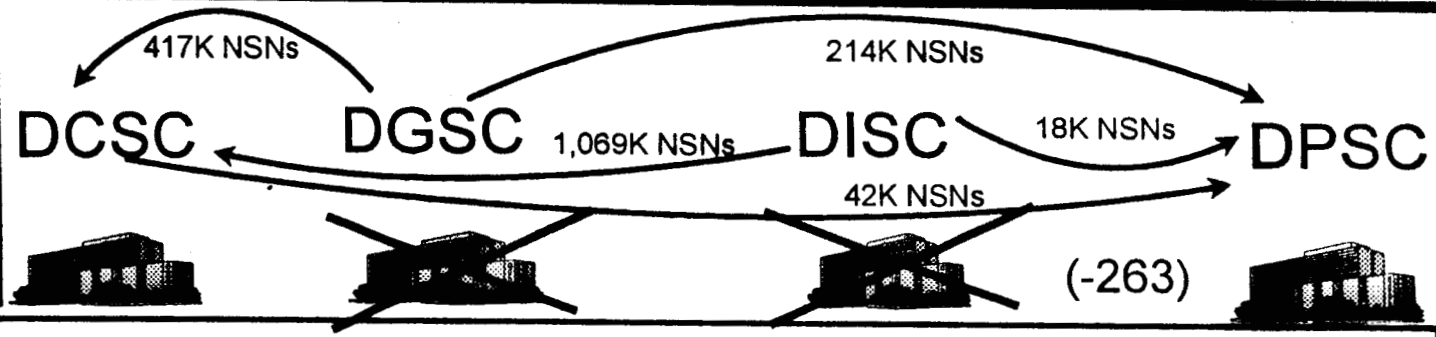
Close Hold

II. CLOSE DGSC and DISC
FY99 PERSONNEL ENDSTRENGTH

BEFORE BRAC

	DCSC	DGSC	DISC	DPSC
WEAPS	2182	608	1332	14
T&G	450	621	165	1462
BASE OPS	381	307	0	20
MISC	0	292	0	0
TOTAL	3013	1828	1497	1496

AFTER BRAC
ICP SVGS: 859
OVERALL: 1465
NSNs MOVED:
WEP SYS - 1.5M
TRP/GEN - 0.3M



	DCSC	DGSC	DISC	DPSC
NET CHANGE	1218	-1828	-1497	1234
WEAPS	3864	0	0	0
T&G	0	0	0	2484
BASE OPS	381	0	0	0
MISC	0	0	0	246
TOTAL	4245	0	0	2730
NSNs	3.15M	0	0	.38M
PRs	65%	0	0	35%
SALES	55%	0	0	45%

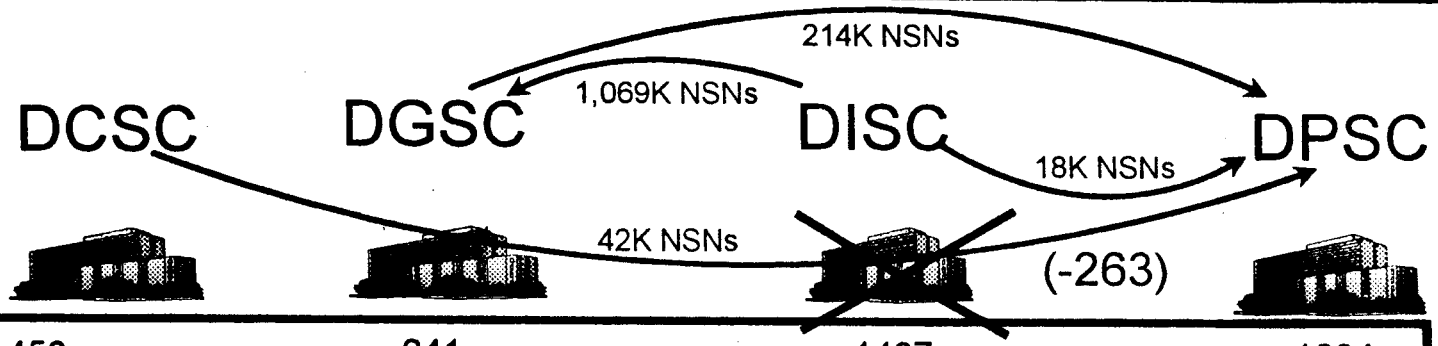
III. CLOSE DISC

FY99 PERSONNEL ENDSTRENGTH

BEFORE BRAC

	DCSC	DGSC	DISC	DPSC
WEAPS	2182	608	1332	14
T&G	450	621	165	1462
BASE OPS	381	307	0	20
MISC	0	292	0	0
TOTAL	3013	1828	1497	1496

AFTER BRAC
NET SVGS: 458
NSNs MOVED:
WEP SYS - 1.0M
TRP/GEN - 0.3M



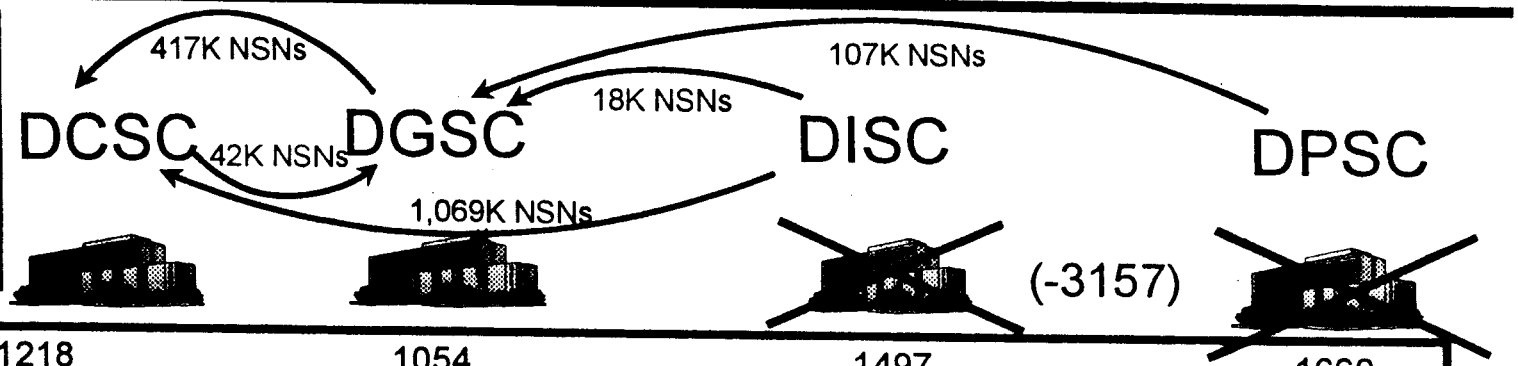
	DCSC	DGSC	DISC	DPSC
NET CHANGE	-450	241	-1497	1234
WEAPS	2197	1761	0	0
T&G	0	0	0	2484
BASE OPS	381	307	0	0
MISC	0	0	0	246
TOTAL	2578	2068	0	2730
NSNs	1.67MI	1.48M	0	.38M
PRs	33%	32%	0	35%
SALES	27%	28%	0	45%

I. CLOSE DISC and DPSC
FY99 PERSONNEL ENDSTRENGTH

BEFORE BRAC

	DCSC	DGSC	DISC	DPSC
WEAPS	2182	608	1332	14
T&G	450	621	165	1462
BASE OPS	381	307	0	20
MISC	0	292	0	164
TOTAL	3013	1828	1497	1660

AFTER BRAC
NET SVGS: 823
NSNs MOVED:
WEP SYS - 1.5M
TRP/GEN - 0.15M



	DCSC	DGSC	DISC	DPSC
NET CHANGE	1218	1054	-1497	-1660
WEAPS	3865	0	0	0
T&G	0	2331	0	0
BASE OPS	381	307	0	0
MISC	0	291	0	0
TOTAL	4246	2929	0	0
NSNs	3.15MI	.38M	0	0
PRs	65%	35%	0	0
SALES	55%	45%	0	0

