Minutes of JPAT Working Group meeting, 25 September 2003.
Topic: Information Technology and COBRA User Special Instructions Summary

1. Attendance

a. The following members attended the meeting:

Joanna Chan	CEAC
John Desiderio	OSD BRAC
Jack Leather	Navy BRAC
Frank Sosa	AF BRAC
Art Levesque	R&K Engineering
John Dovich	R&K Engineering
COL Steven Evans	JCSG Tech
Jack Francisco	DLA / JCSG S&S
Omer Alper	Navy BRAC
Harold Schliesske	DDR&E
Rich Marshall	JCSG Industrial
Martin Bullock	SAF / IEBB
LtCol Brian Magers	AF / ILCXE
Emeterio Hernandez	JCSG S&S
Peter Gerber	AF / ILCON
Ray Quesenberry	JCSG HSA
COL Frank Higgins	JCSG HSA
Armando Drake	DLA
Greg Atkinson	OASD (HA)
Peter DeSalva	JCSG Tech

b. The following were at the meeting as observers:

Marcia L. Kilby	OIG DoD Auditor
Andrea Beck	AAA
Rich Gladhill	AAA
Clarence Johnson	AAA
Dharam Jain	DoD IG
Tom Mahalek	GAO

c. The following groups did not send a representative:

JCSG E&T
JCSG Intel

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 3 JPAT working group meetings;

2 October – RC Issues and Tenants

9 October - BOS

16 October – NPV/ROI/Reports/Leases

He also stated that that a special session on Base Operating Systems will be held on 1 October in the TABS conference room in Roslyn. The session then moved to Agenda Item #1, Information Technology Issues.

3. Agenda Item #1. Information Technology Issues.

a. Information Management Account (IMA) cost factor in Standard Factors Table 2 - Facilities. It has been determined that the DoD Facilities Pricing Guide's (FPG) construction cost factors already include the costs of embedding IT infrastructure (wiring, conduits, etc) in a building or structure. Since COBRA now uses the construction factors from the FPG, there is no need for the IMA cost factor any longer. The JPAT agreed to remove the IMA cost factor from the standard factors.

b. One-time IT costs. When determining total IT costs, COBRA users need to consider the potential one-time costs when realigning activities from a "mature" IT installation to a "non-mature" one. It was noted by members of the group that this was not done in all cases during BRAC '95 and this resulted in underestimating the costs of realignments. These costs would include elements such as upgrading old or building new IT infrastructure and equipment at the gaining installation. Analysts who develop scenarios must consider the capacity of the IT infrastructure of the gaining installations. Costs might be incurred by having to increase the IT capacity or pay local utility companies to upgrade their own equipment to support the installation. A policy decision is needed to determine if it can be assumed that a modern IT infrastructure exists to support the IT needs of gaining installations. In order to address this issue analysts need to develop metrics for IT capacity similar to building capacity. COL Higgins volunteered to provide a list of IT questions for installations that can be used to determine IT capacity (copy attached). This will be used in one of the installation data calls. An IT cost / savings line will be added to Data Entry Screen 5 - Base Information (Dynamic). It should be noted that COBRA will not calculate any of these costs, but, rather, provide a data entry field where the user can enter them.

c. IT connect/disconnect costs. MAJ Smith described these costs as those incurred for activating or de-activating lines servicing telephones and PCs. He then presented the results of research conducted by the Army and Navy that determined these costs at various locations. After reviewing the research done, the JPAT agreed that a $200 per person charge should be used as the cost to disconnect and connect phones and computers. This $200 per person value will be identified as the IT Connect Factor (Standard Factors TAB 3 – Transportation). All DoD personnel moved, officer, enlisted, civilians, and students will be included to determine the total connect/disconnect costs. Contract employees will not be included. The JPAT acknowledged that not all personnel will have a phone or personal computer, but it would be difficult to determine which soldiers have IT equipment and which do not. Therefore, using this factor for all

personnel will be a conservative (i.e., tend to overstate) estimate of the total IT connection costs.

4. Agenda Item #2. Facility Pricing Guide (FPG) in COBRA.

a. MAJ Smith reviewed the decision made at that facilities sustainment JPAT meeting (11 September) to use the Facility Sustainment Model (FSM) requirements costing methodology in COBRA to calculate changes in sustainment costs resulting from BRAC actions. The most accurate way to accomplish this is to be able to use FAC sustainment cost factors. In order to do so, the sustainment factors for all FACs from the DoD Facility Pricing Guide will be entered into the COBRA program. Also, since COBRA will be working at the FAC level of detail, the FAC construction cost factors will be entered into COBRA as well.

b. Having these elements of the DoD FPG in COBRA will allow increased resolution in calculating construction costs. This will result in changes on Screen 7, Base Information (Military Construction). The FAC Code will replace the Category heading and a column for unit of measure will be added. . The COBRA user will be required to input the FAC Code for the facility to be built or rehabilitated. When the user loads the FAC Code, the program will load the facility type, construction cost factor, and the sustainment cost factor. The COBRA user will still be required to enter the total square feet (or other unit of measure) in the New MilCon or Rehabilitation column.

c. The COBRA user can still determine the total building cost outside the model, if this needs to be done because of the uniqueness of the facility. However, the user will have to assign a FAC Code to the structure from the FPG. This FAC Code will assign sustainment cost factors, but will not be used to compute the total cost of the facility's construction.

d. These changes allow us to eliminate Standard Factors Table 4 - Construction, because it is no longer needed.

e. The JPAT agreed to the above changes in COBRA. There was concern expressed about the user still being allowed to bypass the COBRA algorithms and enter total construction costs on Screen 7. However, it was agreed that this capability may be required for unique construction projects. It was also noted that the user will be required to document and justify the use of this feature. Also noted was the fact that COBRA reports make it clear that this feature was used.

