

BRAC 2005
Supply and Storage Joint Cross Service Group (JCSG)

Minutes of S&S JCSG Principals' Meeting, October 14, 2004

Principals Attendees: VADM Lippert (Chair; DLA), COL Bockenstedt (S&S Lead, represented LTG Christianson for the Army), RDML Thompson (Navy), Mr. Aimone (Alternate, represented Lt Gen Wetekam, Air Force), Ms. Kinney (Alternate, represented BGen Usher for the Marine Corps), Lt Gen McNabb (JS, J4)

VADM Lippert opened this 20th meeting of the S&S JCSG Principals with an introduction of Ms. Gail Mason of the DOD General Counsel. Ms. Mason gave a presentation (Charts 3 – 21 of the attached briefing) to the attendees concerning “conflicts of interest” in BRAC. All persons who deliberate in S&S must review the presentation. Following Ms. Mason’s presentation, the Admiral:

- (Charts 22 – 28) Reviewed Mr. Wynne’s (OSD (AT&L)) briefing of October 7, 2004, to the SecDef titled, “Base Realignment and Closure 2005”. He emphasized the Secretary’s concern to maintain control of BRAC materials. Both the ISG and VADM Lippert believe their primary responsibility is to “fully develop and de-conflict scenarios” (Chart 24).

(Charts 29 – 34, “Taskings from JCSG Principals’ Meeting, 4 Oct 04”)

Col Neeley reviewed the taskings from the last S&S Principals’ meeting; confirmed that S&S had accomplished all taskings.

-- COL Bockenstedt added that his team is keeping oversight of “returning” OCONUS Army organizations given the task to look at “surge” for proposed Scenario 74.

-- Chart 31, “Scenarios”, depicts in bold print the scenarios that are in the OSD BRAC Scenario Tracking Tool (i.e., 20.1.1, 20.1.2, 20.2—actually there are two scenarios with reviews of North and South Hampton Roads). Col Neeley told the Principals that S&S has 15 scenarios to add to the Tracking Tool with their approval.

-- RDML Thompson asked if we were coordinating with the other JCSGs and how much influence do the “other JCSGs have on us. Col Neeley responded that we hold weekly meetings with the leads of the JCSGs—including our weekly meeting with the Industrial JCSG (I JCSG). S&S uses the input of those teams in deliberations. Col Neeley said that the Services’ BRAC offices are participating.

- ✓ Col Neeley turned to Mr. Desiderio (OSD (AT&L)) to request OSD assistance with loading our input into the Tracking Tool. Lt Gen McNabb suggested that S&S may want to follow the OSD numbering system. Consequently, Col Neeley directed Capt Rivera to review the OSD system for merit for possible inclusion in our scenario binder tracking process. Lt Gen McNabb said further that we might want to propose our process as a “best practices”.

- (Charts 35 – 39, “Scenario De-Confliction”) Col Neeley reviewed the S&S scenario de-confliction process, during which Lt Gen McNabb asked Col Neeley and Mr. Desiderio how they felt S&S was doing in the BRAC effort. Col Neeley said we are on track in development, strategy, and quality of the data; S&S Data

Integration Team coordinates with their counterparts in other BRAC teams. Mr. Desiderio stated that S&S is doing very well and has reported the same to Mr. Wynne.

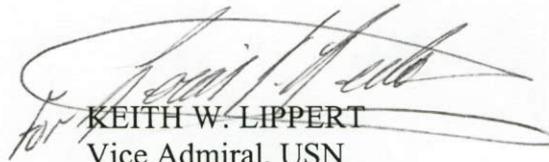
-- Ms. Kinney reflected that S&S documents all of our discussions after the Principals deliberate. Maj Champagne said that there is a flag in the OSD BRAC Scenario Tracking Tool that identifies what is no longer viable—S&S will document any scenario that does not go forward.

- (Charts 38 – 39, “Optimization Model”) Dr. Kelly provided an update on the model in which he described it as “running”. His team is working on the data problems they encounter and have documented them. The team has experienced some successful runs with partial data. Mr. Aimone asked if problems resulted from the quality of the raw data or in the formatting of the tool. Dr. Kelly responded that both points hold true; however, most of the raw data problems have been resolved. Maj Champagne added that S&S can stop running the “others” group and get clean runs every time.
 - Col Neeley remarked that OSD has emphasized that we get the vast majority of S&S scenarios by the end of October.
- (Charts 40 – 41) Mr. Meconnahey (S&S COBRA Lead) gave an update on COBRA and began his brief by saying that the first COBRA runs are planned for mid-November. The Army is the executive agent for COBRA. Mr. Desiderio informed the group that the Navy, currently reviewing its static data, assured OSD it would have the data submitted by the end of the week of October 18, 2004.
- ✓ (Charts 42 – 57) COL Bockenstedt reviewed scenario proposals and gained the Principals’ agreement to load them in the OSD BRAC Scenario Tracking Tool less “20.2.2, Eliminate Base-level Supply Functions”.
 - In reviewing Charts 43 – 44, “Establish Five Regional Strategic Distribution Platforms” (already in the Tracking Tool), Mr. Aimone stated that the tool does not “do it all”—military judgment counts too. He projected that decisions in the BRAC effort would address the available land for future construction of storage space.
 - COL Bockenstedt said that the classes of supply in red print on Chart 49 (“20.2.1, Consolidate Base-level Supply Functions”) do not meet the criteria for classification.
 - When Lt Gen McNabb asked if S&S is getting the required data from the Services, COL Bockenstedt replied that we need retail data.
 - Mr. Aimone asked if contractor-run activities are “on the table” (especially those pre-dating A-76). VADM Lippert responded that they are mostly Prime Vendor.
 - (Chart 50, “Consolidate Base-level Supply Functions) Concerning the two test cases (i.e., Hampton Roads and Puget Sound), the Principals agreed that S&S should look at other areas as well.
 - (Chart 51, “20.2.2, Eliminate Base-level Supply Functions”) VADM Lippert said that if we cannot use the Optimization Model, then Military Judgment will come into play.
- ✓ -- The Principals agreed to “hold” this proposal for now; it needs specificity.
 - “21.2.1, Privatize Storage and Distribution on Specific Commodities (Tires)”

(Chart 55), COL Bockenstedt announced that the team needs a data call for this particular commodity. A data call is also required for “21.2.2, Privatize Storage and Distribution on Specific Commodities (Compressed Gases)”.

- Col King addressed “Scenario Proposals” (Charts 58 – 72). The Principals agreed that all of the scenarios should be added to the BRAC Scenario Tracking Tool.
 - Col King stated that LMI is willing to work on the S&S “Risk vs. Reward” project. VADM Lippert commented that he sees the process that LMI will assist S&S with over the next weeks as a “good decision-making tool”; a tool familiar to industry. LMI will: organize input under headings of art/time/investment/savings; use survey methodology; do a pair-wise comparison; use the business-known chart to describe it (financially-based graph). Further, Col King proposed to gather six to eight general and flag officers (O-7s) soon for a session facilitated by Mr. Nemfakos to review proposed questions in order to get matched pairs (one from operational and one from the logistics/materiel establishment). When referring to the timeline notes on Chart 60, Lt Gen McNabb mentioned that we had a month to get the work accomplished and agreed that S&S should look at costs as well as savings. Ms. Kinney asked if the related efforts of LMI in support of the other BRAC teams could be shared. Col King said that the LMI team will do so.
 - Concerning Scenario 22.1.1, “Transfer Service DLRs to DLA”, VADM Lippert said to make it separate for the common DLRs by commodity in the study.
 - Under the “scenario” heading in the quad-chart (#72), “57.1.7, Consolidate Service and DLA ICPs”, Mr. Aimone recommended that all of the Service and DLA ICPs be consolidated into one.
- CAPT Coderre briefed scenario proposal “62.1.1, Privatization of Household Goods”. The S&S Principals and Mr. Desiderio agreed with CAPT Coderre that this scenario does not fit any of the four categories in the Optimization Model and it should be dropped from the BRAC effort. Mr. Desiderio assured the attendees that he would bring that decision to the attention of OSD and that he anticipated that the scenario would be dropped.
- Col Neeley reviewed the “way ahead” for S&S noting the next S&S JCSG Principals’ meeting on 26 Oct (1300 – 1500) in the J4 Conference Room, Pentagon (2C836).
- VADM Lippert thanked S&S for the level of effort and adjourned the meeting.

Approved: 19 OCT 04


for **KEITH W. LIPPERT**
Vice Admiral, USN
Director,
Defense Logistics Agency
Chairman, Supply and Storage,
Joint Cross Service Group

Attachments:

1. Roster of Attendees
2. Briefing Slides
3. Taskings

ACTIVITY: S&S JCSG
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Pages: 1-99

Roster of Attendees for S&S JCSG Principals' Meeting on 14 Oct 04

VADM Lippert (Chair, S&S JCSG; Principal, DLA)
COL Bockenstedt, Army Lead, S&S, JCSG (Representing LTG Christianson, S&S JCSG, Principal, Army)
RDML Thompson (S&S JCSG, Principal, Navy)
CAPT Wright (S&S JCSG, Alternate, Navy)
Ms. Kinney (Representing BGen Usher, S&S JCSG, Principal, Marine Corps)
Mr. Aimone (Representing Lt Gen Wetekam, S&S JCSG, Principal, Air Force)
Lt Gen McNabb (J4, S&S JCSG Principal, JS)
Col Neeley (S&S JCSG, Executive Secretary)
CAPT Coderre (S&S JCSG, Navy Lead)
LtCol Truba (S&S JCSG, Marine Corps Lead)
Col King (S&S JCSG, Air Force Lead)
Col Faulkner (J4, S&S JCSG, JS Lead)
LTC Dasch (S&S JCSG, XO)

Maj Arenson (S&S JCSG, Data Team)
Maj Champagne (S&S JCSG, Data Team Lead)
Mr. Desiderio (S&S JCSG, OSD (AT&L))
Mr. Galloway (DOD IG)
CDR Hoyt (S&S JCSG, Navy Team)
Dr. Kelly (S&S JCSG, Optimization Team Lead)
Ms. Lacy (S&S JCSG, Army Team)
CDR Larcher (S&S JCSG, Navy Team)
Mr. Lowman (S&S JCSG, Army Team)
CDR Martin (S&S JCSG, Navy Team)
Mr. Marshall (S&S JCSG, DLA Team)
Mr. Meconnahey (S&S JCSG, COBRA Team)
CAPT Myhre (Navy BRAC)
LtCol Nalepa (S&S JCSG, Data Team)
Ms. Needham (DOD IG)
Mr. O'Rourke (DLA BRAC Team Lead)
Mr. Sears (S&S JCSG, DLA Team)
LCDR Stark (S&S JCSG, Data Team)
Mr. Tyler (S&S JCSG, Marine Corps Team)
Capt Rivera (S&S JCSG, MC Team)
Mr. Williams (S&S JCSG, Army Team)
Ms. Winters (DLA BRAC)



Supply and Storage Joint Cross-Service Group (S&S JCSG)

Principals' Meeting

October 14, 2004

Chair: VADM Keith Lippert



Overview

DCN: 11433

- Financial Conflicts Presentation
Ms. Mason
- BRAC SecDef Briefing
VADM Lippert
- Tasking Review and S&S JCSG Process
Col Neeley
- Optimization Model
Dr. Kelly
- COBRA Modeling
Mr. Meconnahey
- Scenario Proposals
COL Bockenstedt,
Col King, and
CAPT Coderre
- Issues for Discussion
Col Neeley
- Way Ahead
Col Neeley



Conflicts of Interest and BRAC

Ms. Mason



Introduction

DCN: 11433

- As a member of a DOD base closure executive group, you hold a position of special trust and confidence regarding the BRAC process
- As you know, your work will result in a list of recommended base realignments and closures that will potentially impact the lives of many citizens and their communities



Introduction

DCN: 11433

- If the public does not have complete confidence in the fairness of our procedures, their support for the BRAC process cannot be assured
- For this reason, participants must be fair and impartial, both in reality and perception
- Also, as government employees, you must avoid conflicts of interest as you carry out your duties
- That is why you are being briefed today

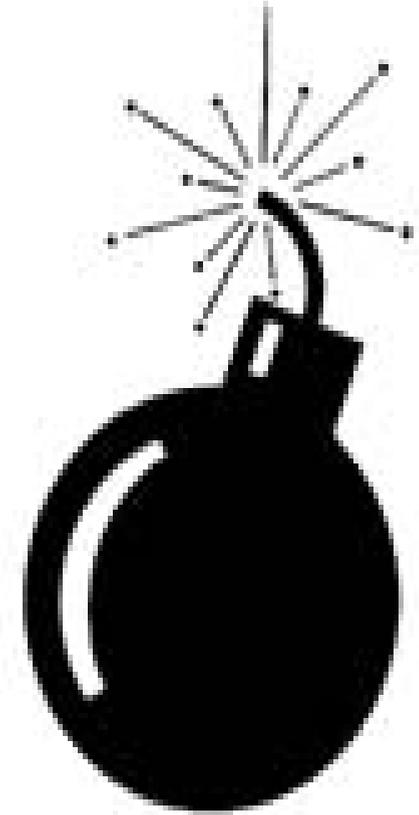


Conflicts of Interest

DCN: 11433

First Issue: What is a conflict of interest?