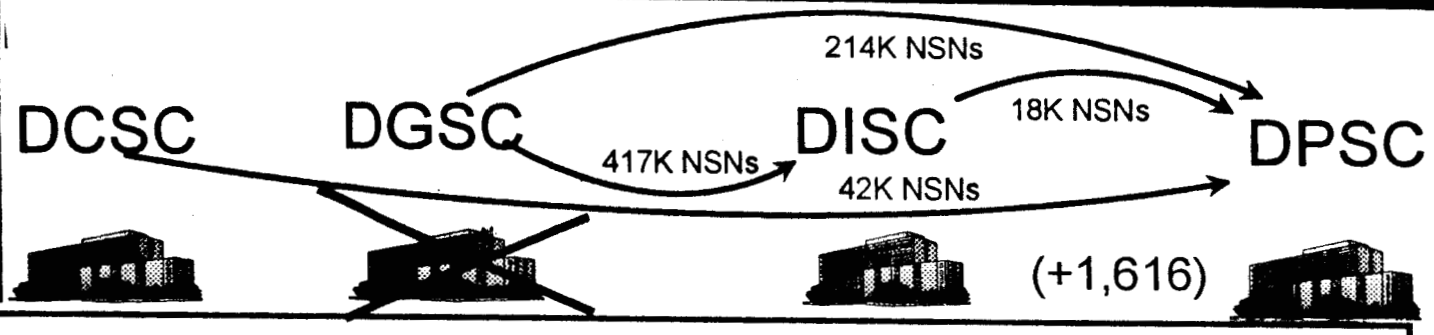
IV. CLOSE DGSC

FY99 PERSONNEL ENDSTRENGTH

BEFORE BRAC

	DCSC	DGSC	DISC	DPSC
WEAPS	2182	608	1332	14
T&G	450	621	165	1462
BASE OPS	381	307	0	20
MISC	0	292	0	0
TOTAL	3013	1828	1497	1496

AFTER BRAC
ICP SVGS 669
OVERALL: 1275
NSNs MOVED:
WEP SYS - 0.4M
TRP/GEN - 0.3M



	DCSC	DGSC	DISC	DPSC
NET CHANGE	-435	-1828	360	1256
WEAPS	2197	0	1857	0
T&G	0	0	0	2484
BASE OPS	381	0	0	22
MISC	0	0	0	246
TOTAL	2578	0	1857	2752
NSNs	1.67M	0	1.48M	.38M
PRs	33%	0	32%	35%
SALES	27%	0	28%	45%

Document Separator

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100

CLOSE HOLD

IN REPLY REFER TO CAAJ(BRAC)

27 FEB 1995

MEMORANDUM OF MEETING

SUBJECT: Summary of Meeting with the Director - 3 February 1995

I. PURPOSE: To provide the Director information on what we understand the Military Services are proposing, and the potential impact of the Services' recommendations on the options DLA is considering. A list of attendees is at enclosure 1. Briefing charts are at enclosure 2.

II. BRIEF SUMMARY OF DISCUSSION:

A. Services' recommendations, which impact DLA, were discussed.

1. As expected, Army recommends closing Letterkenny and Red River. The Army's Red River recommendation realigns the "DLA Regional Depot . . . to Lone Star." This remains a point of discussion. Army also recommended moving the Army Concepts Analysis Agency, and possibly one other Agency, into the new DLA Headquarters building at Fort Belvior. This has not been discussed with DLA, and is a major point of contention requiring DoD adjudication. The recommendation was not coordinated with DLA.

2. Navy will close Long Beach. This will influence our redirect of DCMD West.

3. Air Force has not submitted any recommendations regarding maintenance. Recommendations may be in by 7/8 February.

B. Numbers for the Inventory Control Point (ICP)/Depot options have changed. The Depot portion reflects Letterkenny closing and San Antonio remaining open, which is the best information we have from Air Force, at this point. Changes in the ICPs are the result of scrubbing the Federal Supply Class (FSC) data submitted in response to Supplemental Data Call (BRAC95L09A), questions 20-22. Some FSC numbers had been incorrectly transcribed, resulting in misidentification of whether the FSC belonged in weapon system or general support categories.

C. A concern was raised about the age and general condition of Depot buildings at sites being considered for closure compared to those not being considered for retention.

The Agency needs to be sure that potential future replacement costs, distinct from projected costs to maintain the facility, have been adequately considered in the analysis process.

III. FOLLOW-UP ACTIONS:

A. Prepare a letter to the Assistant Secretary of Defense (Economic Security) expressing DLA's concerns about Army's proposal to use the DLA Headquarters Building at Fort Belvoir as a receiver site--CAAJ(BRAC).

B. Re-verify the changes in the FSC breakout at the ICPs--MMS/KPMG PEAT Marwick.

C. Re-examine the potential building replacement issue and the costs and benefits of the options being considered in relation to future replacement needs--MMD.

2 Encl

Cathy Ann Fellsher
M. V. McMANAMAY
Team Chief
DLA BRAC

GARY S. THURBER
Deputy Director
(Corporate Administration)

LAWRENCE P. FARRELL, JR.
Major General, USAF
Principal Deputy Director

LIST OF ATTENDEES
3 FEBRUARY 1995 MEETING WITH THE DIRECTOR

D	VADM Straw
DD	Maj Gen Farrell
MM	Maj Gen Babbitt
CA	Mr. Thurber
GC	Mr. Baird
FO	CAPT McCarthy
AQC	Mr. Scott
MMSD	CAPT Roundtree
MMDD	Mr. Roy
DE	CAPT Finley
DDE	Col (Sel) Dillard
DoDIG	Mr. Paget
MMDOS	Mr. Sanchez
MMDB	Mr. Hartsock
CAAJ(BRAC)	Ms. McManamay
CAAJ(BRAC)	Ms. Kelleher
CAAJ(BRAC)	Mr. Bourassa
CAAJ(BRAC)	Mr. Geiger

BRAC 95

PRE-DECISION MEETING

FOR DIRECTOR, DLA

3 FEBRUARY 1995

Close Hold

AGENDA

- SERVICE INPUTS
- DCMDW SCENARIOS
- ICP/DEPOT SCENARIOS
- COSTS FOR KEEPING BASES OPEN

REVIEW OF SERVICE RECOMMENDATONS

- HIGHLIGHTS
  - ARMY CLOSES RED RIVER- AMMO STORAGE & TRAINING CENTERS TO LONE STAR...LIGHT COMBAT VEHICLE MAINTENANCE TO ANNISTON..."DLA REGIONAL DEPOT AND RUBBER PRODUCTION FACILITY TO LONE STAR"
  - ARMY REALIGNS LETTERKENNY...VEHICLE MISSION TO ANNISTON & MISSILE GUIDANCE WORKLOAD TO TOBYHANNA...RETAIN AMMO STORAGE ENCLAVE & DoD TACTICAL MISSILE CONSOLIDATION STORAGE
  - ARMY CONCEPTS ANALYSIS AGENCY FROM BETHESDA TO NEW DLA FACILITY AT FORT BELVOIR (200)...ALSO ARMY INFORMATION SYSTEMS SOFTWARE CENTER (300)
  - NAVY CLOSES LONG BEACH SHIPYARD....ONLY NEEDED FAMILY HOUSING UNITS REMAIN
  - NOTHING SIGNIFICANT IN AIR FORCE

DCMD West HQ Relocation Options

	LA AFS	Long Beach
SS	$3.2M (FY 00)	$3.2M (FY 00)
NPV	$-35.2M	$-35.4M
Property Acquisition	Build	Buy
MILCON	$8.0M	$7.9M
BRAC 93 Cost Avoidance	$11[illegible]M	$11[illegible]M

Close Hold

DCMD West HQ Relocation Options

	LA AFS	Long Beach
SS	$3.2M (FY 00)	$3.2M (FY 00)
NPV	$-35.2M	$-35.4M
Property Acquisition	Build	Buy
MILCON	$8.0M	$7.9M
BRAC 93 Cost Avoidance	$11[illegible]M	$11[illegible]M

Close Hold

CLOSING 2 ICPs

Each of These Options FULLY Supports Supply and Distribution Concepts of Operations

