

S&S JCSG Offsite Minutes

13 Dec 04

Principal Attendees: VADM Lippert (S&S Chair; DLA), LTG Christianson (S&S Principal, Army), Lt Gen Wetekam (S&S Principal, Air Force) RDML Thompson (S&S Principal, Navy), CAPT Wright (Alternate, Navy), BGEN Usher (S&S Principal, Marines), Mr. Aimone (S&S Alternate, Air Force), Lt Gen McNabb (S&S Principal, Joint Staff, J4), Ms. Kinney (Alternate, Marines).

Other Attendees: Col Neeley (S&S Exec Sec), CDR Goodwin (S&S XO), CAPT Coderre (S&S JCSG Navy lead), Col King (S&S JCSG Air Force Lead), Col Bockenstedt (S&S JCSG Army Lead), Col Coe (S&S JCSG Prospective Army Lead), Col Faulkner (S&S JCSG Joint Staff Lead), Mr. Meconnahey (S&S JCSG COBRA Team Lead), LtCol Truba (S&S JCSG Marine Lead), Major Champagne (S&S JCSG Data Integration Team Lead), Mr. Williams (S&S JCSG Army Team), Mr. Galloway (DoD IG), Mr. Meyer (OSD), Capt Rivera (S&S JCSG Marine Team), Mr. O'Rourke (S&S DLA BRAC Team), CDR Larcher S&S JCSG Navy Team)

- VADM Lippert commenced the offsite at 0835. He encouraged full and open comments today to ensure progress on all issues. The goal is still to meet the 20th December deadline for submission of candidate recommendations.
- VADM Lippert noted for the group that since much of the COBRA data is still outstanding, the group cannot finish what it needed to do today so the S&S group will attempt to finalize at the next meeting on Thursday.
- VADM Lippert asked Joe Meconnahey to report which data remained outstanding. Each service's delinquent data status was received.
- VADM Lippert noted that each service should press and noted he was concerned that the suspense deadline may be missed.
- Col Neeley reviewed the schedule with specific dates. Col Neeley then reviewed the deliverables (Chart 6). On the point of quality in the submissions, VADM asked Mike Galloway when the IG's review of MilVal data and certification would be available for discussion. Mr. Galloway noted that preliminary information should be available tomorrow.

- (Chart 7) Col Neeley noted that the team still plans to submit to OCG on 14 December. Col Neeley noted that the S&S team would forward the best product possible and follow with additional data if necessary.
- (Charts 8 and 9) Col Neeley reviewed the scope of recommendations, and how competing scenarios could be handled. Regionalized Strategic Distribution Points, and privatization of specific commodities would be offered for principal concurrence.
- VADM Lippert noted that the recent query from Washington Headquarters Service concerning space requirements for PEO Soldier should be discussed. Col Neeley and CDR Goodwin reviewed the request from WHS with the Principals. RADM Thompson noted that leased space would be the better solution, especially given the BRAC tasking to the group. VADM Lippert asked if space at Columbus was available. Albany, Richmond and Norfolk surfaced initially as possible solutions. LTG Christianson agreed to take the action initially and get back to the group if S&S needed to pursue the matter further.
- Col Neeley reviewed Chart 10. Litmus tests for how the scenarios should be considered were reviewed with the Principals.
- (Chart 11) Col Neeley reviewed that 15% of the recommendations from a past BRAC round did not pass muster. One issue the S&S team shares at present with previous BRAC round rejections is many scenarios are lacking sufficient cost and personnel data. Col King noted that based on the quality of the data received, the teams are required to ask questions about data characteristics. Col Neeley noted that OSD delivered a good and bad scenario example (Tab 25 in the principal books). Col Neeley reviewed how the examples were evaluated. Concerning a 1995 round USAF recommendation to close Kirtland; Bob Meyer noted that Sandia labs was resident on Kirtland and the Energy Department would have had to assume all installation costs vice DoD resulting in little to no savings. The BRAC commission rejected the recommendation accordingly.
- Lt Gen McNabb asked if the Council of Colonels had noted situations in current S&S scenarios where this condition might be likely ("Are we vulnerable for this?"). Lt Gen

McNabb wanted to make sure that the team was sensitive to the possibilities of similar situations. Col Neeley noted that DLA is likely a tenant at most locations, with the service hosts being the entity that would have to de-conflict similar situations. But Col King pointed out that the Council of Colonels did attempt to look at 2nd and 3rd degree effects wherever possible. RADM Thompson and Col King noted locations where they felt potential conflicts might be found. Nuclear program support sites are likely situations. RADM Thompson also asked the team to remember that transfer of an activity without savings would not be of benefit to the service. As example, if NSA Philadelphia were transferred from Navy to DLA, and if the site were to remain open under DLA, then there are no obvious cost savings. LtGen McNabb departed.