- A conflict arises when your personal financial interests (or those of someone close to you) may be affected by the BRAC decision or recommendation





Conflicts of Interest

DCN: 11433

- A criminal statute (18 USC 208) provides as follows:
 - Employees are prohibited from participating personally and substantially in an official capacity in any particular matter in which they (or any person whose interests are imputed to them) have a financial interest, if the matter will have a direct and predictable effect on that interest



Conflicts of Interest

DCN: 11433

■ Key terms:

- **Personal and Substantial Participation**

- Your involvement makes a difference, even if it is advice or recommendations, and not determinative

- **In a Particular Matter**

- Focused on an identifiable class of persons (like a certain community)

- **Having a Direct and Predictable Effect**

- Involves a close causal link and real possibility that any decision or action will affect the financial interest involved

- **Financial Interest**

- Personal financial asset, or that of someone with a certain type of relationship with you



Apparent Conflicts

DCN: 11433

Second Issue: The Appearance of a Conflict of Interest?

- This occurs when a reasonable person with knowledge of the relevant facts would question your impartiality, based on your involvement in an official action and the financial interest of a member of your household or someone with whom you have a “covered relationship”





Apparent Conflicts

DCN: 11433

- **Appearance of a Conflict: This requires...**
 - **Personal and Substantial Participation**
 - Your involvement makes a difference
 - **Affecting a relationship**
 - With household members, employers, private organizations in which you are “active”
 - **Having a Direct and Predictable Effect**
 - Involves a close causal link between the action and the expected effect on one’s financial interest



Identifying Conflicts

DCN: 11433

■ How are Conflict Situations Identified?

- Financial Disclosure Forms

- All of you should have a current SF 278 or OGE 450 financial disclosure report on file with your supporting ethics office

- Self-Identification

- You are responsible for reporting all potential conflicts of interest as you identify them

- Supervisor's Identification

- Your supervisor is also responsible for helping you identify and resolve any conflicts of interest in your work area



Identifying Conflicts

DCN: 11433

What Type of Financial Interests may Create a Conflict?

1. Ownership of real estate near any military installation
2. Interest in a company, including utilities, that does business with a military installation
3. Bonds issued by local governments in the vicinity of a military installation





Identifying Conflicts

DCN: 11433

What May Create a Conflict?

4. You or close relatives (spouse, children, parents, siblings) live near a military installation or work for installation contractors
5. You or close relatives are actively affiliated with a civic or private BRAC-proofing organization
6. Seeking employment with a person or business that could be affected by a base closing or realignment





Resolving Conflicts

DCN: 11433

- How are Conflict Situations Resolved?
- Options include....
 - Disqualification
 - Change of Duties
 - Waiver
 - Authorization
 - Eliminating the interest / position that creates the conflict





Resolving Conflicts

DCN: 11433

■ Disqualification

- This means that you are disqualified – or “recused” from taking official action on any particular matter that could affect the covered financial interest
- The extent of your disqualification is determined by your direct supervisor, with advice from the ethics counselor



Resolving Conflicts

DCN: 11433

■ Change of Duties

- If your official duties cannot be separated from your financial interests, or the whole of the “particular matter” is too complicated to be subdivided based on the nature of your interest, you may need to be removed from the project altogether



Resolving Conflicts

DCN: 11433

■ Waiver

- Your appointing official may determine that your financial interest is not so substantial as to require your disqualification or change of duties
- Waivers are issued, in writing, by the appointing official, after consultation with an ethics counselor
- Waivers must be issued prior to your taking any official action in the matter; thus, until you have a waiver, you may not act on the matter in your official capacity



Resolving Conflicts

DCN: 11433

■ Authorization

- If the situation does not present a true conflict (under 18 USC 208), but does create the *appearance* of a conflict (under 5 CFR 2635.502), your supervisor may authorize you to continue working in the area at issue
- Authorization is granted if government needs outweigh perceptions / concerns by on-lookers
- This requires written documentation and advance approval



Resolving Conflicts

DCN: 11433

■ Eliminate Personal Interest / Position

- For example...
 - Resign from position as a board member or officer of a private organization
 - Sell real estate or stock ownership if financial interests trigger the conflict
 - Step down from off-duty employment
 - Postpone job search with interested parties until retirement



Avoiding Conflicts

DCN: 11433

- What We Ask You To Do.....
 - **Examine** your financial situation and identify any interests that may trigger a real / apparent conflict based on your support of BRAC
 - **Advise** your BRAC supervisor of any concerns
 - **Seek guidance** from your ethics counselor
 - **Follow the guidance** worked out by the ethics counselor and your supervisor to resolve any conflicts of interest



Avoiding Conflicts – Seek Legal Guidance

DCN: 11433

■ JCSGs & DOD

- Nicole Bayert
 - 693-4842
 - Nicole.bayert@osd.pentagon.mil
- Gail Mason
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■ Army

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- Brent Green
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 - Brent.green@hqda.army.mil

■ Navy

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 - David.lacroix@navy.mil
- Dave Grimord
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■ Air Force

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- Jane Love
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Base Realignment and Closure 2005

Secretary of Defense

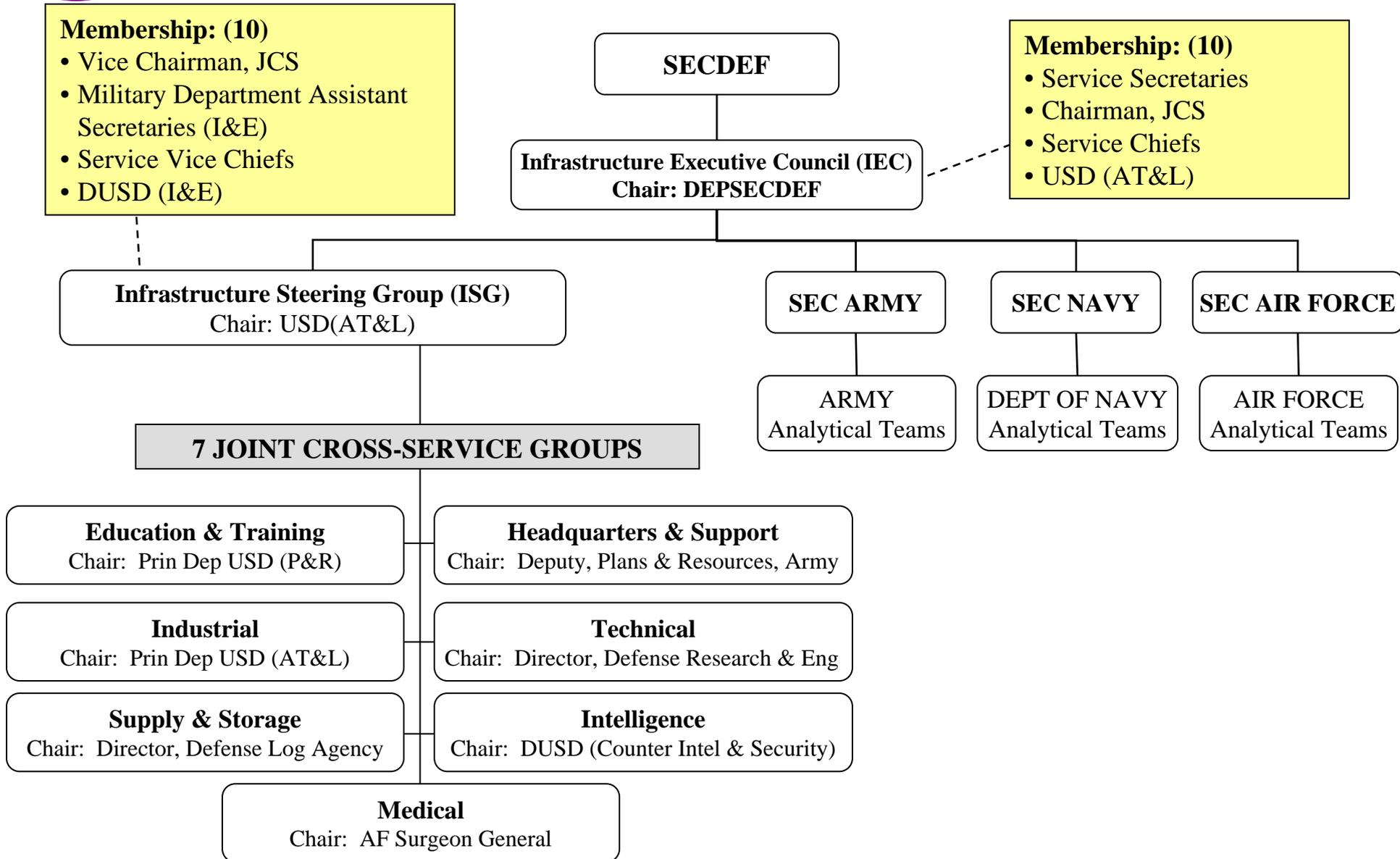
October 7, 2004

Review for S&S JCSG by VADM Lippert



BRAC 2005 Leadership and Organization

DCN: 11433





Base Realignment and Closure 2005

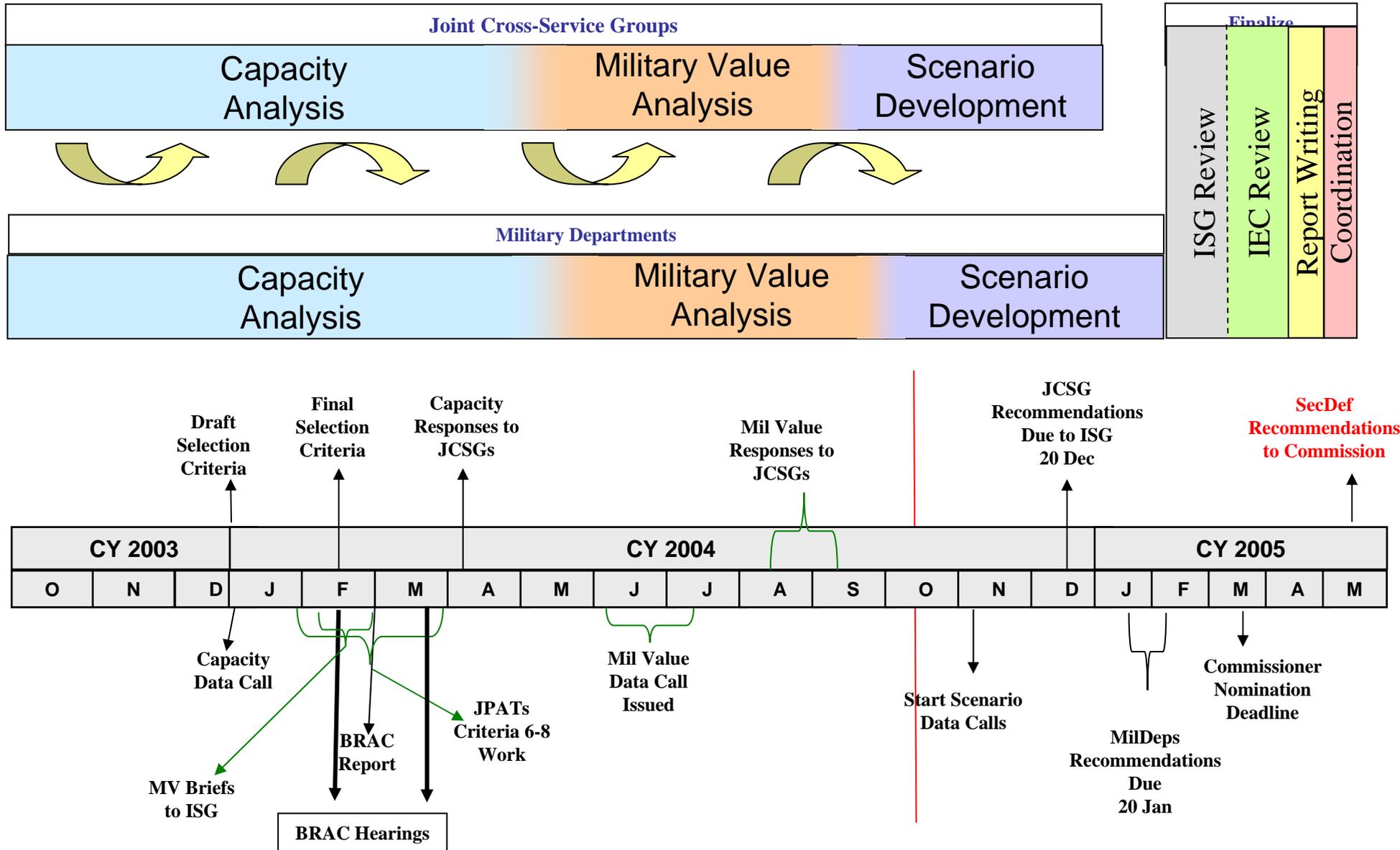
DCN: 11433

- What have we been doing?
 - Training the ISG members as to responsibilities
 - Working with BRAC team to marshal data calls
 - Training team on Transformational Options
 - Keeping to a schedule discipline to meet law
- What needs to be done?
 - Validate / Certify Data; Get a short turnaround set
 - Fully develop and de-conflict scenarios
 - Train the IEC members as to responsibilities
 - Complete the recommendations for submission



Process Overview

DCN: 11433





Base Realignment and Closure 2005

DCN: 11433

- How are we accomplishing?
 - All teams (ISG, JCSGs, and Services) meet weekly
 - Services have set up an expedited Q & A process
 - Scenarios must be data certified, and clarified
 - Deadlines are set for JCSG and Service Scenarios
 - Records and audit trail agreed by ISG
 - General Counsel is a part of the team



Base Realignment and Closure 2005

DCN: 11433

- What will IEC do?
 - The ISG will recommend candidate recommendations to IEC
 - IEC is last stop for candidate recommendations
 - IEC has to understand BRAC intent
 - IEC has to assess measures of merit
 - IEC has to understand the de-confliction process



Base Realignment and Closure 2005

DCN: 11433

- What should we be thinking of?
 - How do we quantify the results
 - Any suggestions for service on Commission
 - What process for debating unresolved conflicts
 - IEC and SLRG are different: DepSec and Sec
 - Funding wedge preservation
- Quantifying the results:
 - Reduction of # of Sites; # Sq. feet; # acres; # FTEs;
 - Cost of Force protection; Plant Replacement Value;
 - Operations cost



Taskings Review and Process

Col Neeley



Taskings from JCSG Principals' Meeting, 4 Oct 04 DCM: 11433

- **“Scenario Quality Check”**: Do all JCSGs have the same interpretation of the term, “realign”? Disseminate the OSD definition widely.
- **“Transformation Options #62”**: Look at MTMC and Navy studies concerning privatization of household goods and personal property shipping function.
- **“Scenarios”**: Reference “74.1”, look at the scenario in terms of “surge”.
- **“Establish Five Regional Strategic Distribution Platforms”**: Change “creates” to “achieve” in the “Justification / Impact” quad in all appropriate charts concerning CWT.
- **“Single Joint ICP”**: Under the title, “Scenario” in the quad chart, replace “...into a new and/or existing OSD agency” with “...into DLA.”
- **“Maintain Sole MC ICP”**: Look at the Army to assume the function. Consider DLA as well.