	Option 1	Option 2a	Option 2b
ACTIVITY SUMMARY	ICP Close: DISC, DPSC Stand-Alone Close: DDOU, DDMT Collocated Close: DDRT, DDLP *Depot Realign*: DDCO	ICP Close: DGSC, DISC Stand-Alone Close: DDOU, DDRV Collocated Close: DDRT, DDLP *Depot Realign*: DDCO	ICP Close: DGSC, DISC Stand-Alone Close: DDMT, DDRV Collocated Close: DDRT, DDLP *Depot Realign*: DDCO

RISK ASSESSMENT

	NSNs	PRs	SALES
DCSC	3.15M+	65%	55%
DGSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: **High**

	NSNs	PRs	SALES
DCSC	3.15M+	65%	55%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: **Moderate+**

	NSNs	PRs	SALES
DCSC	3.15M+	65%	55%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: **Moderate+**

COBRA RESULTS

	SS	NPV
ICP	46M	-487M
Depot	88M	-859M
Total	134M	-1346M
% diff. from highest NPV		*12.3%*

	SS	NPV
ICP	58M	-630M
Depot	85M	-840M
Total	144M	-1471M
% diff. from highest NPV		*4.1%*

	SS	NPV
ICP	58M	-630M
Depot	88M	-904M
Total	146M	-1534M
% diff. from highest NPV		*0%*

SAILS RESULTS

DDOU/DDMT
NPV: $ -241 M
SS: $ 22 M

DDOU/DDRV
NPV: $ -188 M
SS: $ 17 M

DDMT/DDRV
NPV: $ -123 M
SS: $ 11 M

CLOSING 1 ICP

Each of These Options PARTIALLY Supports Supply and FULLY Supports Distribution Concepts of Operations

Option 3a

ACTIVITY SUMMARY

ICP Close: DISC (IPE moves)
Stand-Alone Close: DDOU, DDMT
Collocated Close: DDRT, DDLP
Depot Realign: DDCO

RISK ASSESSMENT

	NSNs	PRs	SALES
DCSC	1.67M+	33%	27%
DGSC	1.48M+	32%	28%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: Moderate

COBRA RESULTS

	SS	NPV
ICP	29M	-364M
Depot	88M	-859M
Total	117M	-1223M
% diff. from highest NPV		*6.4%*

SAILS RESULTS

DDOU/DDMT
NPV: $ -241 M
SS: $ 22 M

Option 3d

ACTIVITY SUMMARY

ICP Close: DISC (IPE stays)
Stand-Alone Close: DDOU, DDMT
Collocated Close: DDRT, DDLP
Depot Realign: DDCO

RISK ASSESSMENT

	NSNs	PRs	SALES
DCSC	1.67M+	33%	27%
DGSC	1.48M+	32%	28%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: Moderate

COBRA RESULTS

	SS	NPV
ICP	28M	-348M
Depot	88M	-859M
Total	116M	-1207M
% diff. from highest NPV		*7.7%*

SAILS RESULTS

DDOU/DDMT
NPV: $ -241 M
SS: $ 22 M

Option 4a

ACTIVITY SUMMARY

ICP Close: DGSC
Stand-Alone Close: DDOU, DDRV
Collocated Close: DDRT, DDLP
Depot Realign: DDCO

RISK ASSESSMENT

	NSNs	PRs	SALES
DCSC	1.67M+	33%	27%
DISC	1.48M+	32%	28%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: Moderate

COBRA RESULTS

	SS	NPV
ICP	38M	-403M
Depot	85M	-840M
Total	123M	-1244M
% diff. from highest NPV		*4.8%*

SAILS RESULTS

DDOU/DDRV
NPV: $ -188 M
SS: $ 17 M

CLOSING 1 ICP

Each of These Options PARTIALLY Supports Supply and FULLY Supports Distribution Concepts of Operations

ACTIVITY SUMMARY

RISK ASSESSMENT

COBRA RESULTS

BALANCE RESULTS

Option 4b

ICP Close: DGSC
Stand-Alone Close: DDMT, DDRV
Collocated Close: DDRT, DDLP
Depot Realign: DDCO

	NSNs	PRs	SALES
DCSC	1.67M+	33%	27%
DISC	1.48M+	32%	28%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: Moderate

	SS	NPV
ICP	38M	-403M
Depot	88M	-904M
Total	125M	-1307M
% diff. from highest NPV	*0%*	

DDMT/DDRV
NPV: $ -123 M
SS: $ 11 M

Option 4d

ICP Close: DGSC (ICP only)
Stand-Alone Close: DDOU, DDMT
Collocated Close: DDRT, DDLP
Depot Realign: DDCO

	NSNs	PRs	SALES
DCSC	1.67M+	33%	27%
DGSC	1.48M+	32%	28%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: Moderate

	SS	NPV
ICP	22M	-230M
Depot	88M	-859M
Total	109M	-1089M
% diff. from highest NPV	*16.7%*	

DDOU/DDMT
NPV: $ -241 M
SS: $ 22 M

Cost of Keeping Sites Open
(Millions of Dollars)

OPTION #1

Closed Sites	NPV
DISC/DPSC	-487
DDOU/ DDMT	-859
Total	-1,346

Description	DCSC	DGSC	DDCO	DDRV	Total
	Open Sites				
BMAR	$31	$16	$68	$25	$140
Maint	$15	$7	$15	$16	$53
Totals	$46	$23	$83	$41	$193

Net NPV, Option #1 -1,153

OPTION #2a

Closed Sites	NPV
DGSC/ DISC	-630
DDOU/ DDRV	-840
Total	-1,470

Description	DCSC	DPSC	DDCO	DDMT	Total
	Open Sites				
BMAR	$31	$6	$68	$43	$148
Maint	$15	$5	$15	$18	$53
Totals	$46	$11	$83	$61	$201

Net NPV, Option #2a -1,269

OPTION #2b

Closed Sites	NPV
DGSC/ DISC	-630
DDMT/ DDRV	-904
Total	-1,534

Description	DCSC	DPSC	DDCO	DDOU	Total
	Open Sites				
BMAR	$31	$6	$68	$54	$159
Maint	$15	$5	$15	$23	$58
Totals	$46	$11	$83	$77	$217

Net NPV, Option #2b -1,317

Cost of Keeping Sites Open
(Millions of Dollars)

OPTION # 3a

Closed Sites	NPV
DISC	-364
DDMT/ DDOU	-859
Total	-1,223

Net NPV, Option #3a -1,021

Open Sites

Description	DCSC	DGSC	DPSC	DDCO	DDRV	Total
BMAR	$31	$16	$6	$68	$25	$146
Maint	$13	$7	$5	$15	$16	$56
Totals	$44	$23	$11	$83	$41	$202

OPTION # 3d

Closed Sites	NPV
DISC	-348
DDMT/ DDOU	-859
Total	-1,207

Net NPV, Option #3d -1,005

Open Sites

Description	DCSC	DGSC	DPSC	DDCO	DDRV	Total
BMAR	$31	$16	$6	$68	$25	$146
Maint	$13	$7	$5	$15	$16	$56
Totals	$44	$23	$11	$83	$41	$202

Cost of Keeping Sites Open
(Millions of Dollars)

OPTION #4a

Closed Sites	NPV
DGSC	-403
DDOU/ DDRV	-840
Total	-1,243

Net NPV, Option #4a -1,040

Open Sites

Description	DCSC	DISC	DPSC	DDCO	DDMT	Total
BMAR	$31	$6	$0	$68	$43	$148
Maint	$13	$3	$6	$15	$18	$55
Totals	$44	$9	$6	$83	$61	$203

OPTION #4b

Closed Sites	NPV
DGSC	-403
DDMT/ DDRV	-904
Total	-1,307

Net NPV, Option #4b -1,088

Open Sites

Description	DCSC	DISC	DPSC	DDCO	DDOU	Total
BMAR	$31	$6	$0	$68	$54	$159
Maint	$13	$3	$6	$15	$23	$60
Totals	$44	$9	$6	$83	$77	$219

OPTION #4d

Closed Sites	NPV
DGSC	-230
DDMT/ DDOU	-859
Total	-1,089

Net NPV, Option #4d -$06

Open Sites

Description	DCSC	DISC	DPSC	DDCO	DDRV	Total
BMAR	$31	$6	$0	$68	$25	$130
Maint	$13	$3	$6	$15	$16	$53
Totals	$44	$9	$6	$83	$41	$183