- Col Bockenstedt briefed the privatization of storage of tires recommendation candidate # S&S-0022. VADM Lippert asked if the initiative did in fact free up 4.2 million cubic feet of storage space. Col Bockenstedt concurred and noted that the privatization initiatives are enabling scenarios for reducing storage space requirements at other sites. VADM Lippert asked for any comments on a MilVal basis. VADM Lippert also asked if this was such a good idea, why this hadn't been done before. The group discussed that Navy had done this for Aircraft tires and the program had been very successful, raised availability by 10% and decreased cost. LTG Christianson and VADM Lippert noted that due to the Army's significant ground vehicle tire volume it may be even more cost effective. LTG Christianson and VADM Lippert concurred that the tire initiative ought to be a DoD (DLA) contract. Metrics for the deliveries of tires would be the key. Overseas and CONUS distribution was discussed. The model as briefed would entail delivery to the Strategic Distribution Point or to the customer. DLA owes S&S JCSG additional answers to clarification questions in order for S&S to conclude on the recommendation. Col Bockenstedt noted that the scenario did not include wheel assemblies, but that a DLA contract could possibly accommodate assemblies. VADM Lippert asked if the final data might be available for Thursday. Ms. Kinney asked if commercial bid data would be required. LTG Christianson noted that the scenario could extrapolate from the Navy's experience. RADM Thompson noted he would call during the break to obtain the Navy's performance based logistics contract data for use buy the group. VADM Lippert asked the team to get the data today.

Capitalization of the standing inventory was discussed and was noted as a common practice on many similar initiatives.

- Col Bockenstedt briefed privatization of pre-packaged POL candidate S&S # 0023. VADM Lippert asked if privatization examples for POL were noted as in the Navy tires privatization. No comparable examples were known by the group. VADM Lippert made the point that since S&S has no comparable cost data, there could be more risk in privatizing pre-packaged POL. The concern is that the private sector may or may not be more efficient than the Government. The principals agreed that insufficient time would be available for the private sector to react to a request for proposals/quotes. VADM Lippert noted that the recommendation should be "subject to the economic analysis" to ensure that if the recommendation turned out to be economically inefficient, that the recommendation could be rejected. VADM Lippert made it explicit that he wanted similar language inserted in all three privatization scenarios. RADM Thompson cautioned that if the recommendations were approved, and were part of enabling moves (freeing up 2 million sq feet of space) for another recommendation, the services would be short downstream if the privatization recommendations were not implemented.
- Col Bockenstedt briefed privatization of compressed gases Candidate # S&S 0024. VADM Lippert asked if other examples from services and DLA may be present to provide cost comparison data. The group did not know of a comparable example for gases. RADM Thompson noted he thought Navy might have examples near the waterfront or in retail stocks and would check.
- **VADM Lippert directed that each of the privatization recommendations contain an "out" clause. Each must make economic sense before implementation.**
- Col Bockenstedt briefed the Sierra Army depot realignment Candidate # S&S-0030. The scenario realigns storage of class VII vehicles to other service facilities. VADM Lippert asked if the scenario closed a base. Col Bockenstedt noted that Class V (ammunition) materials stored at Sierra and a garrison would have to move but the S&S scenario is considered an enabling step. Savings would be small to S&S, but the Army could expect to see the majority of savings. Col Neeley raised an issue for the group to consider concerning who had environmental

liability after the recommendation was accepted. LTG Christianson stated that the Army is responsible and would assume the environmental liability for Sierra and any related issues. Mr. Aimone noted that the environmental considerations would be part of the overall BRAC analysis.