Scenarios

DCN: 11433

- 20.1 Regionalization
 - 20.1.1 Establish Five Regional Strategic Distribution Platforms
(In the BRAC Scenario Tracking Tool)
 - 20.1.2 Establish Four Regional Strategic Distribution Platforms
(In the BRAC Scenario Tracking Tool)
 - 20.1.3 Establish Three Regional Strategic Distribution Platforms

- 20.2 Base Level Supply Functions
 - 20.2.1 Consolidate Base Level Supply Functions
(In the BRAC Scenario Tracking Tool)
 - 20.2.2 Eliminate Base Level Supply Functions

- 21.1 Wholesale Privatization
 - 21.1.1 Privatize Wholesale Distribution

- 21.2 Storage and Distribution Privatization
 - 21.2.1 Privatize Storage and Distribution on Specific Commodities (Tires)
 - 21.2.2 Privatize Storage and Distribution on Specific Commodities (Compressed Gases)
 - 21.2.3 Privatize Storage and Distribution on Specific Commodities (Packaged POL Products)



Scenarios

DCN: 11433

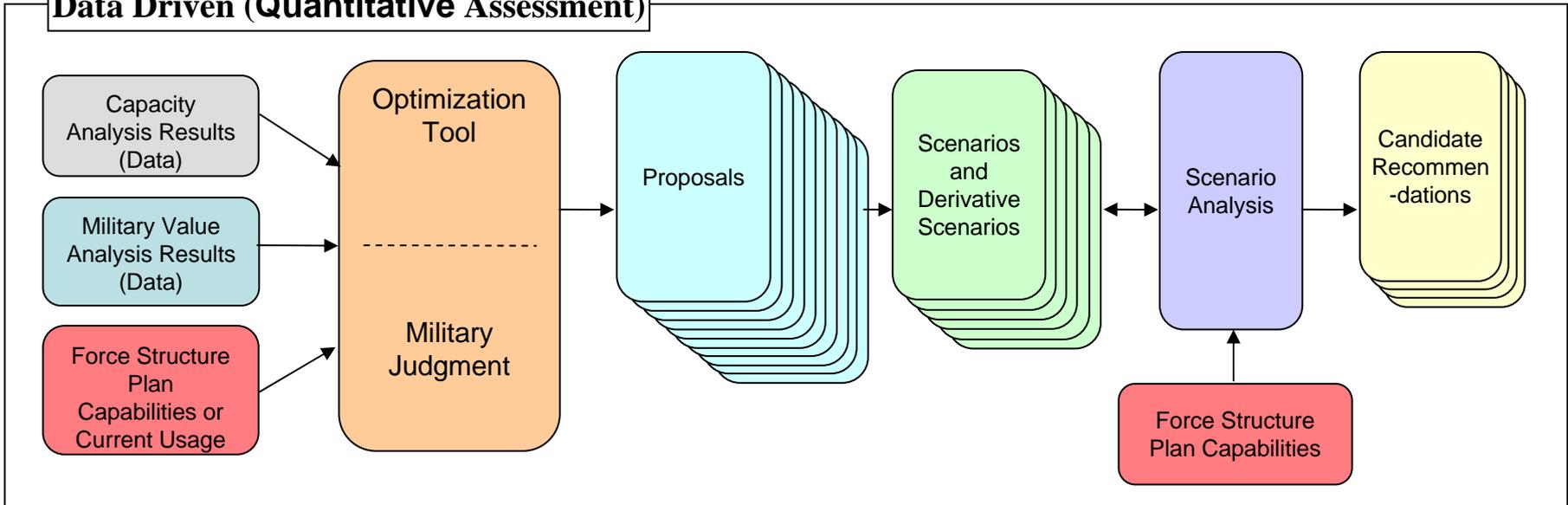
- 22.1 DLR Management Consolidation
 - 22.1.1 Transfer Service DLRs to DLA
 - 22.1.2 Transfer Service ICPs to DLA (include DLRs)
 - 22.1.3 Transfer Service ICPs to DLA and realign by mission area (include DLRs)
- 57.1 ICP Consolidation
 - 57.1.1 Consolidate Army ICPs in a single location
 - 57.1.2 Consolidate NAVICP in a single location
 - 57.1.3 Consolidate Air Force ICPs in a single location
 - 57.1.4 Consolidate USMC ICP with Army ICP
 - 57.1.5 Consolidate USMC ICP with DLA ICP
 - 57.1.6 Consolidate DLA ICPs in a single location
 - 57.1.7 Consolidate Service and DLA ICPs (minimize excess capacity)
- 62.1
- 74.1



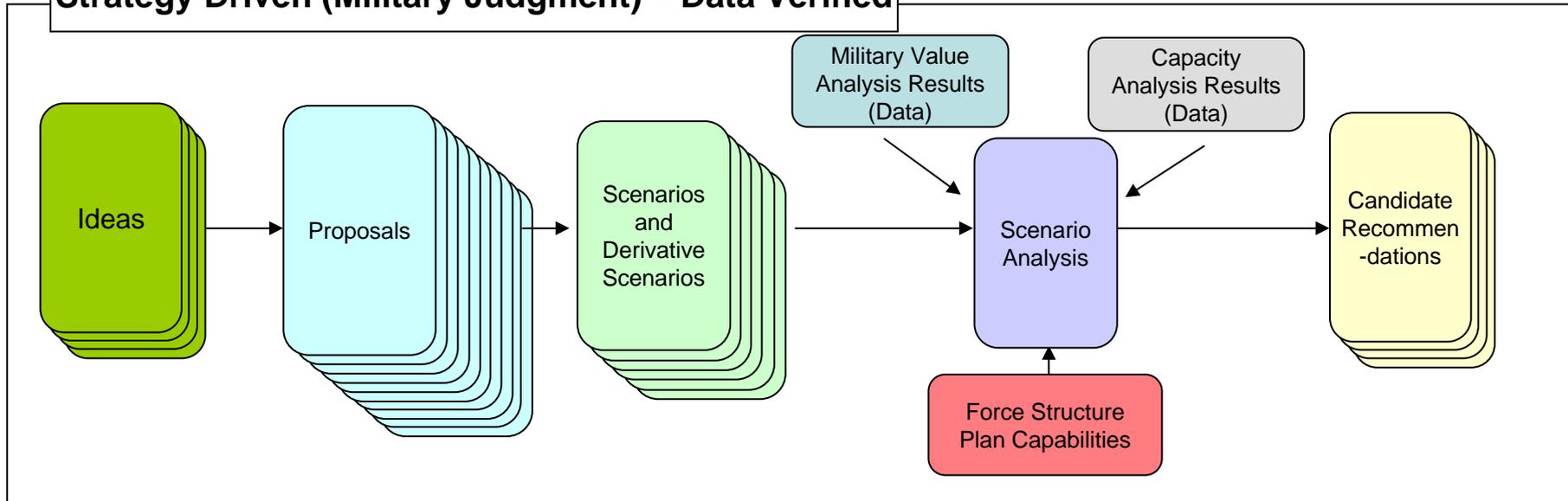
Scenario Development and Analysis

DCN: 11433

Data Driven (Quantitative Assessment)



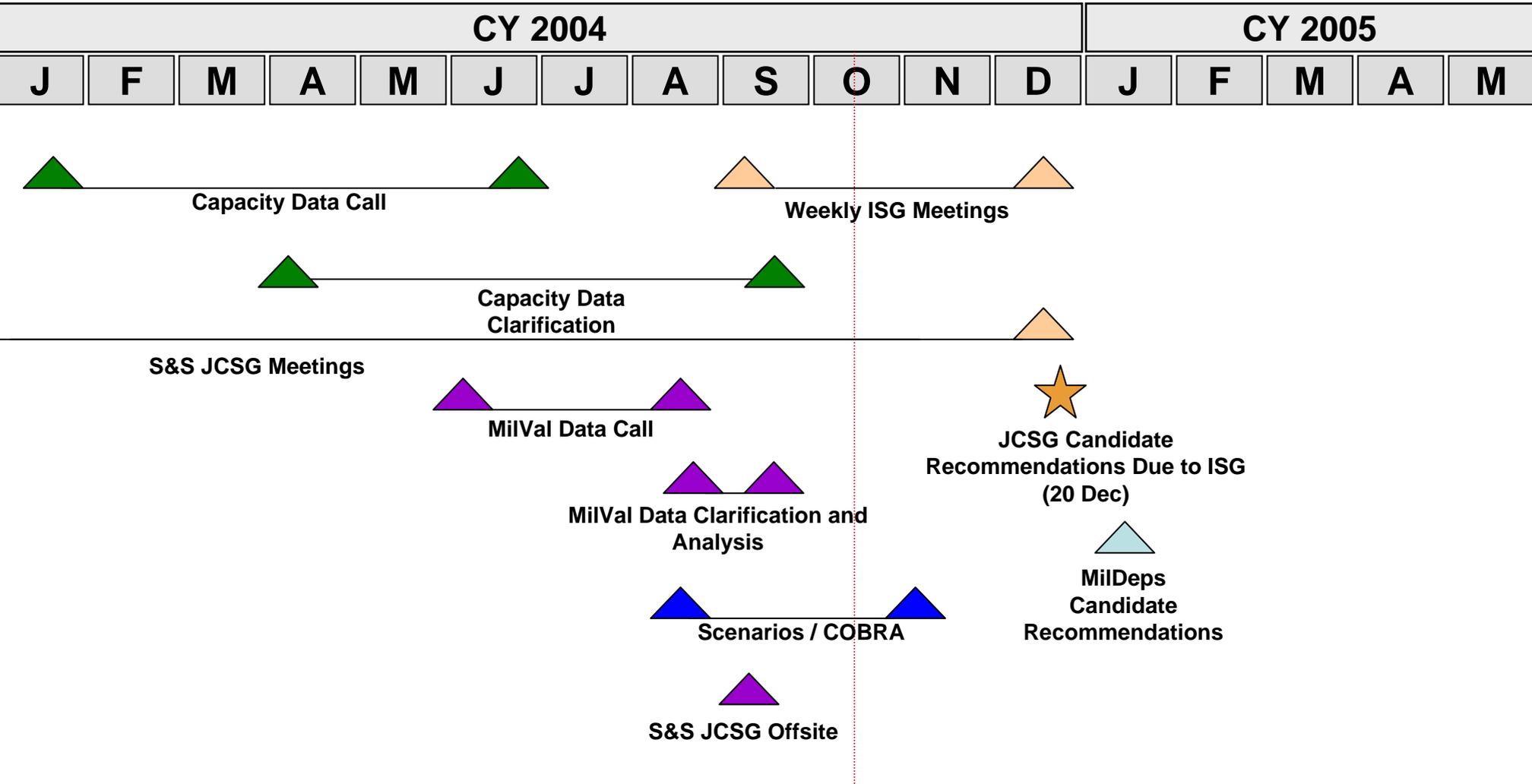
Strategy Driven (Military Judgment) – Data Verified





BRAC Process

DCN: 11433





Scenario De-confliction

Col Neeley



USA-0036, S&S-003, S&S-004

DCN: 11433



<h2 style="text-align: center;">Scenarios Involved</h2> <ul style="list-style-type: none"> ■ Close Red River Army Depot, transfer maintenance workload to Anniston Army Depot and Letterkenny Army Depot (USA-0036) ■ Create five regional strategic distribution regions including one at Red River Army Depot (S&S-003) ■ Create four regional strategic distribution regions including one at Red River Army Depot (S&S-004) 	<h2 style="text-align: center;">Conflicts</h2> <ul style="list-style-type: none"> ■ Force Structure ■ Other - Authority
<h2 style="text-align: center;">Drivers / Assumptions</h2> <ul style="list-style-type: none"> ■ Reduce infrastructure 	<h2 style="text-align: center;">Potential Conflicts</h2> <ul style="list-style-type: none"> ■ Transfer industrial portion of scenario to Industrial JCSG for consideration ■ S&S JCSG develop a scenario with an alternate location

Strategy

COBRA

Capacity Analysis / Data Verification

Military Value Analysis / Data Verification

JCSG Recommended

Criteria 6-8 Analysis

De-Conflicted with JCSGs

De-Conflicted with MilDepts



IND-0004 and S&S-0003

DCN: 11433



<h2 style="text-align: center;">Scenarios Involved</h2> <ul style="list-style-type: none"> ■ Consolidate Intermediate-level Ship Maintenance at Norfolk Shipyard and San Diego (IND-0003) ■ Create five regional distribution platforms, one of which would be at Norfolk (S&S-0003) 	<h2 style="text-align: center;">Conflicts</h2> <ul style="list-style-type: none"> ■ Facilities
<h2 style="text-align: center;">Drivers / Assumptions</h2> <ul style="list-style-type: none"> ■ Improve efficiency and effectiveness through consolidated and integrated maintenance resources in major fleet concentration regions (IND-0003) ■ TO: Establish a multi-Service supply, storage and distribution system that enhances strategic deployment and sustainment of expeditionary joint forces. (S&S-0003) 	<h2 style="text-align: center;">Proposed Resolution</h2> <ul style="list-style-type: none"> ■ Continue with Scenarios. Industrial and S&S JCSG run scenario run an additional scenario that does not compete for the same facilities