OPTION # 1
IMPACT BASED ON MILITARY VALUE

*CLOSE DISC/DPSC

*CLOSE DDOU/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	2. DGSC	567
3. RICHMOND	649	~~3. DDMT~~	~~505~~	~~3. DISC~~	~~541~~
4. TRACY/SHARPE	623	~~4. DDOU~~	~~505~~	~~4. DPSC~~	
~~5. OGDEN~~	~~611~~	5. DDRV	481	5. DFSC	
~~6. MEMPHIS~~	~~559~~	6. DDCO	468		
~~7. N. PHILA.~~					

OPTION # 2a
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC/DISC

*CLOSE DDRV/DDOU

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	~~2. DGSC~~	~~567~~
~~3. RICHMOND~~	~~649~~	3. DDMT	505	~~3. DISC~~	~~541~~
4. TRACY/SHARPE	623	~~4. DDOU~~	~~505~~	4. DPSC	
~~5. OGDEN~~	~~611~~	~~5. DDRV~~	~~481~~	5. DFSC	
6. MEMPHIS	559	6. DDCO	468		
7. N. PHILA.					

OPTION # 2b
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC/DISC

*CLOSE DDRV/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	2. ~~DGSC~~	~~567~~
~~3. RICHMOND~~	~~649~~	~~3. DDMT~~	~~505~~	~~3. DISC~~	~~541~~
4. TRACY/SHARPE	623	4. DDOU	505	4. DPSC	
5. OGDEN	611	~~5. DDRV~~	~~481~~	5. DFSC	
~~6. MEMPHIS~~	~~559~~	6. DDCO	468		
7. N. PHILA.					

OPTION # 3a
IMPACT BASED ON MILITARY VALUE

*CLOSE DISC

*CLOSE DDOU/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	2. DGSC	567
3. RICHMOND	649	~~3. DDMT~~	~~505~~	~~3. DISC~~	~~541~~
4. TRACY/SHARPE	623	~~4. DDOU~~	~~505~~	4. DPSC	
~~5. OGDEN~~	~~611~~	5. DDRV	481	5. DFSC	
~~6. MEMPHIS~~	~~559~~	6. DDCO	468		
7. N. PHILA.					

OPTION # 4a
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC

*CLOSE DDOU/DDRV

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	~~2. DGSC~~	~~567~~
~~3. RICHMOND~~	~~649~~	3. DDMT	505	3. DISC	541
4. TRACY/SHARPE	623	~~4. DDOU~~	~~505~~	4. DPSC	
~~5. OGDEN~~	~~611~~	~~5. DDRV~~	~~481~~	5. DFSC	
6. MEMPHIS	559	6. DDCO	468		
7. N. PHILA.					

OPTION # 4b
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC

*CLOSE DDRV/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	~~2. DGSC~~	~~567~~
~~3. RICHMOND~~	~~649~~	~~3. DDMT~~	~~505~~	3. DISC	541
4. TRACY/SHARPE	623	4. DDOU	505	4. DPSC	
5. OGDEN	611	~~5. DDRV~~	~~481~~	5. DFSC	
~~6. MEMPHIS~~	~~559~~	6. DDCO	468		
7. N. PHILA.					

OPTION # 4d
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC

*CLOSE DDOU/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	~~2. DGSC~~	~~567~~
3. RICHMOND	649	~~3. DDMT~~	~~505~~	3. DISC	541
4. TRACY/SHARPE	623	~~4. DDOU~~	~~505~~	4. DPSC	
~~5. OGDEN~~	~~611~~	5. DDRV	481	5. DFSC	
~~6. MEMPHIS~~	~~559~~	6. DDCO	468		
7. N. PHILA.					

Excess Capacity 64M

3 Feb 95

Option 1 or 3A

Close Letterkenny, Ogden, Red River, Memphis
Realign Columbus

Covered Storage Capacity FY 01		**525M**
*NEW CONSTRUCTION **	*- 2M*	
SUBSTD BLDGS + R&R ISLAND	*+22M*	
BRAC 95	*- 114M*	
STORAGE CAPACITY		*431M*
Covered Storage Reqmt FY 01		**461M**
BRAC 95 25% SVC INV	*- 7M*	
MINUS 15% OPERATING LEVEL	*- 2M*	
STORAGE REQUIREMENT		*452M*
SHORTFALL		***21M***

** Includes 5M ACF from conversion of Ops Areas at Columbus, and 12M ACF R&R Island*

3 Feb 95

Option 1 or 3A
Backup Data

overed Storage Capacity FY 01

New Construction:	*+5M*	*Conv DDCO Ops Area to Storage*
	-4.5M	*Programmed New Construction*
	-2.7M	*Max Efficiency (racking projects)*
	-2.2M	

Substd Bldgs	*: +10M*
R&R Island	*: +12M*
BRAC 95	*: -114M*

overed Storage Requirement FY 01

Addt'l 25% SVC Inv Red: *-7M*

Excess Capacity 64M

3 Feb 95

Option 2A or 4A

Close Letterkenny, Ogden, Red River, Richmond
Realign Columbus

Covered Storage Capacity FY 01		**525M**
*NEW CONSTRUCTION **	*- 10M*	
SUBSTD BLDGS + R&R ISLAND	*+15M*	
BRAC 95	*- 107M*	
STORAGE CAPACITY		*423M*
Covered Storage Reqmt FY 01		**461M**
BRAC 95 25% SVC INV	*- 7M*	
MINUS 15% OPERATING LEVEL	*- 2M*	
STORAGE REQUIREMENT		*452M*
SHORTFALL		***29M***

** Includes 5M ACF from conversion of Ops Areas at Columbus, and 12M ACF R&R Island*

3 Feb 95

Option 2A or 4A
Backup Data

overed Storage Capacity FY 01

New Construction:	*+5M*	*Conv DDCO Ops Area to Storage*
	-8.3M	*Programmed New Construction*
	-6.6M	*Max Efficiency (racking projects)*
	-9.9M	

Substd Bldgs	*: + 3M*
R&R Island	*: +12M*
BRAC 95	*: -107M*

overed Storage Requirement FY 01

Addt'l 25% SVC Inv Red: -7M

Excess Capacity 64M

3 Feb 95

Option 2B or 4B

Close Letterkenny, Richmond, Red River, Memphis
Realign Columbus

Covered Storage Capacity FY 01		**525M**
*NEW CONSTRUCTION **	*-10M*	
SUBSTD BLDGS + R&R Island	*+22M*	
BRAC 95	*- 109M*	
STORAGE CAPACITY		*428M*
Covered Storage Reqmt FY 01		**461M**
BRAC 95 25% SVC INV	*- 7M*	
MINUS 15% OPERATING LEVEL	*- 2M*	
STORAGE REQUIREMENT		*452M*
SHORTFALL		***24M***

** Includes 5M ACF from conversion of Ops Areas at Columbus, and 12M ACF R&R Island.*

3 Feb 95

Option 2B or 4B
Backup Data

Covered Storage Capacity FY 01

New Construction:	*+5M*	*Conv DDCO Ops Area to Storage*
	-8.3M	*Programmed New Construction*
	-6.3M	*Max Efficiency (racking projects)*
	- 9.6M	

Substd Bldgs	*: +10M*
R&R Island	*: +12M*
BRAC 95	*: -109M*

Covered Storage Requirement FY 01

Addt'l 25% SVC Inv Red: *-7M*

Excess Capacity 64M

3 Feb 95

Option 2 for 1 or 3A

Close Letterkenny, Red River, Columbus, Ogden
Realign Memphis

Covered Storage Capacity FY 01		**525M**
*NEW CONSTRUCTION **	*+ 3M*	
SUBSTD BLDGS + R&R ISLAND	*+20M*	
BRAC 95	*- 109M*	
STORAGE CAPACITY		*439M*
Covered Storage Reqmt FY 01		**461M**
BRAC 95 25% SVC INV	*- 7M*	
MINUS 15% OPERATING LEVEL	*- 2M*	
STORAGE REQUIREMENT		*452M*
SHORTFALL		***13M***

** Includes 10M ACF from conversion of Ops Areas at Memphis, and 12M ACF R&R Island*

3 Feb 95

Option 2 for 1 or 3A
Backup Data

overed Storage Capacity FY 01

New Construction:	*+10M*	*Conv DDMT Ops Area to Storage*
	- 4.5M	*Programmed New Construction*
	- 2.6M	*Max Efficiency (racking projects)*
	+ 2.9M	

Substd Bldgs	*: + 8M*
R&R Island	*: +12M*
BRAC 95	*: -109M*

overed Storage Requirement FY 01

Addt'l 25% SVC Inv Red: *-7M*

Document Separator

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100

CLOSE HOLD

IN REPLY REFER TO CAAJ(BRAC)

2 FEB 1995

MEMORANDUM OF MEETING

SUBJECT: Summary of Decision Meeting with the Director - 7 February 1995

I. PURPOSE: To get a decision on which Inventory Control Point (ICP) and Distribution Depot options the Agency will recommend to the Secretary of Defense. A list of attendees is at enclosure 1. Briefing charts are at enclosure 2.

