

**Minutes of JPAT Working Group meeting, 4 September 2003.
Topic: Industrial Base Installations**

1. Attendance

a. The following members attended the meeting:

Joanna Chan	CEAC
John Desiderio	OSD BRAC
Jack Leather	Navy BRAC
Frank Sosa	AF BRAC
Alex Yellin	OSD BRAC
Richard Snow	SAF / FM
Art Levesque	R&K Engineering
Rich Marshall	JCSG Industrial
Paul Freund	AF BRAC
Armando Drake	DLA / JCSG S&S
COL Steven Evans	JCSG Tech
Jack Francisco	DLA/JCSG/JCSG S&S
LTCR Rob Tomiak	OSD/(I&E) IRM
Omer Alper	Navy BRAC
Harold Schliesske	DDR&E
Armando Drake	DLA/JCSG Tech

b. The following were at the meeting as observers:

Marcia L. Kilby	OIG DoD Auditor
Donna Horvarth	AAA
Andrea Beck	AAA
Dharam Jain	DoD IG
Tom Mahalek	GAO
Jim Reifsnyder	GAO

c. The following groups did not send a representative:

JCSG Medical
JCSG E&T
JCSG Intel
JCSG HSA

2. Opening Remarks. MAJ Smith opened the meeting by stating the purpose and objectives of the session. He then indicated the topics for the next 2 JPAT working group meetings;

11 September – Environmental topics

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18 September – Information technology infrastructure

3. Agenda Item #1. Industrial Base. Summary of comments and discussion.

a. MAJ Smith presented the objectives of the meeting and a summary of the comments from the Industrial Base experts. After reviewing the required COBRA data elements and algorithms the JPAT agreed that BASOPS costs including facilities SRM costs and BOS costs could be backed out of an industrial installation's working capital funds. This allows industrial base installations to be treated like any other installation with respect to those costs in COBRA.

1) There was a discussion as to whether the BOS and SRM costs used should be actual obligations or actual expenses. Rich Marshall will discuss this with the Industrial Base experts to determine which is more appropriate for use.

2) The JPAT agreed that when an industrial operation resides on an operational base, then the host base will report all SRM and BOS costs to include those from the industrial activity. In that situation, if the industrial activity is moved, then the BOS costs will change based on the change in government civilian and military personnel. The SRM costs will change based on the shutdown or construction of facilities in accordance with existing or future COBRA SRM algorithms.

b. The JPAT agreed that Partnership agreements with private industry will be treated like all other contracts in COBRA. That is, they will have potential termination costs and recurring costs if the Partnership agreement is changed as a result of a BRAC realignment or closure action. It is recognized that some of the partnerships may be able to continue under the reuse authority.

c. The JPAT expressed concern with the moving of industrial functions that are contractor operated. Since COBRA does not move contract employees, the model will not increase a receiving base's BOS costs based on the realignment of contracted industrial operation. (In the current COBRA, changes in BOS costs are a function of changes in installation population.) Likewise, unless there is new construction at the gaining installation, there will not be a change in SRM costs.

d. MAJ Smith stated that, at earlier meetings, he was advised that an equivalent government unit can be created for a contract function by using contract manpower equivalents. He has not found a method to do this.

e. The JPAT agreed that it will be the analyst's task to determine the costs and savings involved in terminating the contract at the losing base and the cost and savings of standing up a contract at a gaining base. There might also be bridging costs to compensate producing the product somewhere else while the move is taking place. The JPAT concluded that COBRA has no algorithms to determine the costs and savings of moving contract functions. This not only applies to industrial base, but to all potential contracted functions that will be relocated.

4. Other JPAT working group items discussed. Recognizing some of the complex work that has to be done before entering a value into COBRA, the JPAT will begin to create a list of "Aids to the Analyst" to eliminate any potential confusion. This topic will be discussed at every COBRA JPAT meeting starting with the IT meeting. A make-up session will be held on 25 SEP to address any issues from the previous JPAT meetings.

5. Old Due Outs

a. R&K Engineering

- 1) Tasked to determine a value for the site preparation standard factor that can be certified.
- 2) Tasked to find the source of the statutory limit of spending 75% of the cost of a new

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building to rehabilitate an old one. MAJ Smith's proposal will meet this requirement if agreed by the JPAT. **No longer required.**

3) Tasked to find out when the next DoD FPG is slated to be published. **March 2004.**

b. A standard factor is needed to account for the cost to install new IT equipment in military construction. This value will be discussed at a follow on JPAT meeting on IT in general. **To be resolved during it working group session.**

c. MAJ Smith - Find the source of civilian employment factors. Initial data was found, we now need to process it. **Initial data found and will now be processed.**

d. R&K - Find HAP standard factors with Corps of Engineers. **MAJ Smith will formally request the values through the tabs trusted agent.**

e. Confirm transportation standard factors through MTMC and the Joint Travel Regulations. **MAJ Smith talked to Mr. Bono at Intellitrans, the government contractor. Mr. Bono will be getting back to MAJ Smith.**

f. MAJ Smith to provide a copy of his report on the new rehab factor. **Done.**

g. OSD has more clearly defined the environmental issue in relationship to COBRA. The JPAT will continue it's work in this area bases on this guidance. The environmental meeting will be scheduled in the near future.

h. Services owe comment on the 0.47 factor after the report is delivered.

6. New Due Outs. Rich Marshall from JCSG Industrial will provide an answer on whether to obligated actual costs or estimated actual costs.

7. Schedule

AUG 7	Construction	Completed
AUG 14	Civilian/Military Pay	Completed
AUG 21	Privatization/Leases	Completed
AUG 28	Transportation Relocation	Completed
SEP 4	Industrial Base	Completed
SEP 11	SRM	Change
SEP 18	Information Technology	Read Ahead sent out 9/12/03
SEP 25	Aids for the Analyst Catch-Up	
OCT 2	RC Issues (+) tenants	
OCT 9	BOS	
OCT 16	Environmental	Tentative
OCT 23	NPV/ROI/Reports and Graphs	New
OCT 30	Medical and Tricare	Change

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