Strategy

COBRA

Capacity Analysis / Data Verification

Military Value Analysis / Data Verification

JCSG Recommended

Criteria 6-8 Analysis

De-Conflicted with JCSGs

De-Conflicted with MilDeps



Optimization Model

Dr. Kelly



Optimization Model

DCN: 11433

- Current focus of main effort!
- Optimization Run Requests generated for all S&S proposals
- Encountering and working to resolve database problems:
 - Restructuring Optimization Model and computer code
 - Working with IG to find “fair” methods for patching anomalous data
- Way Ahead: Full court press by CNA and S&S to get Optimization output



COBRA Modeling

Mr. Meconnahey



COBRA Modeling

DCN: 11433

■ COBRA Status

- ✓ Equipment Setup
- ✓ Training Complete
- ✓ Model Templates Created
- ✓ Data Sources Identified (33% from Data Call)
- ✓ Document Control Process Developed
- COBRA Model Loaded (USAF / USN validating Installation Data)

■ Scenario Data Calls

- Scenario Data Group (OSD / JCSGs / MilDep BRAC Offices)
 - Test Scenario Information Sheet with Data Call Questions (Regionalized Western Depots)
 - Template Issue

■ Way Ahead

- All Scenario Data Call Questions
 - Developed by 27 Oct 04
 - Send out the first week of Nov 04 (MilDep / Agency BRAC Offices)
 - Due back to JCSGs in 48 hours



Scenario Proposals

COL Bockenstedt



20.1.1.0.0.S&S-003 Establish Five Regional Strategic Distribution Platforms (In the BRAC Scenario Tracking Tool)

DCN: 11433

<h3 style="text-align: center;">Scenario</h3> <ul style="list-style-type: none"> ■ Establish five regional strategic distribution platforms that provide storage and distribution functions supporting joint forces worldwide at New Cumberland, Norfolk, Warner Robins, Red River, and San Joaquin ■ Realign DDs at San Diego, Puget Sound, Hill AFB, Corpus Christi, Oklahoma City, Anniston, Jacksonville, Albany, Cherry Point, Barstow, Richmond, and Tobyhanna, as satellite activities of each SDP ■ Close Columbus DD and Mechanicsburg DDSP site 	<h3 style="text-align: center;">Drivers / Assumptions</h3> <ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Establish a multi-service supply, storage and distribution system that enhances the strategic deployment and sustainment of expeditionary forces worldwide. Focus the analysis on creating joint activities in heavy (CONUS) DOD concentration areas (i.e., locations where more than one department is based and within close proximity)
<h3 style="text-align: center;">Justification / Impact</h3> <ul style="list-style-type: none"> ■ Enhances strategic flexibility via multiple platforms to respond to routine requirements and worldwide contingencies ■ Improves surge options and capabilities ■ Returns significant storage infrastructure to the services. However, service utilization determines extent of savings ■ Achieves acceptable CWT and response times, but needs supporting data 	<h3 style="text-align: center;">Potential Conflicts</h3> <ul style="list-style-type: none"> ■ Conflicting proposals developed by the Industrial JCSG ■ 20 year Force Structure Plan may alter regional alignments ■ Optimization and data analysis may dictate changes to selected sites ■ Satellite activities remain at service industrial installations ■ TRANSCOM – Changes affecting strategic lift

- Strategy
- COBRA

- Capacity Analysis / Data Verification
- Military Value Analysis / Data Verification

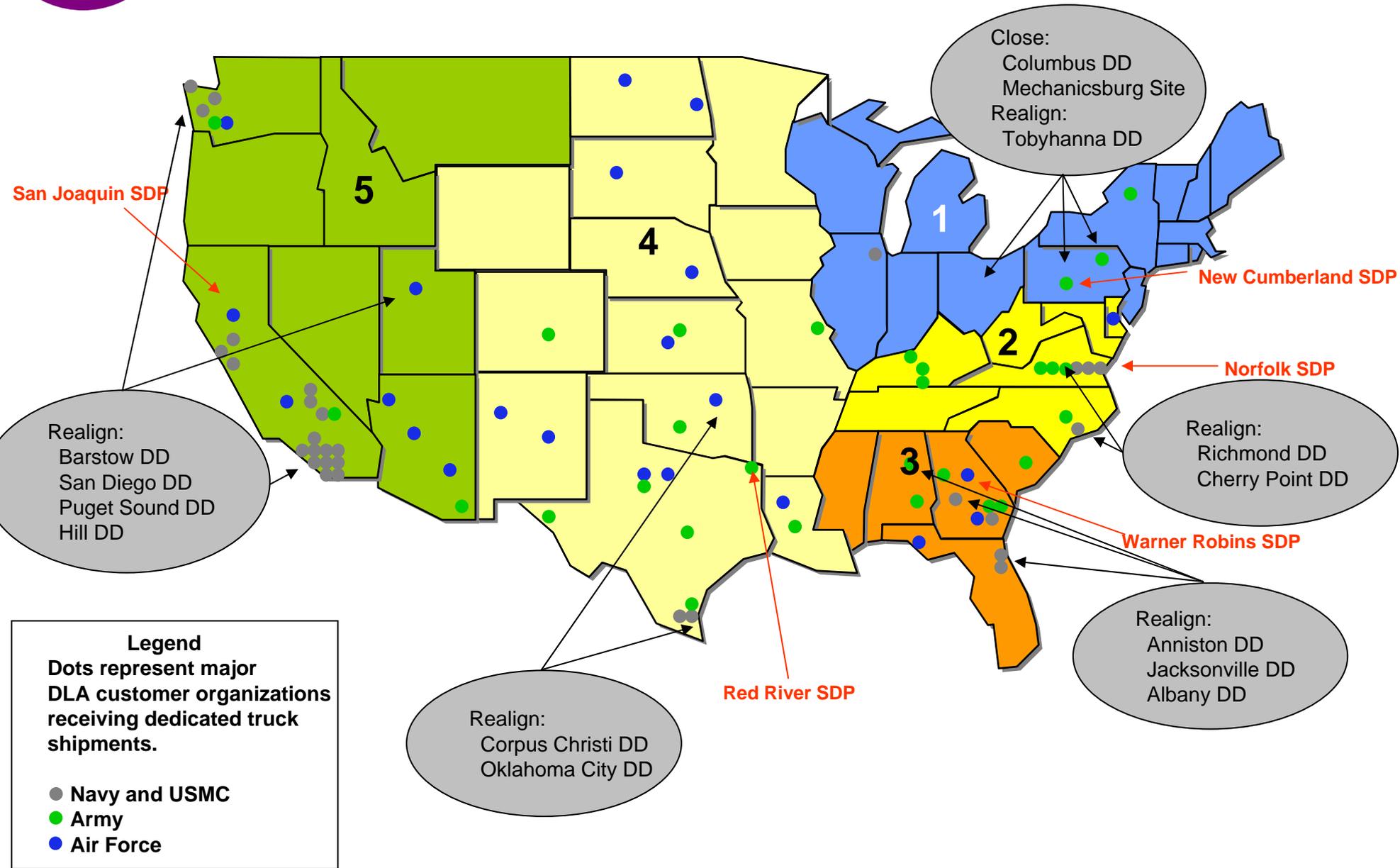
- JCSG Recommended
- Criteria 6-8 Analysis

- De-Conflicted with JCSGs
- De-Conflicted with MilDeps



Establish Five Regional Strategic Distribution Platforms

DDM 1438



Legend
 Dots represent major DLA customer organizations receiving dedicated truck shipments.

- Navy and USMC
- Army
- Air Force



20.1.2.0.0.S&S-0004 Establish Four Regional Strategic Distribution Platforms (In the BRAC Scenario Tracking Tool)

DCN: 11433

<h3 style="text-align: center;">Scenario</h3>	<h3 style="text-align: center;">Drivers / Assumptions</h3>
<h3 style="text-align: center;">Justification / Impact</h3> <ul style="list-style-type: none"> ■ Establish four regional strategic distribution platforms that provide storage and distribution functions supporting joint forces worldwide at New Cumberland, Warner Robins, Red River, and San Joaquin ■ Realign DDs at San Diego, Puget Sound, Hill AFB, Corpus Christi, Oklahoma City, Anniston, Jacksonville, Albany, Cherry Point, Columbus, Norfolk, Tobyhanna, Barstow, and Richmond as satellite activities of each SDPs ■ Close Columbus DD and Mechanicsburg DDSP site 	<h3 style="text-align: center;">Potential Conflicts</h3> <ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Establish a multi-service supply, storage and distribution system that enhances the strategic deployment and sustainment of expeditionary forces worldwide. Focus the analysis on creating joint activities in heavy (CONUS) DOD concentration areas (i.e., locations where more than one department is based and within close proximity)
<ul style="list-style-type: none"> ■ Enhances strategic flexibility via multiple platforms to respond to routine requirements and worldwide contingencies ■ Improves surge options and capabilities ■ Returns significant storage infrastructure to the services. However, service utilization determines extent of savings ■ Achieves acceptable CWT and response times, but needs supporting data 	<ul style="list-style-type: none"> ■ Conflicting proposals developed by the Industrial JCSG ■ 20 year Force Structure Plan may alter regional alignments ■ Optimization and data analysis may dictate changes to selected sites ■ Satellite activities remain at service industrial installations ■ TRANSCOM – Changes affecting strategic lift

- Strategy
- COBRA

- Capacity Analysis / Data Verification
- Military Value Analysis / Data Verification

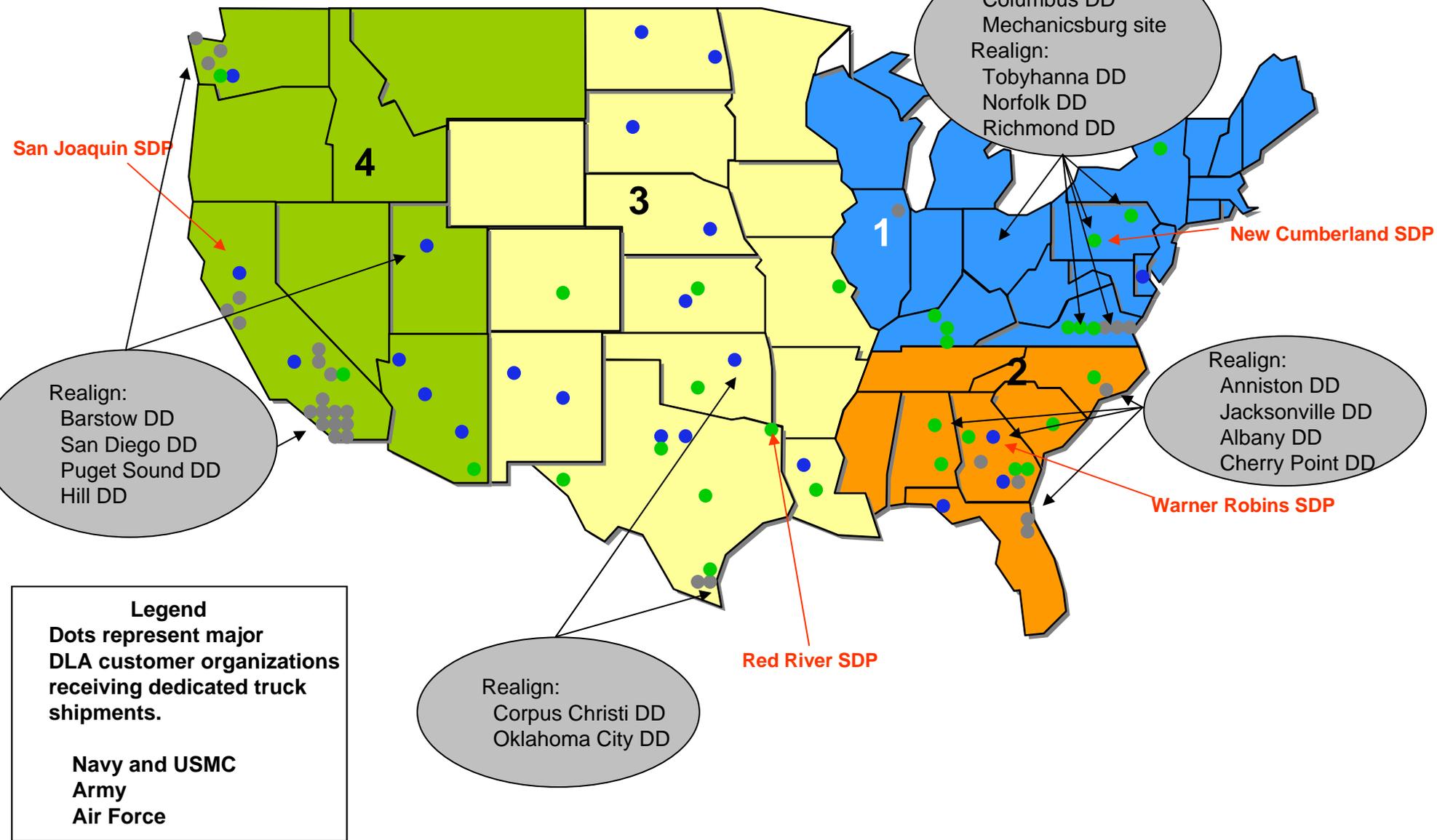
- JCSG Recommended
- Criteria 6-8 Analysis