II. BRIEF SUMMARY OF DISCUSSION:

A. As requested at the 3 February meeting with the Director, MMD reexamined the age and general condition of the buildings at the depots recommended for closure and retention. In general, the majority of our depot buildings are old. However, MMD's analysis confirmed that disestablishing the Defense Depot Ogden (DDOU), Defense Depot Memphis, Defense Depot Red River (DDRT), and Defense Depot Letterkenny (DDLP) conformed most closely to the guiding principles embodied in the DLA Decision Rules.

B. Redirect of the Base Realignment and Closure (BRAC) 93 recommendation concerning Defense Contract Management Command (DCMD) West is necessary because the Long Beach Naval Shipyard is on the Navy's BRAC 95 list, and the Navy has been unsuccessful in negotiating a land-for-space-swap with the city of Long Beach. The BRAC Working Group is obtaining data to cost out alternatives. Impacts of the redirect are not reflected in the totals presented, but disestablishing DCMD South and realigning the Defense Contract Management Command International are.

C. The breakout of Federal Supply Classes has been verified. The primary decision for the ICPs was whether to have one or two weapon system ICPs. Because of the on-going Consumable Item Transfer and merger of the Defense Electronics Supply Center and the Defense Construction Supply Center (DCSC) as a result of BRAC 93, and sheer size of a single weapon system ICP, the consensus was to disestablish the Defense Industrial Supply Center (DISC) and create two weapon system ICPs.

III. FOLLOW-UP ACTION: Scrub all data for the selected recommendations--CAAJ(BRAC).

2 FEB 1995

SUBJECT: Summary of Decision Meeting with the Director - 7 February 1995

IV. DECISIONS REACHED:

A. Disestablish DISC. Realign DCSC and Defense General Supply Center to create one troop and general support ICP and two weapons system ICPs.

B. Disestablish DDOU, DDMT, DDRT, and DDLP. Realign DDCO.

2 Encl

M. V. McMANAMAY
Team Chief
DLA BRAC

GARY S. THURBER
Deputy Director
(Corporate Administration)

LAWRENCE P. FARRELL, JR.
Major General, USAF
Principal Deputy Director

LIST OF ATTENDEES
7 FEBRUARY 1995 DESCISION MEETING WITH THE DIRECTOR

D	VADM Straw
DD	Maj Gen Farrell
MM	Maj Gen Babbitt
CA	Mr. Thurber
GC	Mr. Baird
FO	CAPT McCarthy
AQC	Mr. Scott
MMS	RADM Chamberlin
MMD	BG Burch
MMDD	Mr. Roy
DE	CAPT Finley
DDE	Col (Sel) Dillard
MMDO	CAPT Moore
MMDOS	Mr. Sanchez
MMDB	Mr. Hartstock
DoDIG	Mr. Paget
GAO	Mr. Perkins
CAAJ(BRAC)	Ms McManamay
CAAJ(BRAC)	Ms. Kelleher
CAAJ(BRAC)	Mr. Bourassa
CAAJ(BRAC)	Mr. Geiger

Close vs. Realign Comparison: Memphis, Red River and Columbus

	Before (Costs, $K)				After (Costs, $K)			
	BOS/comm	BOS/Comm +Salary	RPMA	TOTAL	BOS/Comm	RPMA	TOTAL	TOTAL SAVINGS
Memphis								
Realign	3,743	8,841 *	5,204	14,045	8,221	5,204	13,425	620
Close	3,743	8,841 *	5,204	14,045	2,271	0	2,271	11,774
Red River								
Realign	4,378	4,378	5,333	9,711	3,045	5,333	8,378	1,333
Close	4,378	4,378	5,333	9,711	3,032	0	3,032	6,679
Columbus								
Realign	4,709	4,709	5,690	10,399	2,427	5,690	8,117	2,282
Close	4,709	4,709	5,690	10,399	2,709	0	2,709	7,690

* Includes salaries for 159 personnel. This additional cost is saved in COBRA through personnel eliminations.

CLOSE HOLD - CERTIFIED BRAC DATA

DLA Facility Age Analysis for Risk Assessment - BRAC 95

	<-----Number of buildings by decade----->								
	1920	1930	1940	1950	1960	1970	1980	1990	Total
DDCO	7	0	27	1	0	0	0	1	36
DDMT	0	0	58	27	2	1	8	4	100
DDRT*	0	0	40	6	4	17	7	10	84

	<-----% of total building square footage by decade----->							
	1920	1930	1940	1950	1960	1970	1980	1990
DDCO	35	0	61	0	0	0	0	4
DDMT	0	0	63	21	0	0	9	7
DDRT*	0	0	51	16	1	7	2	23

* DDRT is configured assuming the Distribution Center is completely constructed

SPLC SHIPMENT DESTINATIONS - FY-1994

DEST SPLC	DEST CITY	SHIPMENTS	WEIGHT		COST
661157	TXREDRIV	127	14,698,400	10.9%	260,166.43
683260	TXHOOD	438	12,850,709	9.6%	374,835.47
461610	GASTEWAR	187	6,128,491	4.6%	259,376.29
880180	CAFTIRWI	280	5,748,601	4.3%	373,016.38
876180	CACONCOR	68	4,569,512	3.4%	408,011.46
471966	ALANNIST	152	4,396,991	3.3%	151,825.25
637263	OKFTSILL	282	4,266,716	3.2%	100,728.82
294424	KYFTKNOX	312	4,231,137	3.1%	161,696.69
409469	NCSUNPOI	115	3,328,592	2.5%	359,897.15
471974	ALANNIST	80	3,081,330	2.3%	64,701.40
407737	NCFTBRAG	391	2,648,851	2.0%	151,428.86
696900	TXELPASO	145	2,365,098	1.8%	179,509.65
209405	PANEWCUM CCP	98	2,222,052	1.7%	119,742.87
488255	MSSHELBY	187	2,146,571	1.6%	56,055.59
585234	KSRILEY	79	2,092,212	1.6%	64,839.69
732113	WYLOVELL	456	2,088,520	1.6%	170,861.45
464630	GABENNIN	47	1,910,497	1.4%	62,491.44
656972	LAFTPOLK	340	1,831,093	1.4%	96,528.32
409470	NCSUNPT	54	1,661,405	1.2%	121,831.79
875670	CALATHRO CCP	59	1,590,121	1.2%	115,302.75
297980	KYFTCAMP	385	1,586,056		81,350.23
582770	KSMANHAT	64	1,396,980		43,250.97
876430	CAOAKLAN	91	1,369,091		69,812.45
684800	TXPTHOUS	101	1,212,037		23,900.92
222115	NC	274	1,112,274		176,745.20
875675	CASHARPE	41	1,110,312		81,570.38
477575	ALRUCKER	40	1,087,179		41,565.82
311960	MIGRAYLI	39	1,000,351		47,984.46
869146	NVNELLIS	83	961,199		90,996.28
799000	AZTUCSON	63	937,227		87,787.87
209770	VA	150	903,213		56,806.78
181105	NYDRUM	212	847,395		113,471.63
764535	UTTOOELE	94	773,857		57,145.98
409448	NC	9	766,260		30,531.85
432690	TNTULLAH	26	713,695		21,300.16
874763	NC	192	659,579		136,224.53
461417	GAGARCIT	35	618,615		22,101.26
236743	MDHARMAN	100	596,746		58,564.44
846177	WALEWIS	208	588,916		113,540.00
689100	TXCORCHR	257	559,928		60,460.64
572960	NC	292	504,030		33,105.84
746693	COCARSON	42	502,157		43,349.95
494750	FLEGLIN	219	482,726		42,570.13
206281	PAMIDDLE	28	472,306		24,555.30
386250	ILROCISL	92	467,245		31,047.85
687500	TXSANANT	210	441,208		32,336.67
461450	GASAVANN	67	432,390		36,952.10