5. Agenda Item #3. Median Home Price. MAJ Smith reviewed the proposal for determining the median home price at each installation. There are 110 areas that have a BAH rate and a corresponding local median home price from the National Association of Realtors. A simple linear regression was used to develop an equation to find a local median home price for a given BAH rate. The coefficient of determination (r^2) was 0.84 with a range between 0 and 1. A copy of the report is attached. The proposal to determine the Local Median Home Price using this methodology was approved by a vote of 6 to 2. The below members were in dissent:

1) Navy (Jack Leather) - DoD non-concurs at this point in time with using the TABS proposed regression methodology. While it is a major improvement on the national median price adjusted by local construction factors used in previous BRACs, we feel that the methodology that we have proposed will eliminate uncertainty in the estimates and avoid audit scrutiny. The average error is about 14% or $25K. Our proposal, subject to data availability, is to obtain OMB Metropolitan and the newly published (6/6/03) Micropolitan(900+ areas representing 93% of the population) median home price data from the National Association of Realtors (NAR) and merge this data by FIPS State/County code with the bases as listed in the OSD facilities data base. Recent inquiries/discussions with OMB, Census, NAR, Bureau of Economic Analysis and Office of Federal Housing Oversight have yet to provide a source of data available to this level of granularity. However, since the COBRA model will not be updated until late in the year when January 2004 BAH data is published, this obstacle may be overcome. If the data is not available, we recommend using existing data points from the 139 NAR data points where they match military locations and the regression results for the remainder of the military locations.

2) JCSG S&S (Jack Francisco) - If the important issue is to predict the high and low cost areas only, then by pure luck your predictions are correct. To say the calculation is consistent with a predictable outcome we cannot. To explain away the San Diego error by saying the rents are too low is to say the San Diego landlords are not good businessmen. Further this appears to be the only place in the United States plagued by this illness. I believe the sample is not representative or the calculation has a flaw, which makes all the other numbers suspect.

6. Agenda Item #4. COBRA user special instructions.

a. During previous meetings, the JPAT has identified COBRA data entries that are not used in COBRA algorithms requiring special, additional instructions that are not found in the current COBRA User's Manual. These instructions are required in order that these entries are made correctly. On 17 September a meeting was held to identify those data elements of this type that were discussed in all JPAT sessions before that date. Also, instructions for the user to determine the correct meaning of the data element, for COBRA purposes, were developed to help the user in obtaining and using the correct value to be entered. Starting with this JPAT session, special instructions will be determined for each data element requiring them as the data element is discussed. All special instructions will be included in the COBRA User's Manual as an aid to the user.

b. We have been referring to the person who uses the COBRA program as a "COBRA Analyst". COBRA can and will be used by many people with varying backgrounds and training. To emphasis that this user might not have the background and training of an "analyst" this person will be identified in the future as the "COBRA User".

7. Agenda Item #5. Policy Issues. Policy issues are those issues, not necessarily COBRA specific, requiring leadership guidance or decisions. Starting with this JPAT

session, all such issues identified will be tracked as part of the JPAT Working Group minutes and MAJ Smith's notes.

8. Old Due Outs

a. R&K Engineering

1) Tasked to determine a value for the site preparation standard factor that can be certified. **Still Working**

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

3) R&K - Find HAP standard factors with Corps of Engineers. **Dave Bohl USACE is working with R&K to determine values.**

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. **Determined these costs were captured in the FPG.**

c. Find the source of civilian employment factors. **Civilian Personnel Management Service (CPMS) will provide**.

d. Can the Services provide installation level data for sustainment costs broken out by payroll and non-payroll? **YES**

e. Confirm transportation standard factors through MTMC and the Joint Travel Regulations. **Mr. Galluzzo from MTMC will provide the standard factors.**

f. OSD more clearly defined the environmental issue. **OSD provided further guidance and the JPAT meeting is rescheduled for 23 OCT**.

g. Services owe comment on the 0.47 rehab factor. The JPAT voted to approve the 0.47 rehab factor by a vote of 6 to 2. A copy of the report is attached. The following members dissented:

1) Air Force - See attached document.

2) DLA (John Davis) - The reduced 0.47 rehab factor seems low. DLA used 0.59 in BRAC 95, which was based on historical data from Army. DLA used the Army since they had a much larger population of awarded construction projects to provide a better statistical base as compared to the few DLA projects. DLA found the 0.59 factor to be reasonable for our actual BRAC project at DSCP. However, I don't have a much data to support using another percentage. I recommend using the 0.47 factor only if there is substantial data to support its use. Otherwise, I recommend the 0.59 factor be used as in BRAC 95 (since it's a percentage, it should be independent of inflation).

h. Rich Marshall from JCSG Industrial owes us an answer on whether to use obligated actual costs or estimated actual costs. **Actual Costs**

a. All issues concerning excess buildings have been tabled until the second Sustainment special session.

b. R&K - Do conversion factor exist and if they do what is the reference?

10. Policy Issues

Are realigned units entitled to facilities according to requirements or are they just entitled to an equivalent facility at the gaining installation?

11. 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	**Completed**
SEP 18	Information Technology	**Completed**
SEP 25	Special Instructions Catch-Up	**Completed**
OCT 2	RC Issues (+) tenants	
OCT 9	BOS	
OCT 16	NPV/ROI / Reports / Leases	**Change**
OCT 23	Environment	**Change**
OCT 30	Medical and TriCare	
NOV 6	S/RM revisited	**New**
NOV 13	Standard Factors	**New**

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