- De-Conflicted with JCSGs
- De-Conflicted with MilDeps



Establish Four Regional Strategic Distribution Platforms

DCN 0433





20.1.3 Establish Three Regional Strategic Distribution Platforms

DCN: 11488

<p style="text-align: center;">Scenario</p> <ul style="list-style-type: none"> ■ Establish three regional strategic distribution platforms that provide storage and distribution functions supporting joint forces worldwide <ul style="list-style-type: none"> - Retain SDP at Susquehanna - Retain SDP at San Joaquin - Establish SDP at Red River DD 	<p style="text-align: center;">Drivers / Assumptions</p> <ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Establish a multi-service supply, storage and distribution system that enhances the strategic deployment and sustainment of expeditionary forces worldwide. Focus the analysis on creating joint activities in heavy (CONUS) DOD concentration areas (i.e., locations where more than one department is based and within close proximity)
<p style="text-align: center;">Justification / Impact</p> <ul style="list-style-type: none"> ■ Enhances strategic flexibility via multiple platforms to respond to routine requirements and worldwide contingencies ■ Improves surge options and capabilities 	<p style="text-align: center;">Potential Conflicts</p> <ul style="list-style-type: none"> ■ Conflicting proposals developed by the Industrial JCSG ■ 20 year Force Structure Plan may alter regional alignments ■ Optimization and data analysis may dictate changes to selected sites ■ TRANSCOM – Changes affecting strategic lift

- Strategy
- COBRA

- Capacity Analysis / Data Verification
- Military Value Analysis / Data Verification

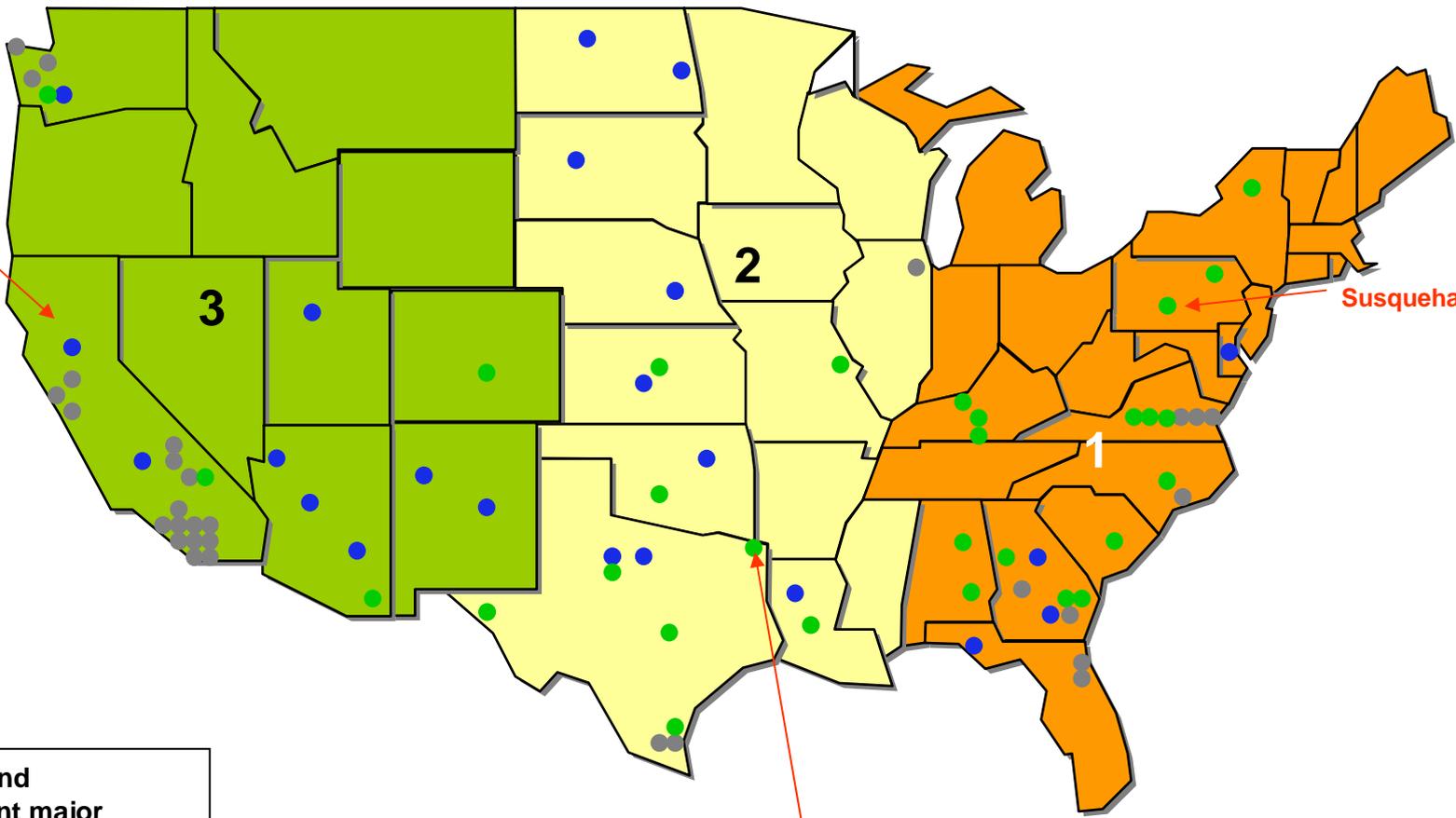
- JCSG Recommended
- Criteria 6-8 Analysis

- De-Conflicted with JCSGs
- De-Conflicted with MilDeps



Establish Three Regional Strategic Distribution Platforms

DDN: 11433



San Joaquin SDP

Susquehanna SDP

Red River SDP

Legend

Dots represent major DLA customer organizations receiving dedicated truck shipments.

- Navy and USMC
- Army
- Air Force



20.2.1 Consolidate Base-level Supply Functions (In the BRAC Scenario Tracking Tool)

DCN: 11433

Scenario	Drivers / Assumptions
<ul style="list-style-type: none"> ■ Consolidate base level supply, storage and distribution functions for DOD installations in high density geographical clusters at a joint facility ■ Recommended test case locations: <ul style="list-style-type: none"> - Hampton Roads, VA and Puget Sound, WA ■ Classes of Supply under consideration: <ul style="list-style-type: none"> - Class I Food (Prime Vendor) - Class II Extra Materials (Jackets, Tools, Admin Supplies) - Class III Fuels and Packaged POLs - Class IV Construction Materials (Wire, Lumber, Cement) - Class VI Comfort Materials (Candy, Cigarettes, Soap, Camera) - Class VIII Medical (Bandages, Syringes, Stretchers, Drugs) - Class IX Repair Parts (Battery, sparkplug, axle, cotter pins) - Class X Nation Building (Farm Tools, Tractor, Seed) 	<ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Establish a multi-service supply, storage and distribution system that enhances the strategic deployment and sustainment of expeditionary forces worldwide. Focus the analysis on creating joint activities in heavy (CONUS) DOD concentration areas (i.e., locations where more than one department is based and within close proximity)
Justification / Impact	Potential Conflicts
<ul style="list-style-type: none"> ■ Consolidates base level inventories ■ Reduce logistics infrastructure requirements...close and / or demolish unnecessary facilities ■ Personnel reductions / reassignments ■ Should achieve acceptable levels of service and CWT to customers at reduced cost to individual installations 	<ul style="list-style-type: none"> ■ Resistance of installation commanders ■ Initial incompatibility of service automated supply systems ■ Inter / Intra Service rivalries / loyalties / traditions impeding transformation and resisting joint approach to warfighter support ■ Regional Inventory Materiel Management (RIMM)

- | | | | |
|-----------------------------------|--|--|---|
| <input type="checkbox"/> Strategy | <input type="checkbox"/> Capacity Analysis / Data Verification | <input type="checkbox"/> JCSG Recommended | <input type="checkbox"/> De-Conflicted with JCSGs |
| <input type="checkbox"/> COBRA | <input type="checkbox"/> Military Value Analysis / Data Verification | <input type="checkbox"/> Criteria 6-8 Analysis | <input type="checkbox"/> De-Conflicted with MilDeps |

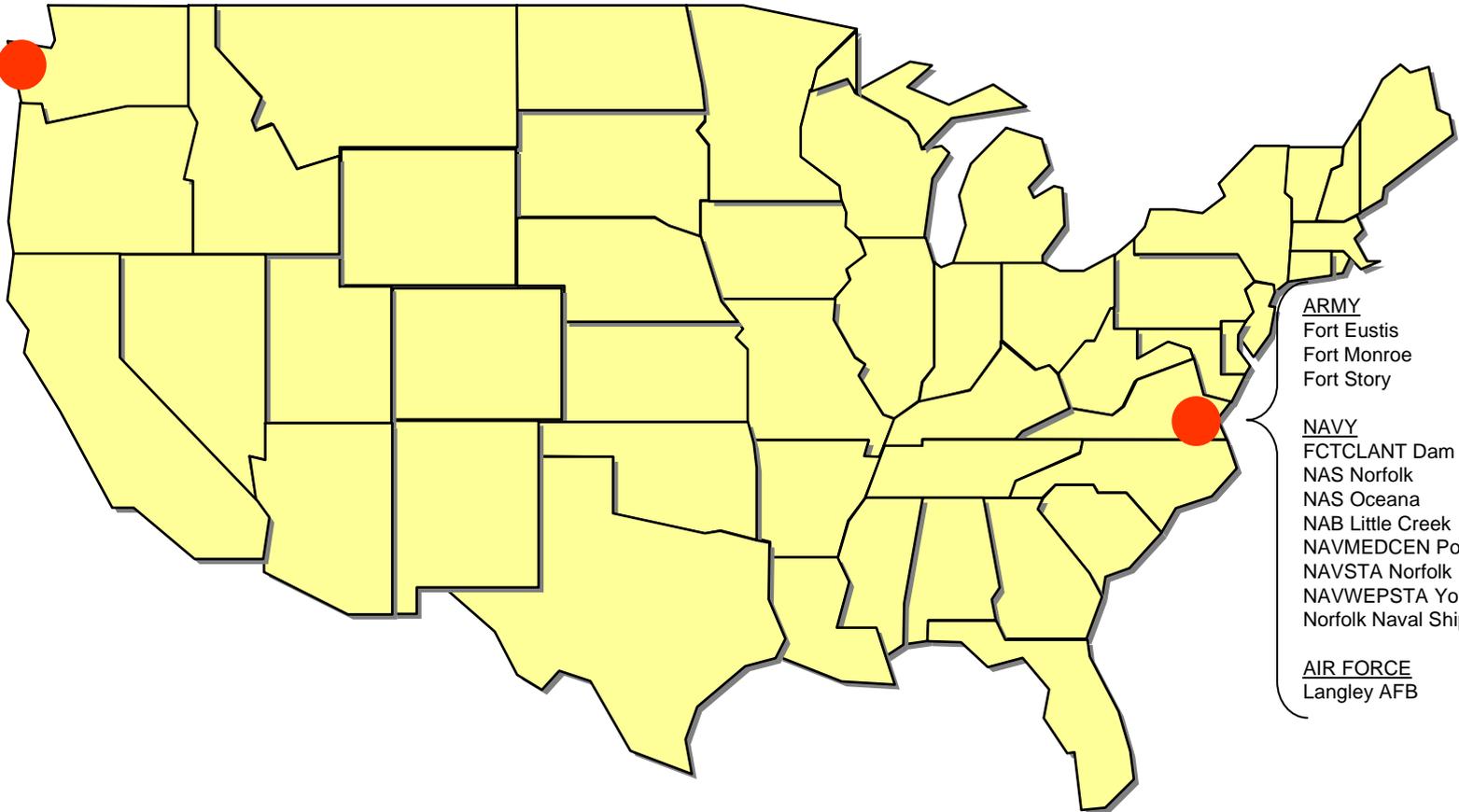


Consolidate Base-level Supply Functions

DCN: 11433



- ARMY
Fort Lewis
- NAVY
NAS Whidbey island
NAVSTA Everett
Naval Base Kitsap
NUWC Keyport
STRATWEPFAC Silverdale
- AIR FORCE
McChord AFB



- ARMY
Fort Eustis
Fort Monroe
Fort Story
- NAVY
FCTCLANT Dam Neck
NAS Norfolk
NAS Oceana
NAB Little Creek
NAVMEDCEN Portsmouth
NAVSTA Norfolk
NAVWEPSTA Yorktown
Norfolk Naval Shipyard
- AIR FORCE
Langley AFB

Test Cases: Hampton Roads, VA and Puget Sound, WA



20.2.2 Eliminate Base-level Supply Functions

DCN: 11433

Scenario	Drivers / Assumptions
<ul style="list-style-type: none"> ■ Eliminate base level supply, storage and distribution functions for most classes of supply in favor of expanded use of Government Commercial Purchase Card and / or Performance Based contracts ■ Classes of Supply under consideration: <ul style="list-style-type: none"> - Class I Food (Prime Vendor) - Class II Extra Materials (Jackets, Tools, Admin Supplies) - Class III Fuels and Packaged POLs - Class IV Construction Materials (Wire, Lumber, Cement) - Class VI Comfort Materials (Candy, Cigarettes, Soap, Camera) - Class VIII Medical (Bandages, Syringes, Stretchers, Drugs) - Class IX Repair Parts (Battery, sparkplug, axle, cotter pins) - Class X Nation Building (Farm Tools, Tractor, Seed) 	<ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Establish a multi-service supply, storage and distribution system that enhances the strategic deployment and sustainment of expeditionary forces worldwide. Focus the analysis on creating joint activities in heavy (CONUS) DOD concentration areas (i.e., locations where more than one department is based and within close proximity)
Justification / Impact	Potential Conflicts
<ul style="list-style-type: none"> ■ Eliminates base level inventories for most classes of supply ■ Eliminates need to maintain logistics infrastructure...close and / or demolish facilities ■ Personnel reductions / reassignments ■ Commercial providers with incentive to deliver same or better levels of service within acceptable CWT for customers 	<ul style="list-style-type: none"> ■ Determination of acceptable CWT for on-base customers ■ Cooperative vendor base ■ GCPC used IAW regulation to avoid actual or perceived misuse resulting in alienating commercial vendors

- Strategy
- COBRA

- Capacity Analysis / Data Verification
- Military Value Analysis / Data Verification

- JCSG Recommended
- Criteria 6-8 Analysis

- De-Conflicted with JCSGs
- De-Conflicted with MilDepts



Base-level Supply Functions Considerations

DCN: 11433

Data for Hampton Roads / Puget Sound

Have data:

- Langley AFB
- Fort Monroe
- Fort Eustis
- NAS Oceana
- McChord AFB
- Fort Lewis
- NAS Whidbey Island

Do Not have data:

- FCTCLANT Dam Neck (MilVal)
- (Neither)
- NAVWEPSTA Yorktown (MilVal)
- Cheatham Annex (Neither)
- NAB Little Creek (MilVal)
- NAVMEDCEN Portsmouth (MilVal)
- NAVSTA Norfolk (MilVal)
- Fort Story (rolled under Fort Eustis)
- NAVSTA Everett (MilVal)
- Naval Base Kitsap (Neither)
- NUWC Keyport (MilVal)



Base-level Supply Functions Considerations

DCN: 11433

- ❑ Where to go next...
- ❑ Must have Capacity and MilVal for Optimization
- ❑ Supplemental Data call needed to complete analysis
- ❑ Thoughts...
 - ❑ Most potential in the Public works, office supplies and repair parts area for some bases. Trade-off between consolidating office supplies and customers going out with Government Purchase Card.
 - ❑ Large difference between Services' base operating philosophy. Traditional command structure vs. tenant.
 - ❑ Do not see closing any bases, but there is potential to become more efficient.