197193	NY	1	6	88.70
441970	SCCAMDEN	1	6	35.00
488592	MSPICAYU	1	6	43.00
171536	NYWHITEH	1	5	35.00
663370	TXVALVIE	1	5	30.00
215229	PAFRANKL	1	4	35.00
584130	KSLAWREN	1	4	39.00
661300	TX	1	4	30.00
830756	IDINTERS	1	2	40.00
TOTAL		24,510	134,369,146	8,631,222.00

BRAC 95

DECISION MEETING

FOR DIRECTOR, DLA

7 FEBRUARY 1995

Close Hold

AGENDA

- ✦ DCMD RECOMMENDATIONS
- ✦ AF CROSS-SERVICING
- ✦ ICP/DEPOT ALTERNATIVES
- ✦ SUMMARY

AF STORAGE SPACE

The following space has been offered to DLA at the locations indicated:

	ACF
Oklahoma City	0
Hill AFB	620,000
San Antonio	6,430,000
McClellan	11,480,000
Warner-Robins	340,000

This equates to about 18.9 M ACF.

HARDSTAND

AF has also offered 27.1 acres of hardstand on East Kelly AFB (18.8 and 8.3 acres).

Close Hold

Realign Memphis

Increases Available Cube
- 22 Percent (8M ACF)
- 33 Percent (14M ACF) If We Utilize Substandard Buildings

Potential To Reduce One Time Cost
- $25M RPM
- $14M-$25M Racking AF Hangers

Good Possibility To Further Spread Depot Fixed Cost Through Tenant Sharing

Advantages/Disadvantages

Advantages

Columbus

- o Co-located, Easy to Vacate At A Later Date
- o Spread Some O/H At Columbus Site

Memphis

- o Good Distribution Location Should Future Dist Support Be Req'd
- o Great Facilities, Both Storage & Operational.
- o Close To Fed Ex, Could Play In Specialized Customer Support.
- o Hazardous Facilities
- o Great Depot For Backup If Required During Contingency or Catastrophe,
- o May Be Needed To Support Customers In 3 Day Scenario
- o MIL Value #3 Behind 2 PDS's

Red River

- o Could Provide Support To Army For Serviceable End Items
- o Tenant To Lone Star, Easy To Vacate At Later Date
- o Could Take Over Rubber Shop For Army

Disadvantages

- o Obsolete Facilities
- o High RPM Cost , Possible MILCON

- o Stand Alone, Could Be A Problem To Vacate At Later Date.

- o Oklahoma, San Antonio, Albany, and Anniston Can Provide Army Support
- o Not In as Good Of A Location As Memphis to Support 3 Day Delivery
- o 65% of Whses are Less Than 30,000 SF More Costly To Maintain And Operate

Risk !

12M ACF Mechanicsburg (Facility)

12M ACF R&R (Facility)

14M ACF Columbus (Facility)

48M ACF Increases/Inventory Reduction/Max Cube

RESULTS OF DCMD BRAC 95 DECISIONS

	NPV	Steady State
Disestablish DCMCI	$ - 38.7	$ 3.1 (99)
Disestablish DCMDS	$ - 75.8	$ 6.1 (99)

Close Hold

DCMD WEST HQ Relocation Options

	Long Beach
SS	$3.2M (FY 00)
NPV	$ -35.4M
Property Acquisition	Buy
MILCON	$7.9M
BRAC 93 Cost Avoidance	$11.0M

Close Hold

CLOSING 2 ICPs

Each of These Options FULLY Supports Supply and Distribution Concepts of Operations

Option 1

ACTIVITY SUMMARY

ICP Close: DISC, DPSC
Stand-Alone Close: DDOU, DDMT
Collocated Close: DDRT, DDLP
Depot Realign: DDCO

RISK ASSESSMENT

	NSNs	PRs	SALES
DCSC	3.15M+	65%	55%
DGSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: **High**

COBRA RESULTS

	SS	NPV
ICP	46M	-487M
Depot	88M	-874M
Total	134M	-1361M
% diff. from highest NPV	*11.9%*	

SAILS RESULTS

DDOU/DDMT
NPV: $ -241 M
SS: $ 22 M

Option 2a

ACTIVITY SUMMARY

ICP Close: DGSC, DISC
Stand-Alone Close: DDOU, DDRV
Collocated Close: DDRT, DDLP
Depot Realign: DDCO

RISK ASSESSMENT

	NSNs	PRs	SALES
DCSC	3.15M+	65%	55%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: **Moderate+**

COBRA RESULTS

	SS	NPV
ICP	58M	-625M
Depot	85M	-855M
Total	143M	-1481M
% diff. from highest NPV	*4.1%*	

SAILS RESULTS

DDOU/DDRV
NPV: $ -188 M
SS: $ 17 M

Option 2b

ACTIVITY SUMMARY

ICP Close: DGSC, DISC
Stand-Alone Close: DDMT, DDRV
Collocated Close: DDRT, DDLP
Depot Realign: DDCO

RISK ASSESSMENT

	NSNs	PRs	SALES
DCSC	3.15M+	65%	55%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: **Moderate+**

COBRA RESULTS

	SS	NPV
ICP	58M	-625M
Depot	88M	-919M
Total	146M	-1544M
% diff. from highest NPV	*0%*	

SAILS RESULTS

DDMT/DDRV
NPV: $ -123 M
SS: $ 11 M

CLOSING 1 ICP

Each of These Options PARTIALLY Supports Supply and FULLY Supports Distribution Concepts of Operations

Option 3a

ACTIVITY SUMMARY

ICP Close: DISC (IPE moves)
Stand-Alone Close: DDOU, DDMT
Collocated Close: DDRT, DDLP
Depot Realign: DDCO

RISK ASSESSMENT

	NSNs	PRs	SALES
DCSC	1.67M+	33%	27%
DGSC	1.48M+	32%	28%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: **Moderate**

COBRA RESULTS

	SS	NPV
ICP	29M	-359M
Depot	88M	-874M
Total	117M	-1234M
% diff. from highest NPV	*7.1%*	

SAILS RESULTS

DDOU/DDMT
NPV: $ -241 M
SS: $ 22 M

Option 3d

ACTIVITY SUMMARY

ICP Close: DISC (IPE stays)
Stand-Alone Close: DDOU, DDMT
Collocated Close: DDRT, DDLP
Depot Realign: DDCO

RISK ASSESSMENT

	NSNs	PRs	SALES
DCSC	1.67M+	33%	27%
DGSC	1.48M+	32%	28%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: **Moderate**

COBRA RESULTS

	SS	NPV
ICP	28M	-344M
Depot	88M	-874M
Total	116M	-1218M
% diff. from highest NPV	*8.4%*	

SAILS RESULTS

DDOU/DDMT
NPV: $ -241 M
SS: $ 22 M

Option 4a

ACTIVITY SUMMARY

ICP Close: DGSC
Stand-Alone Close: DDOU, DDRV
Collocated Close: DDRT, DDLP
Depot Realign: DDCO

RISK ASSESSMENT

	NSNs	PRs	SALES
DCSC	1.67M+	33%	27%
DISC	1.48M+	32%	28%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: **Moderate**

COBRA RESULTS

	SS	NPV
ICP	37M	-410M
Depot	85M	-855M
Total	123M	-1265M
% diff. from highest NPV	*4.8%*	