21.1.1 Privatize Wholesale Distribution

DCN: 11433

<p style="text-align: center;">Scenario</p> <ul style="list-style-type: none"> ■ Privatize Remaining Distribution (Transportation) functions at all Defense Distribution Depots in CONUS ■ Process and Control of Incoming and Outgoing Truck Traffic ■ Traffic Management Services (Discrepancies, Records, Reports, Planning, Small Parcel) ■ Freight Terminal Operations (Loading ■ Transportation of Materiel 	<p style="text-align: center;">Drivers / Assumptions</p> <ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Privatize the Wholesale Storage and Distribution processes from DOD activities that perform these functions
<p style="text-align: center;">Justification / Impact</p> <ul style="list-style-type: none"> ■ Reduces Distribution Infrastructure ■ Reductions in DLA personnel, Contracts, and Equipment ■ Enhances flexibility in Transportation Management and Planning ■ Acceptable CWT ■ Incorporates Best Business Practices ■ Reduces Costs 	<p style="text-align: center;">Potential Conflicts</p> <ul style="list-style-type: none"> ■ Risk during startup ■ Difficult fall back ■ Defense Transportation Coordination Initiative (DTCI)

- Strategy
- COBRA

- Capacity Analysis / Data Verification
- Military Value Analysis / Data Verification

- JCSG Recommended
- Criteria 6-8 Analysis

- De-Conflicted with JCSGs
- De-Conflicted with MilDeps



21.2.1 Privatize Storage and Distribution on Specific Commodities (Tires)

DCN: 11433

<p style="text-align: center;">Scenario</p> <ul style="list-style-type: none"> ■ Privatize the Storage, Distribution, Repair and Disposal Services on all tires 	<p style="text-align: center;">Drivers / Assumptions</p> <ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Privatize the Wholesale Storage and Distribution processes from DOD activities that perform these functions
<p style="text-align: center;">Justification / Impact</p> <ul style="list-style-type: none"> ■ Reduction in Logistics infrastructure ■ Reductions in Personnel (Dollars) ■ To provide same or better levels of service to customers 	<p style="text-align: center;">Potential Conflicts</p> <ul style="list-style-type: none"> ■ Limited number on qualified vendors ■ Risk during contractor learning curve

Strategy
 COBRA

Capacity Analysis / Data Verification
 Military Value Analysis / Data Verification

JCSG Recommended
 Criteria 6-8 Analysis

De-Conflicted with JCSGs
 De-Conflicted with MilDeps



21.2.2 Privatize Storage and Distribution on Specific Commodities (Compressed Gases)

DCN: 11433

<p style="text-align: center;">Scenario</p> <ul style="list-style-type: none"> ■ Privatize the Storage, Distribution, Repair and Disposal Services on all compressed gases (excludes ODS) 	<p style="text-align: center;">Drivers / Assumptions</p> <ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Privatize the Wholesale Storage and Distribution processes from DOD activities that perform these functions
<p style="text-align: center;">Justification / Impact</p> <ul style="list-style-type: none"> ■ Reduction in Logistics infrastructure ■ Reductions in Personnel (Dollars) ■ To provide same or better levels of service to customers 	<p style="text-align: center;">Potential Conflicts</p> <ul style="list-style-type: none"> ■ Limited number on qualified vendors ■ Risk during contractor learning curve ■ MILSPEC complexity

Strategy
 COBRA

Capacity Analysis / Data Verification
 Military Value Analysis / Data Verification

JCSG Recommended
 Criteria 6-8 Analysis

De-Conflicted with JCSGs
 De-Conflicted with MilDeps



21.2.3 Privatize Storage and Distribution on Specific Commodities (Packaged POL Products) DCN: 1433

<h3>Scenario</h3> <ul style="list-style-type: none"> ■ Privatize the Storage, Distribution, Repair and Disposal Services on all packaged POL 	<h3>Drivers / Assumptions</h3> <ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Privatize the Wholesale Storage and Distribution processes from DOD activities that perform these functions
<h3>Justification / Impact</h3> <ul style="list-style-type: none"> ■ Reduction in Logistics infrastructure ■ Reductions in Personnel (Dollars) ■ To provide same or better levels of service to customers 	<h3>Potential Conflicts</h3> <ul style="list-style-type: none"> ■ Limited number on qualified vendors ■ Risk during contractor learning curve ■ MILSPEC complexity

Strategy
 COBRA

Capacity Analysis / Data Verification
 Military Value Analysis / Data Verification

JCSG Recommended
 Criteria 6-8 Analysis

De-Conflicted with JCSGs
 De-Conflicted with MilDeps



Scenario Proposals

Col King



Risk vs. Reward Assessment DCN: 11433

- Engaged LMI to assist in multidimensional assessment of scenarios
 - Risk to warfighter support
 - Time to implement
 - Investment and savings \$
- Propose to use panel of experts
 - Will apply principles of Analytic Hierarchy Process
 - Supported by ExpertChoice software, hardware, and expertise



Risk vs. Reward Assessment DCN: 11433

■ Timeline

- Begin: 12 Oct 04
- Identify risk factors: 15 Oct 04
- Complete questions to be asked: 22 Oct 04
- Panel meet: 5 Nov 04
- Prepare presentation of results for senior leadership: 12 Nov 04
- Document procedure and results: 19 Nov 04



Transformational Options (Mr. Wynne's Memorandum dated 8 Sep 04)

DCN: 11433

- Transformational Option #22
 - Migrate oversight and management of all Service DLRs to a single DOD agency / activity

- Transformational Option #57
 - Establish a single Inventory Control Point (ICP) within each Service or consolidate into joint ICPs



Scenarios

DCN: 11433

- 22.1 DLR Management Consolidation
 - 22.1.1 Transfer Service DLRs to DLA
 - 22.1.2 Transfer Service ICPs to DLA (include DLRs)
 - 22.1.3 Transfer Service ICPs to DLA and realign by mission area (include DLRs)

- 57.1 ICP Consolidation
 - 57.1.1 Consolidate Army ICPs in a single location
 - 57.1.2 Consolidate NAVICP in a single location
 - 57.1.3 Consolidate Air Force ICPs in a single location
 - 57.1.4 Consolidate USMC ICP with Army ICP
 - 57.1.5 Consolidate USMC ICP with DLA ICP
 - 57.1.6 Consolidate DLA ICPs in a single location
 - 57.1.7 Consolidate Service and DLA ICPs (minimize excess capacity)



22.1.1 Transfer Service DLRs to DLA

DCN: 11433

<p style="text-align: center;">Scenario</p> <ul style="list-style-type: none"> ■ Transfer management of depot level reparable (DLRs) from Military Services to Defense Logistics Agency (DLA) ■ Program would be executed in phases ■ First phase would encompass transfer of less complex DLRs from the Military Services ■ Follow-on phases would transfer increasingly complex DLRs 	<p style="text-align: center;">Drivers / Assumptions</p> <ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Consider migrating all Service DLRs to the oversight and management of a single DOD agency / activity (DLA) ■ Focused Logistics: Changing nature of warfare dictates need for network centric approach to logistics ■ Excess Capacity: GAO Report B-276977 (Aug 97) estimates significant savings associated with ICP consolidation
<p style="text-align: center;">Justification / Impact</p> <ul style="list-style-type: none"> ■ Consolidates DLR management functions under DLA ■ Reduction in overhead and infrastructure 	<p style="text-align: center;">Potential Conflicts</p> <ul style="list-style-type: none"> ■ Military Service item managers may not move (loss of intellectual capital) ■ Hinder efforts to link all echelons of supply performance to weapons system readiness ■ DLA item managers lack experience in managing reparable items ■ Current DLA IT systems do not have capability to manage reparable

- Strategy
- COBRA

- Capacity Analysis / Data Verification
- Military Value Analysis / Data Verification

- JCSG Recommended
- Criteria 6-8 Analysis

- De-Conflicted with JCSGs
- De-Conflicted with MilDeps



22.1.2 Transfer Service ICPs to DLA

DCN: 11433

<p style="text-align: center;">Scenario</p> <ul style="list-style-type: none"> ■ Transfer Army, Navy, Air Force and Marine ICPs to DLA (consolidate in-place) ■ Consolidate and streamline common ICP functions (contracting, budgeting, policy and procedure, etc.) 	<p style="text-align: center;">Drivers / Assumptions</p> <ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Consider migrating all Service DLRs to the oversight and management of a single DOD agency / activity (DLA) ■ Focused Logistics: Changing nature of warfare dictates need for network centric approach to logistics ■ Excess Capacity: GAO Report B-276977 (Aug 97) estimates significant savings associated with ICP consolidation
<p style="text-align: center;">Justification / Impact</p> <ul style="list-style-type: none"> ■ Management and oversight of ICPs (include DLRs) transfers to DLA ■ Facilitate OSD migration to single ERP solution through standardization of business processes, policy and procedures ■ Facilitate Joint alignment by more closely linking secondary item support to the operational combatant commander ■ Savings achieved through consolidation of ICP functions, increased electronic networking, and business process improvements 	<p style="text-align: center;">Potential Conflicts</p> <ul style="list-style-type: none"> ■ Resource allocation by appropriation account ■ Reduce ability of ICPs to provide tailored support to their customers ■ Time / cost to integrate systems, policy / procedures, and train workforce

- Strategy
- COBRA

- Capacity Analysis / Data Verification
- Military Value Analysis / Data Verification

- JCSG Recommended
- Criteria 6-8 Analysis

- De-Conflicted with JCSGs
- De-Conflicted with MilDeps



22.1.3 Transfer Service ICPs to DLA (Realign By Mission Area) DCN 11433

<p style="text-align: center;">Scenario</p> <ul style="list-style-type: none"> ■ Transfer Army, Navy, Air Force and Marine ICPs to DLA (consolidate in-place) ■ Realign ICPs by mission area <ul style="list-style-type: none"> • Aviation Support • Ground Support • Maritime Support • Communications-Electronics Support • Troop Support ■ Consolidate and streamline common ICP functions (contracting, budgeting, policy and procedure, etc.) 	<p style="text-align: center;">Drivers / Assumptions</p> <ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Consider migrating all Service DLRs to the oversight and management of a single DOD agency / activity (DLA) ■ Focused Logistics: Changing nature of warfare dictates need for network centric approach to logistics ■ Excess Capacity: GAO Report B-276977 (Aug 97) estimates significant savings associated with ICP consolidation
<p style="text-align: center;">Justification / Impact</p> <ul style="list-style-type: none"> ■ Management and oversight of ICPs (include DLRs) transfers to DLA ■ Reparable and consumables items managed in common inventory management systems (improved weapon system integration) ■ Facilitates SCM initiatives such as multi-echelon requirements determination ■ Savings achieved through consolidation of ICP functions, increased electronic networking, and business process improvements 	<p style="text-align: center;">Potential Conflicts</p> <ul style="list-style-type: none"> ■ Risk associated with disruption of existing IMM / PM relationships ■ Resource allocation by appropriation account ■ Time / cost to integrate systems, policy / procedures, and train workforce ■ Assimilating cultural and mission differences between Services

- Strategy
- COBRA

- Capacity Analysis / Data Verification
- Military Value Analysis / Data Verification