SAILS RESULTS

DDOU/DDRV
NPV: $ -188 M
SS: $ 17 M

CLOSING 1 ICP

Each of These Options PARTIALLY Supports Supply and FULLY Supports Distribution Concepts of Operations

Option 4b

ACTIVITY SUMMARY

ICP Close: DGSC
Stand-Alone Close: DDMT, DDRV
Collocated Close: DDRT, DDLP
Depot Realign: DDCO

RISK ASSESSMENT

	NSNs	PRs	SALES
DCSC	1.67M+	33%	27%
DISC	1.48M+	32%	28%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: **Moderate**

COBRA RESULTS

	SS	NPV
ICP	37M	-410M
Depot	88M	-919M
Total	125M	-1329M
% diff. from highest NPV	*0%*	

SAILS RESULTS

DDMT/DDRV
NPV: $ -123 M
SS: $ 11 M

Option 4d

ACTIVITY SUMMARY

ICP Close: DGSC (ICP only)
Stand-Alone Close: DDOU, DDMT
Collocated Close: DDRT, DDLP
Depot Realign: DDCO

RISK ASSESSMENT

	NSNs	PRs	SALES
DCSC	1.67M+	33%	27%
DGSC	1.48M+	32%	28%
DPSC	.38M	35%	45%

Capacity Shortfall: 0 ACF
ICP Risk: **Moderate**

COBRA RESULTS

	SS	NPV
ICP	21M	-229M
Depot	88M	-874M
Total	109M	-1103M
% diff. from highest NPV	*17.0%*	

SAILS RESULTS

DDOU/DDMT
NPV: $ -241 M
SS: $ 22 M

Cost of Keeping Sites Open
(Millions of Dollars)

OPTION #1

Closed Sites	NPV
DISC/DPSC	-487
DDOU/ DDMT	-874
Total	-1,361

Net NPV, Option #1 -1,168

Open Sites

Description	DCSC	DGSC	DDCO	DDRV	Total
BMAR	$31	$16	$68	$25	$140
Maint	$15	$7	$15	$16	$53
Totals	$46	$23	$83	$41	$193

OPTION #2a

Closed Sites	NPV
DGSC/ DISC	-625
DDOU/ DDRV	-855
Total	-1,480

Net NPV, Option #2a -1,279

Open Sites

Description	DCSC	DPSC	DDCO	DDMT	Total
BMAR	$31	$6	$68	$43	$148
Maint	$15	$5	$15	$18	$53
Totals	$46	$11	$83	$61	$201

OPTION #2b

Closed Sites	NPV
DGSC/ DISC	-625
DDMT/ DDRV	-919
Total	-1,544

Net NPV, Option #2b -1,327

Open Sites

Description	DCSC	DPSC	DDCO	DDOU	Total
BMAR	$31	$6	$68	$54	$159
Maint	$15	$5	$15	$23	$58
Totals	$46	$11	$83	$77	$217

Cost of Keeping Sites Open
(Millions of Dollars)

OPTION # 3a

Closed Sites	NPV
DISC	-359
DDMT/ DDOU	-874
Total	-1,233

Net NPV, Option #3a -1,031

Open Sites

Description	DCSC	DGSC	DPSC	DDCO	DDRV	Total
BMAR	$31	$16	$6	$68	$25	$146
Maint	$13	$7	$5	$15	$16	$56
Totals	$44	$23	$11	$83	$41	$202

OPTION # 3d

Closed Sites	NPV
DISC	-343
DDMT/ DDOU	-874
Total	-1,217

Net NPV, Option #3d -1,015

Open Sites

Description	DCSC	DGSC	DPSC	DDCO	DDRV	Total
BMAR	$31	$16	$6	$68	$25	$146
Maint	$13	$7	$5	$15	$16	$56
Totals	$44	$23	$11	$83	$41	$202

Cost of Keeping Sites Open
(Millions of Dollars)

OPTION #4a

Closed Sites	NPV
DGSC	-410
DDOU/ DDRV	-855
Total	-1,265

Net NPV, Option #4a -1,062

Open Sites

Description	DCSC	DISC	DPSC	DDCO	DDMT	Total
BMAR	$31	$6	$0	$68	$43	$148
Maint	$13	$3	$6	$15	$18	$55
Totals	$44	$9	$6	$83	$61	$203

OPTION #4b

Closed Sites	NPV
DGSC	-410
DDMT/ DDRV	-919
Total	-1,329

Net NPV, Option #4b -1,110

Open Sites

Description	DCSC	DISC	DPSC	DDCO	DDOU	Total
BMAR	$31	$6	$0	$68	$54	$159
Maint	$13	$3	$6	$15	$23	$60
Totals	$44	$9	$6	$83	$77	$219

OPTION #4d

Closed Sites	NPV
DGSC	-229
DDMT/ DDOU	-874
Total	-1,103

Net NPV, Option #4d -920

Open Sites

Description	DCSC	DISC	DPSC	DDCO	DDRV	Total
BMAR	$31	$6	$0	$68	$25	$130
Maint	$13	$3	$6	$15	$16	$53
Totals	$44	$9	$6	$83	$41	$183

DLA RECOMMENDATIONS
TOTAL SAVINGS

OPTION	NPV ($M)	SS ($M)
3d (IPE stays)	$ -1,348	$126.4
3a (IPE moves)	$ -1,333	$125.3

Close Hold

OPTION # 1
IMPACT BASED ON MILITARY VALUE

*CLOSE DISC/DPSC *CLOSE DDOU/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	2. DGSC	567
3. RICHMOND	649	~~3. DDMT~~	~~505~~	~~3. DISC~~	~~541~~
4. TRACY/SHARPE	623	~~4. DDOU~~	~~505~~	~~4. DPSC~~	
~~5. OGDEN~~	~~611~~	5. DDRV	481	5. DFSC	
~~6. MEMPHIS~~	~~559~~	6. DDCO	468		
~~7. N. PHILA.~~					

OPTION # 2a
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC/DISC

*CLOSE DDRV/DDOU

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	~~2. DGSC~~	~~567~~
~~3. RICHMOND~~	~~649~~	3. DDMT	505	~~3. DISC~~	~~541~~
4. TRACY/SHARPE	623	~~4. DDOU~~	~~505~~	4. DPSC	
~~5. OGDEN~~	~~611~~	~~5. DDRV~~	~~481~~	5. DFSC	
6. MEMPHIS	559	6. DDCO	468		
7. N. PHILA.					

OPTION # 2b
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC/DISC

*CLOSE DDRV/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	~~2. DGSC~~	~~567~~
~~3. RICHMOND~~	~~649~~	~~3. DDMT~~	~~505~~	~~3. DISC~~	~~541~~
4. TRACY/SHARPE	623	4. DDOU	505	4. DPSC	
5. OGDEN	611	~~5. DDRV~~	~~481~~	5. DFSC	
~~6. MEMPHIS~~	~~559~~	6. DDCO	468		
7. N. PHILA.					

OPTION # 3a
IMPACT BASED ON MILITARY VALUE

*CLOSE DISC

*CLOSE DDOU/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	2. DGSC	567
3. RICHMOND	649	~~3. DDMT~~	~~505~~	~~3. DISC~~	~~541~~
4. TRACY/SHARPE	623	~~4. DDOU~~	~~505~~	4. DPSC	
~~5. OGDEN~~	~~611~~	5. DDRV	481	5. DFSC	
~~6. MEMPHIS~~	~~559~~	6. DDCO	468		
7. N. PHILA.					

OPTION # 4a
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC

*CLOSE DDOU/DDRV

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	~~2. DGSC~~	~~567~~
~~3. RICHMOND~~	~~649~~	3. DDMT	505	3. DISC	541
4. TRACY/SHARPE	623	~~4. DDOU~~	~~505~~	4. DPSC	
~~5. OGDEN~~	~~611~~	~~5. DDRV~~	~~481~~	5. DFSC	
6. MEMPHIS	559	6. DDCO	468		
7. N. PHILA.					

OPTION # 4b
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC

*CLOSE DDRV/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	~~2. DGSC~~	~~567~~
~~3. RICHMOND~~	~~649~~	~~3. DDMT~~	~~505~~	3. DISC	541
4. TRACY/SHARPE	623	4. DDOU	505	4. DPSC	
5. OGDEN	611	~~5. DDRV~~	~~481~~	5. DFSC	
~~6. MEMPHIS~~	~~559~~	6. DDCO	468		
7. N. PHILA.					