- JCSG Recommended
- Criteria 6-8 Analysis

- De-Conflicted with JCSGs
- De-Conflicted with MilDeps



57.1.1 Consolidate Army ICPs (Single Location) DCN: 11433

Scenario	Drivers / Assumptions
<ul style="list-style-type: none"> ■ Consolidate all Army ICPs (AMCOM, TACOM, and CECOM) into a single location ■ Establish a single, integrated, collocated Materiel Management Center ■ Life Cycle Management Centers will provide readiness support, matrix support to PEOs and industrial base management to a single location 	<ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Establish a single inventory control point (ICP within each Service or consolidate into joint ICPs) ■ Focused Logistics: Changing nature of warfare dictates need for network centric approach to logistics ■ Excess Capacity: GAO Report B-276977 (Aug 97) estimates significant savings associated with ICP consolidation
Justification / Impact	Potential Conflicts
<ul style="list-style-type: none"> ■ Provides a single face to customers for all materiel requirements ■ Enables standardization of business processes, policy and procedures ■ Provides opportunities for improved customer support and cost efficiencies ■ Gain some economies of scale in functions such as budgeting, funding, policy and procedures, etc. ■ Establishes foundational framework for a DOD ICP 	<ul style="list-style-type: none"> ■ Military Service item managers may not move ((loss of intellectual capital) ■ Assimilating cultural differences among commands ■ R&D center may not be located with Program / Project managers they support. ■ Customer service degradation during transition ■ Availability of MILCON dollars for facility construction

- Strategy
- COBRA

- Capacity Analysis / Data Verification
- Military Value Analysis / Data Verification

- JCSG Recommended
- Criteria 6-8 Analysis

- De-Conflicted with JCSGs
- De-Conflicted with MilDeps



57.1.2 Consolidate NAVICP (Single Location)

DCN: 11433

<h2 style="text-align: center;">Scenario</h2>	<h2 style="text-align: center;">Drivers / Assumptions</h2>
<h2 style="text-align: center;">Justification / Impact</h2> <ul style="list-style-type: none"> ■ Consolidate NAVICP (Philadelphia and Mechanicsburg) into a single location 	<ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Establish a single inventory control point (ICP within each Service or consolidate into joint ICPs ■ Focused Logistics: Changing nature of warfare dictates need for network centric approach to logistics ■ Excess Capacity: GAO Report B-276977 (Aug 97) estimates significant savings associated with ICP consolidation
<ul style="list-style-type: none"> ■ Provides a single face to customers for all materiel requirements ■ Enables standardization of business processes, policy and procedures ■ Provides opportunities for improved customer support and cost efficiencies ■ Gain some economies of scale in functions such as budgeting, funding, policy and procedures, etc. ■ Establishes foundational framework for a DOD ICP 	<h2 style="text-align: center;">Potential Conflicts</h2> <ul style="list-style-type: none"> ■ Military Service item managers may not move (loss of intellectual capital) ■ Automated systems integration ■ Customer service degradation during transition ■ Availability of MILCON dollars for facility construction

- Strategy
- COBRA

- Capacity Analysis / Data Verification
- Military Value Analysis / Data Verification

- JCSG Recommended
- Criteria 6-8 Analysis

- De-Conflicted with JCSGs
- De-Conflicted with MilDeps



57.1.3 Consolidate Air Force ICPs (Single Location) DCN 11433



Scenario

- Consolidate all Air Force (Warner Robbins ALC, Tinker ALC, Hill ALC) ICPs into a single location

Drivers / Assumptions

- Principle: Supply, Service and Maintain
- Transformational Option: Establish a single inventory control point (ICP within each Service or consolidate into joint ICPs)
- Focused Logistics: Changing nature of warfare dictates need for network centric approach to logistics
- Excess Capacity: GAO Report B-276977 (Aug 97) estimates significant savings associated with ICP consolidation

Justification / Impact

- Provides a single face to customers for all materiel requirements
- Enables standardization of business processes, policy and procedures
- Provides opportunities for improved customer support and cost efficiencies
- Gain some economies of scale in functions such as budgeting, funding, policy and procedures, etc.
- Establishes foundational framework for a DOD ICP

Potential Conflicts

- Military Service item managers may not move (loss of intellectual capital)
- Shift of ICP management to a single Logistics Operations hub from current decentralized activities
- Minor materiel management reassignment – negligible PE moves
- Loss of synergy associated with co-location of ICP and engineering / tech services support
- Customer service degradation during transition
- Availability of MILCON dollars for facility construction

- Strategy
- COBRA

- Capacity Analysis / Data Verification
- Military Value Analysis / Data Verification

- JCSG Recommended
- Criteria 6-8 Analysis

- De-Conflicted with JCSGs
- De-Conflicted with MilDeps



57.1.4 Consolidate USMC ICP and Army ICPs (Single Location) DCM: 11483

<h3 style="text-align: center;">Scenario</h3> <ul style="list-style-type: none"> ■ Consolidate all Army ICPs (AMCOM, TACOM, and CECOM) and USMC ICP (Albany) into a single location. ■ Establish a single, integrated, co-located, Materiel Management Center ■ Life Cycle Management Centers will provide readiness support, matrix support to PEOs and industrial base management from a single location 	<h3 style="text-align: center;">Drivers / Assumptions</h3> <ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Consolidate Service ICPs. Consolidation will improve performance while also reducing costs ■ Focused Logistics: Changing nature of warfare dictates need for network centric approach to logistics ■ Excess Capacity: GAO Report B-276977 (Aug 97) estimates significant savings associated with ICP consolidation
<h3 style="text-align: center;">Justification / Impact</h3> <ul style="list-style-type: none"> ■ Provides a single face to customers for all materiel requirements ■ Enables standardization of business processes, policy and procedures ■ Provides opportunities for improved customer support and cost efficiencies ■ Gain some economies of scale in functions such as budgeting, funding, policy and procedures, etc. ■ Establishes foundational framework for a DOD ICP 	<h3 style="text-align: center;">Potential Conflicts</h3> <ul style="list-style-type: none"> ■ Military Service item managers may not move (loss of intellectual capital) ■ Assimilating cultural differences among commands / Services ■ Specific weapon system readiness concerns with regard to PM / IMM organizational separation. R&D center may not be located with Program / Project managers they support. ■ Operational commanders and ICP managers under different command and control may result in less responsive support ■ Customer service degradation during transition ■ Availability of MILCON dollars for facility construction

- | | | | |
|-----------------------------------|--|--|---|
| <input type="checkbox"/> Strategy | <input type="checkbox"/> Capacity Analysis / Data Verification | <input type="checkbox"/> JCSG Recommended | <input type="checkbox"/> De-Conflicted with JCSGs |
| <input type="checkbox"/> COBRA | <input type="checkbox"/> Military Value Analysis / Data Verification | <input type="checkbox"/> Criteria 6-8 Analysis | <input type="checkbox"/> De-Conflicted with MilDeps |



57.1.5 Consolidate USMC ICP and DLA ICPs (Single Location) DCN: 14433



Scenario

- Consolidate all DLA ICPs (DSCC, DSCR, DSCP) and USMC Albany into a single location.
- Establish a single, integrated, co-located, Materiel Management Center
- Life Cycle Management Centers will provide readiness support, matrix support to PEOs and industrial base management from a single location

Drivers / Assumptions

- Principle: Supply, Service and Maintain
- Transformational Option: Consolidate Service ICPs. Consolidation will improve performance while also reducing costs
- Focused Logistics: Changing nature of warfare dictates need for network centric approach to logistics
- Excess Capacity: GAO Report B-276977 (Aug 97) estimates significant savings associated with ICP consolidation

Justification / Impact

- Provides a single face to customers for all materiel requirements
- Enables standardization of business processes, policy and procedures
- Provides opportunities for improved customer support and cost efficiencies
- Gain some economies of scale in functions such as budgeting, funding, policy and procedures, etc.
- Establishes foundational framework for a DOD ICP

Potential Conflicts

- Military Service item managers may not move (loss of intellectual capital)
- Assimilating cultural differences among commands/Services
- Operational commanders and ICP managers under different command and control may result in less responsive support
- Availability of MILCON dollars for facility construction
- DLA item managers lack experience in managing reparable items
- Current DLA IT systems do not have capability to manage reposables

Strategy
 COBRA

Capacity Analysis / Data Verification
 Military Value Analysis / Data Verification

JCSG Recommended
 Criteria 6-8 Analysis

De-Conflicted with JCSGs
 De-Conflicted with MilDeps



57.1.6 Consolidate DLA ICPs (Single Location) DCN: 11433



<h2 style="text-align: center;">Scenario</h2>	<h2 style="text-align: center;">Drivers / Assumptions</h2>
<h2 style="text-align: center;">Justification / Impact</h2> <ul style="list-style-type: none"> ■ Consolidate all DLA ICPs (DSCC, DSCR, DSCP) into a single location 	<ul style="list-style-type: none"> ■ Principle: Supply, Service and Maintain ■ Transformational Option: Establish a single inventory control point (ICP within each Service or consolidate into joint ICPs ■ Focused Logistics: Changing nature of warfare dictates need for network centric approach to logistics ■ Excess Capacity: GAO Report B-276977 (Aug 97) estimates significant savings associated with ICP consolidation
<ul style="list-style-type: none"> ■ Provides a single face to customers for all materiel requirements ■ Enables standardization of business processes, policy and procedures ■ Provides opportunities for improved customer support and cost efficiencies ■ Gain some economies of scale in functions such as budgeting, funding, policy and procedures, etc. ■ Establishes foundational framework for a DOD ICP 	<h2 style="text-align: center;">Potential Conflicts</h2> <ul style="list-style-type: none"> ■ Military Service item managers may not move (loss of intellectual capital) ■ Initial loss of efficiency due to loss of expertise ■ Risk of having all item management accomplished at one location ■ Customer service degradation during transition ■ Availability of MILCON dollars for facility construction

- | | | | |
|-----------------------------------|--|--|--|
| <input type="checkbox"/> Strategy | <input type="checkbox"/> Capacity Analysis / Data Verification | <input type="checkbox"/> JCSG Recommended | <input type="checkbox"/> De-Conflicted with JCSGs |
| <input type="checkbox"/> COBRA | <input type="checkbox"/> Military Value Analysis / Data Verification | <input type="checkbox"/> Criteria 6-8 Analysis | <input type="checkbox"/> De-Conflicted with MilDepts |



57.1.7 Consolidate Service and DLA ICPs

DCN: 11433



Scenario

- Consolidate all Service and DLA ICPs into a reduced number of locations minimizing excess capacity.

Drivers / Assumptions

- Principle: Supply, Service and Maintain
- Transformational Option: Establish a single inventory control point (ICP within each Service or consolidate into joint ICPs
- Focused Logistics: Changing nature of warfare dictates need for network centric approach to logistics
- Excess Capacity: GAO Report B-276977 (Aug 97) estimates significant savings associated with ICP consolidation

Justification / Impact

- Provides a single face to customers for all materiel requirements
- Enables standardization of business processes, policy and procedures
- Provides opportunities for improved customer support and cost efficiencies
- Gain some economies of scale in functions such as budgeting, funding, policy and procedures, etc.
- Establishes foundational framework for a DOD ICP

Potential Conflicts

- Military Service item managers may not move (loss of intellectual capital)
- Risk associated with disruption of existing IMM / PM relationships
- Time / cost to integrate systems, procedures, processes and train workforce
- Customer service degradation during transition

- Strategy
- COBRA

- Capacity Analysis / Data Verification
- Military Value Analysis / Data Verification

- JCSG Recommended
- Criteria 6-8 Analysis

- De-Conflicted with JCSGs
- De-Conflicted with MilDeps



Scenario Proposals

CAPT Coderre



62.1.1 Privatization of Household Goods

DCN: 11433

- Privatize Household Goods and Personal Property shipping function. Source: BENS
- Discussing deletion with OSD
 - Draft memorandum to that effect in process
- MTMC undergoing self-transformation
 - Reengineered DOD “Families First” Program “Phase I” is current program
 - ❑ Based on studies from 3 pilot programs
 - ❑ Full Service Management Program (FSMP) Pilot had lower customer satisfaction and was more costly than legacy program
 - ❑ Minimum infrastructure involved
- HHG would be a new functional area possibly entailing:
 - New Military Value and Capacity questions
 - New scoring plan chopped through OSD and DAS
 - New Data Call and clarification processes
 - New Military Value and Capacity Analysis



Taskings and Way Ahead

Col Neeley



Way Ahead

DCN: 11433

15 Oct – *ISG Meeting (1300), RDML Thompson attends, Pentagon (3D1019)*

26 Oct – *JCSG Meeting (1300 – 1500), J4 Conference Room / 2C836*

1 Nov – *Vast majority of scenarios declared by JCSGs and MilDeps*

8 Nov – *Estimated completion of scenario de-confliction. Begin release of scenario specific data calls.*

15 Nov – *JCSGs brief the status of their scenario analysis to the ISG. JCSGs should have completed all of the analysis they could without scenario specific data.*

20 Dec 04 – *JCSG candidate recommendations due to the ISG*

20 Jan 05 – *MilDep candidate recommendations due to the ISG for information and conflict identification only, not approval*