OPTION # 4d
IMPACT BASED ON MILITARY VALUE

*CLOSE DGSC

*CLOSE DDOU/DDMT

Installations		Stand-Alone Depot		ICP	
1. COLUMBUS	767	1. DDJC	822	1. DCSC	740
2. NEW CUMBERLAND	681	2. DDSP	759	~~2. DGSC~~	~~567~~
3. RICHMOND	649	~~3. DDMT~~	~~505~~	3. DISC	541
4. TRACY/SHARPE	623	~~4. DDOU~~	~~505~~	4. DPSC	
~~5. OGDEN~~	~~611~~	5. DDRV	481	5. DFSC	
~~6. MEMPHIS~~	~~559~~	6. DDCO	468		
7. N. PHILA.					

Cost of Keeping Sites Open
(Millions of Dollars)

OPTION #1

Closed Sites	NPV
DISC/DPSC	-487
DDOU/ DDMT	-874
Total	-1,361

Net NPV, Option #1 -1,168

Open Sites

Description	DCSC	DGSC	DDCO	DDRV	Total
BMAR	$31	$16	$68	$25	$140
Maint	$15	$7	$15	$16	$53
Totals	$46	$23	$83	$41	$193

OPTION #2a

Closed Sites	NPV
DGSC/ DISC	-625
DDOU/ DDRV	-855
Total	-1,480

Net NPV, Option #2a -1,279

Open Sites

Description	DCSC	DPSC	DDCO	DDMT	Total
BMAR	$31	$6	$68	$43	$148
Maint	$15	$5	$15	$18	$53
Totals	$46	$11	$83	$61	$201

OPTION #2b

Closed Sites	NPV
DGSC/ DISC	-625
DDMT/ DDRV	-919
Total	-1,544

Net NPV, Option #2b -1,327

Open Sites

Description	DCSC	DPSC	DDCO	DDOU	Total
BMAR	$31	$6	$68	$54	$159
Maint	$15	$5	$15	$23	$58
Totals	$46	$11	$83	$77	$217

Cost of Keeping Sites Open
(Millions of Dollars)

OPTION # 3a

Closed Sites	NPV
DISC	-359
DDMT/ DDOU	-874
Total	-1,233

Net NPV, Option #3a -1,031

Open Sites

Description	DCSC	DGSC	DPSC	DDCO	DDRV	Total
BMAR	$31	$16	$6	$68	$25	$146
Maint	$13	$7	$5	$15	$16	$56
Totals	$44	$23	$11	$83	$41	$202

OPTION # 3d

Closed Sites	NPV
DISC	-343
DDMT/ DDOU	-874
Total	-1,217

Net NPV, Option #3d -1,015

Open Sites

Description	DCSC	DGSC	DPSC	DDCO	DDRV	Total
BMAR	$31	$16	$6	$68	$25	$146
Maint	$13	$7	$5	$15	$16	$56
Totals	$44	$23	$11	$83	$41	$202

Cost of Keeping Sites Open
(Millions of Dollars)

OPTION #4a

Closed Sites	NPV
DGSC	-410
DDOU/ DDRV	-855
Total	-1,265

Net NPV, Option #4a -1,062

Open Sites

Description	DCSC	DISC	DPSC	DDCO	DDMT	Total
BMAR	$31	$6	$0	$68	$43	$148
Maint	$13	$3	$6	$15	$18	$55
Totals	$44	$9	$6	$83	$61	$203

OPTION #4b

Closed Sites	NPV
DGSC	-410
DDMT/ DDRV	-919
Total	-1,329

Net NPV, Option #4b -1,110

Open Sites

Description	DCSC	DISC	DPSC	DDCO	DDOU	Total
BMAR	$31	$6	$0	$68	$54	$159
Maint	$13	$3	$6	$15	$23	$60
Totals	$44	$9	$6	$83	$77	$219

OPTION #4d

Closed Sites	NPV
DGSC	-229
DDMT/ DDOU	-874
Total	-1,103

Net NPV, Option #4d -920

Open Sites

Description	DCSC	DISC	DPSC	DDCO	DDRV	Total
BMAR	$31	$6	$0	$68	$25	$130
Maint	$13	$3	$6	$15	$16	$53
Totals	$44	$9	$6	$83	$41	$183

Excess Capacity 64M

3 Feb 95

Option 1 or 3A

Close Letterkenny, Ogden, Red River, Memphis
Realign Columbus

Covered Storage Capacity FY 01		**525M**
*NEW CONSTRUCTION **	*- 2M*	
SUBSTD BLDGS + R&R ISLAND	*+22M*	
BRAC 95	*- 114M*	
STORAGE CAPACITY		*431M*
Covered Storage Reqmt FY 01		**461M**
BRAC 95 25% SVC INV	*- 7M*	
MINUS 15% OPERATING LEVEL	*- 2M*	
STORAGE REQUIREMENT		*452M*
SHORTFALL		***21M***

** Includes 5M ACF from conversion of Ops Areas at Columbus, and 12M ACF R&R Island*

3 Feb 95

Option 2A or 4A
Backup Data

Covered Storage Capacity FY 01

New Construction:

+5M	Conv DDCO Ops Area to Storage
-8.3M	Programmed New Construction
-6.6M	Max Efficiency (racking projects)
-9.9M	

Substd Bldgs	: + 3M
R&R Island	: +12M
BRAC 95	: -107M

Covered Storage Requirement FY 01

Addt'l 25% SVC Inv Red: -7M

Excess Capacity 64M

3 Feb 95

Option 2B or 4B

Close Letterkenny, Richmond, Red River, Memphis
Realign Columbus

Covered Storage Capacity FY 01		**525M**
*NEW CONSTRUCTION **	*-10M*	
SUBSTD BLDGS + R&R Island	*+22M*	
BRAC 95	*- 109M*	
STORAGE CAPACITY		*428M*
Covered Storage Reqmt FY 01		**461M**
BRAC 95 25% SVC INV	*- 7M*	
MINUS 15% OPERATING LEVEL	*- 2M*	
STORAGE REQUIREMENT		*452M*
SHORTFALL		***24M***

** Includes 5M ACF from conversion of Ops Areas at Columbus, and 12M ACF R&R Island.*

3 Feb 95

Option 2B or 4B
Backup Data

Covered Storage Capacity FY 01

New Construction:	*+5M*	*Conv DDCO Ops Area to Storage*
	-8.3M	*Programmed New Construction*
	-6.3M	*Max Efficiency (racking projects)*
	- 9.6M	

Substd Bldgs	*: +10M*
R&R Island	*: +12M*
BRAC 95	*: -109M*

Covered Storage Requirement FY 01

Addt'l 25% SVC Inv Red: *-7M*

Excess Capacity 64M

3 Feb 95

Option 2 for 1 or 3A

Close Letterkenny, Red River, Columbus, Ogden
Realign Memphis

Covered Storage Capacity FY 01		**525M**
*NEW CONSTRUCTION **	*+ 3M*	
SUBSTD BLDGS + R&R ISLAND	*+20M*	
BRAC 95	*- 109M*	
STORAGE CAPACITY		*439M*
Covered Storage Reqmt FY 01		**461M**
BRAC 95 25% SVC INV	*- 7M*	
MINUS 15% OPERATING LEVEL	*- 2M*	
STORAGE REQUIREMENT		*452M*
SHORTFALL		***13M***

** Includes 10M ACF from conversion of Ops Areas at Memphis, and 12M ACF R&R Island*

3 Feb 95

Option 2 for 1 or 3A
Backup Data

Covered Storage Capacity FY 01

New Construction:	*+10M*	*Conv DDMT Ops Area to Storage*
	- 4.5M	*Programmed New Construction*
	- 2.6M	*Max Efficiency (racking projects)*
	+ 2.9M	

Substd Bldgs	*: + 8M*
R&R Island	*: +12M*
BRAC 95	*: -109M*

Covered Storage Requirement FY 01

Addt'l 25% SVC Inv Red: *-7M*