25 Feb – *ISG completes review of candidate recommendations*

25 Feb - 25 Mar – *IEC review of candidate recommendations*

25 Mar - 25 Apr – *Report writing*

25 Apr - 6 May – *Report coordination*

16 May – *Secretary transmits recommendations to Commission*



Proposal / Scenario Methodology

DCN: 11433



20.1.1.3.5u.S&S-0003

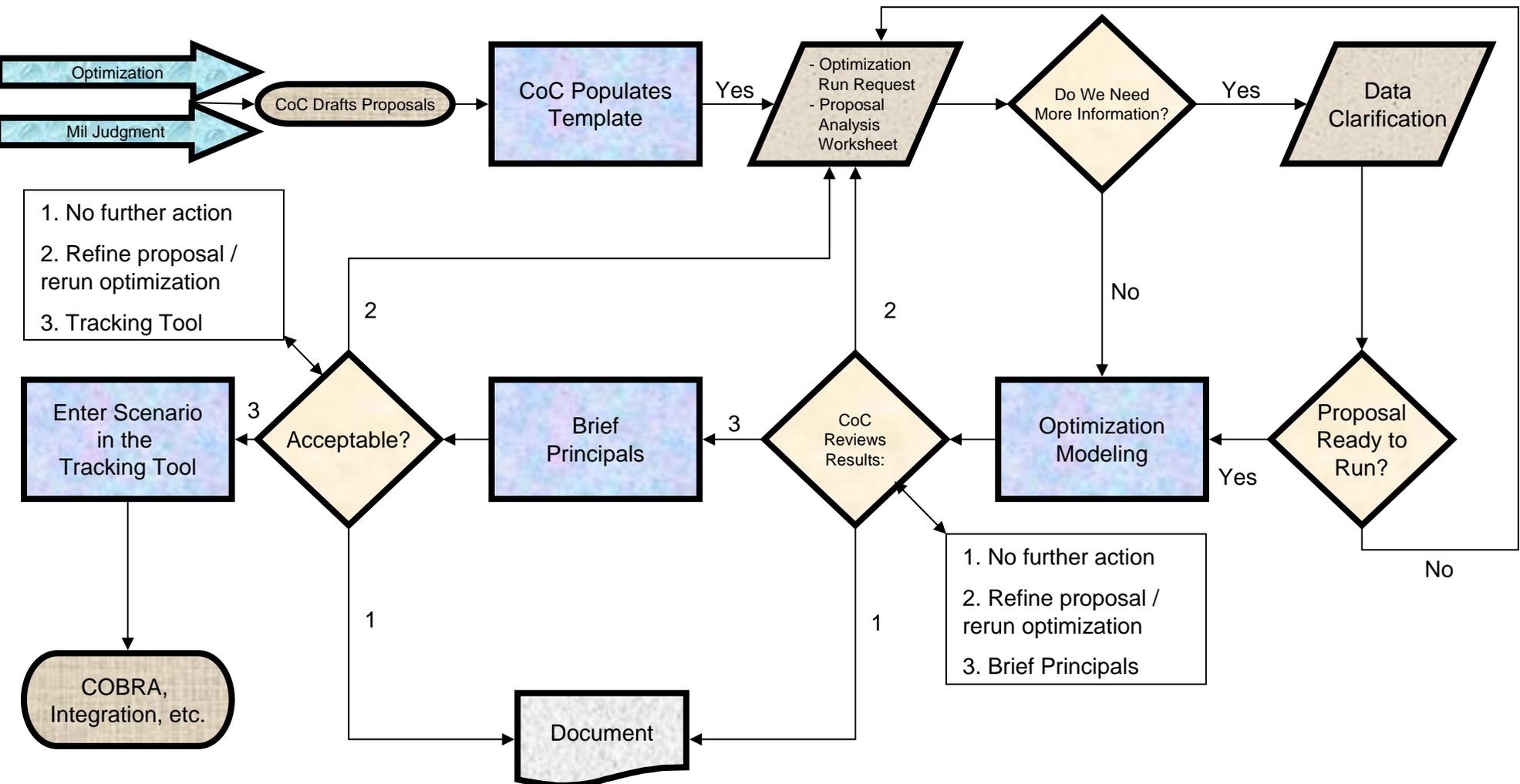


Backup Charts



Scenario Process Flow Diagram

DCN: 11433





Proposed Scenario Title

DCN: 11433



<p style="text-align: center;">Scenario</p> <ul style="list-style-type: none"> ■ Item 1 	<p style="text-align: center;">Drivers / Assumptions</p> <ul style="list-style-type: none"> ■ Principles: ■ Transformational Options: ■ Other:
<p style="text-align: center;">Justification / Impact</p> <ul style="list-style-type: none"> ■ Item 1 ■ Item 2 	<p style="text-align: center;">Potential Conflicts</p> <ul style="list-style-type: none"> ■ Item 1 ■ Item 2

Strategy

COBRA

Capacity Analysis / Data Verification

Military Value Analysis / Data Verification

JCSG Recommended

Criteria 6-8 Analysis

De-Conflicted with JCSGs

De-Conflicted with MilDeps



Col King Back-Up



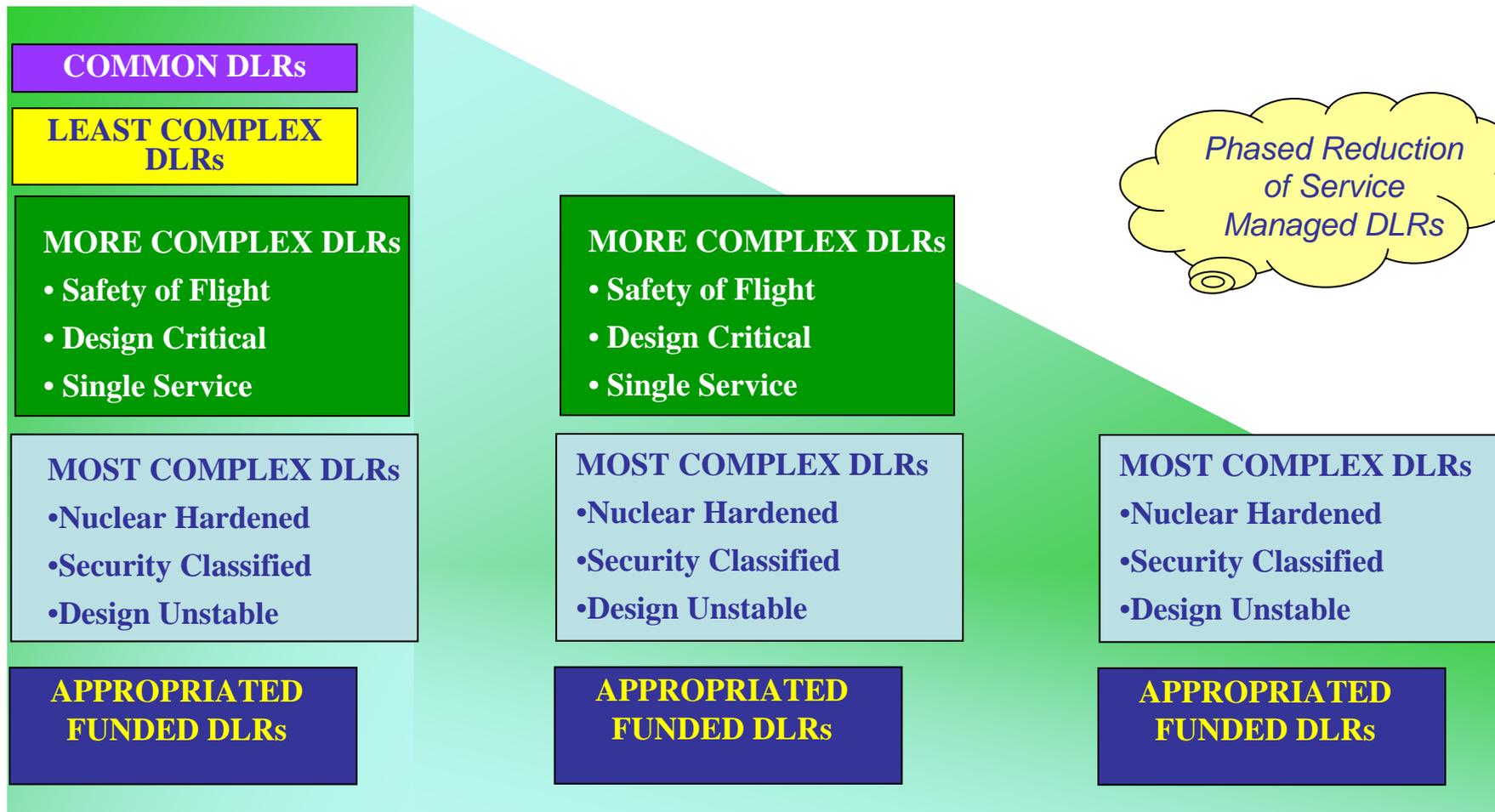
22.1.3 Transfer Service DLRs to DLA

DCN: 11433

All DLRs



Service Retained





Item Management Codes

DCN: 11433

- Identifies:
 - Items to be managed by DLA / GSA
 - Items retained for management by Military Services
 - Design Unstable
 - Nuclear Hardened Items
 - Major End Items
- Based on DOD criteria (DOD 4100.39-M)
- DLIS providing percentage of reparable items by category



Item Management Codes

DCN: 11433

- A – Nuclear Hardened Items
 - ✓ Specifically designed to be nuclear hardened against the effects of electromagnetic pulse, radiation thermal (heat), blast, shock, etc.
- B – Special Waivers
 - ✓ Approved by DUSD
- C – Engineer/Design/Critical
 - ✓ Complexity and system criticality necessitates intensive management
- D – Major End Item of Equipment
 - ✓ Subject to continued centralized item management and asset control
- E – Repairables
 - ✓ Repair of unserviceables considered by IM in satisfying requirements
- F – Single Agency
 - ✓ Assigned to single agency for integrated management
- H – National Vital Program
 - ✓ Requires extraordinary management control techniques and close surveillance for execution of nationally vital program



Item Management Codes

DCN: 11433

- J – Design Unstable
 - ✓ Highly subject to design change of item itself or replacement of item through modification of next high assembly
- L – Fabricated or Reclaimed Items
 - ✓ Fabricated at military industrial activity for local use or direct issue to customers
- N – Modification/Alteration/Conversion Sets or Kits Intended for One-Time user
 - ✓ Replenishment or replacement not contemplated
- P – Nuclear Propulsion Items
 - ✓ Items used in nuclear power plans or associated systems requiring stringent technical or quality control
- S – Security Classified Items
 - ✓ Requiring special management because of security classification
- W – Foreign Military Sales Only
 - ✓ Items used only by Security Assistance Programs (FMS unique)
- Z – Integrated Management
 - ✓ Relinquishment of Military Service management to an IMM for management



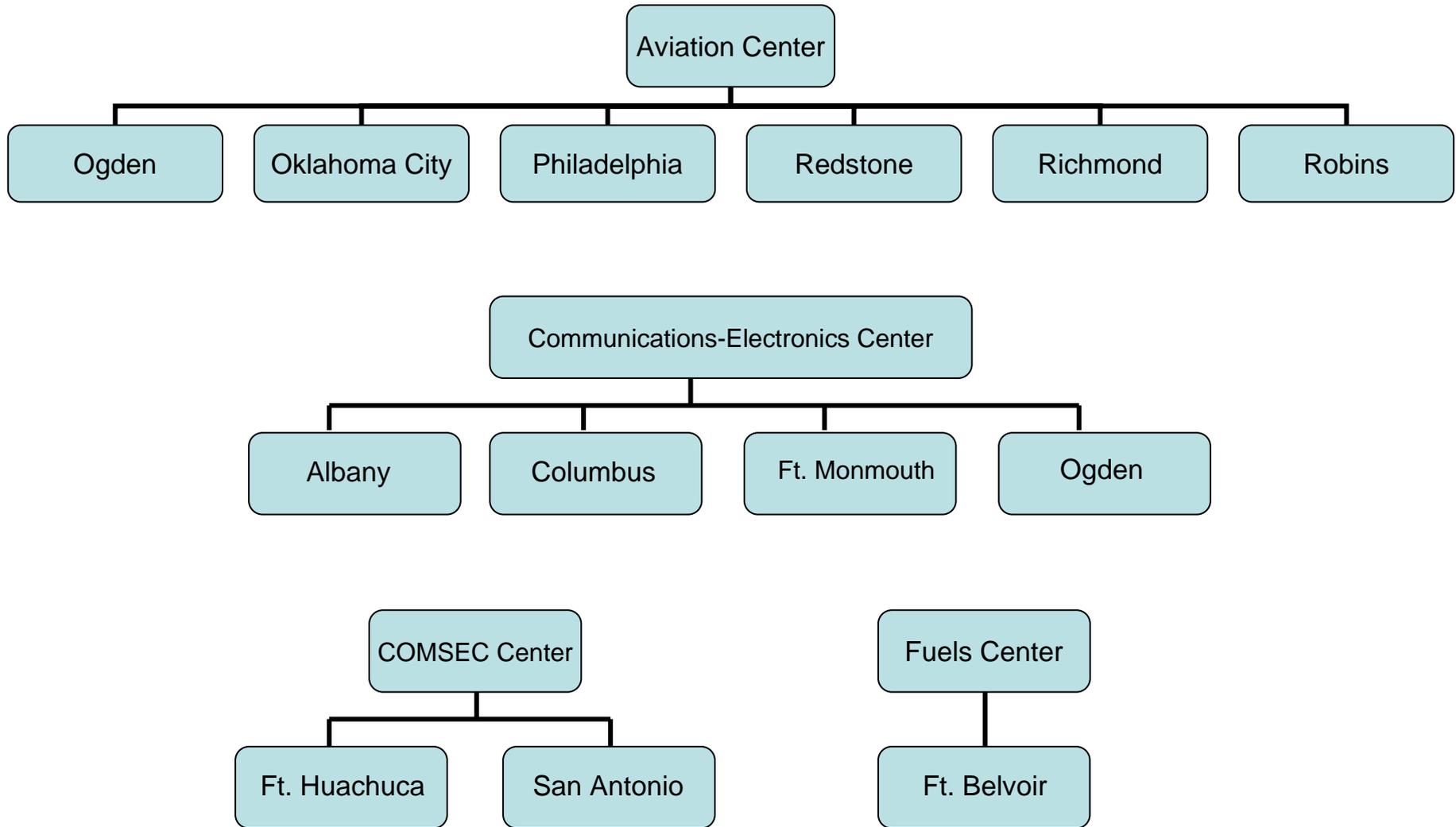
Transfer Service ICPs to DLA (Realign by Mission Area)

DCN: 11433

- Aviation Center
- Ground Support Center
- Marine Support Center
- Communications-Electronics Center
- Troop Support Center
- Fuels Center
- COMSEC Center



Transfer Service ICPs to DLA (Realign by Mission Area) DCN: 11433





Transfer Service ICPs to DLA (Realign by Mission Area) DCN: 11433