- Col Bockenstedt gave an overview of depot regionalization/consolidation recommendations and how these issues would impact development of strategic distribution points and forward distribution points. Limited vs. no storage issues (Charts 27-29) at the industrial facilities was discussed as a preceding issue to discussion of Candidate # S&S-0003, and Candidate #S&S-0004. The issue of an industrial facility maintaining unique items that are only used by the facility (e.g. Anniston for M1 tank parts, Red River for Bradley items) was discussed. The group concluded that depot specific items retained at industrial sites was a prudent step and one that would mitigate risk. VADM Lippert asked how growth would be contained if after the implementation, facilities attempted to increase infrastructure. If the SDPs and limited storage forward distribution points were DLA assets, DLA could establish a policy of no growth, or flexible growth based on throughput. VADM Lippert directed that the impacts section of the scenario write ups address growth constraints. Col Neeley noted that surge had been addressed. Principals noted that the no storage option had raised concerns among the services and if the limited storage option was accepted, the no storage option could be omitted from discussion. Col Bockenstedt noted that S&S scenarios also allowed consideration on the number of SDPs to four or five but since four worked to satisfy the projected requirement, then the scenario for five SDPs (Candidate # S&S-0003) should be deleted.
- Principals approved in deliberative session Candidate # S&S 0004. Realign mission from 15 distribution depots and create 4 Strategic Distribution Points (SDPs) and supporting forward distribution points (FDPs). Candidate # S&S-0003 was deleted.
- VADM Lippert wanted the team to confirm that savings would accrue and that service would improve. RADM Thompson asked how customer wait times were validated and what the impact of regionalization would be on wait times. LTG Christian asked if the customer base did not change, how would the strategy of moving material back to the SDPs (i.e. less

material on the ground) help the mission of the customers? As example changes expected to the DD in San Diego and the Strategic Distribution Point in San Joaquin were discussed. Col Bockenstedt noted that excess storage and personnel reductions are envisioned but customer wait times could be maintained with dedicated trucking routes. Travel times for each SDP and FDP were discussed as indicated on chart 33. LTG Christianson asked how this could be done, and what the operational differences were between current and future ops. VADM Lippert wanted assurance that the sites where consolidation would occur could absorb the material from the forward sites. RADM Thompson asked that since the FDPs supported depots what discussion with had been done with the Industrial JCSG on the issue. Col Bockenstedt noted the Industrial JCSG appeared satisfied with the scenario is recent discussions. VADM Lippert noted that perception on the San Diego waterfront might be that the loss of materials near to the waterfront would generate concerns from customers. RADM Thompson noted that except for bearer walkthroughs, most of the material supporting the Fleet in San Diego is coming from San Joaquin, and that the scenario seemed feasible. VADM Lippert asked if the scenario met all surge requirements. Col Bockenstedt noted that the only SDP operating on multiple shifts was Susquehanna, so surge could be accommodated at the other sites. VADM Lippert pointed out that recent surge experience at Susquehanna showed a need to hire 800 people and move work around at or to other depots. VADM Lippert asked if the scenario had also accommodated retrograde concerns. VADM Lippert clarified that compound effects of surge and retrograde together needed to be considered by the team. Col Bockenstedt noted that he thought retrograde was a service concern, and that the scenario had accounted for surge. VADM Lippert suggested that retrograde was building, he had seen it during site visits. DLA holdings of Class 9 material, F condition repairables were increasing and VADM Lippert wanted to ensure that the 20 % surge included recent experiences with retrograde. Not just 20% surge from zero but 20% above a baseline that DLA is experiencing today. VADM Lippert directed that the team re-check the scenario on the retrograde issue.

- Break
- Col Bockenstedt reminded that the privatization initiatives, if they were not implemented, would impact physical space requirements in SDP/FDP scenarios. MilCon

requirements incorporated in Candidate S&S # 0004 at Warner Robins were reviewed. Col Bockenstedt was asked again if the 20% surge projections addressed Retrograde (Class IX) items. This is a key issue. How retrograde is defined is an issue for the team to resolve. LTG Christianson noted that a regional concept might add better management visibility for retrograde. RADM Thompson was asked if he was comfortable with the SDP scenario at Norfolk and Jacksonville. VADM Lippert queried each service principal on this proposal to ensure acceptance. Customer wait times are still required but the principals were comfortable with the concept. LTG Christianson noted that the important point is that the team agrees with what the concept of limited storage at the industrial sites represents.

- Col Bockenstedt noted that a 5 site SDP proposal was available, but since 4 works, a 4 site SDP plan should go forward. VADM Lippert noted that much more work on ROI and payback, cost data was needed but Candidate #S&S-0004 was approved and Candidate #S&S-0003 approved for deletion.
- December 22nd from 0800 until the principals finish was established an offsite opportunity. VADM Lippert asked the team and Flag and General Officers to assist in wrapping up any outstanding data so the team could finalize its analysis.
- Col King briefed his area of responsibility including DLR consolidation and ICP realignment options. Chart 35 provided a summary matrix of the different options for the principals to consider.
- Col King noted that there were 13 scenarios where service control of ICPs could be realigned. A max of 11, or a min of zero ICPs could close depending on the scenario options. DLA control of DLRs is an alternative and this offers three scenarios where consolidation opportunities are possible.
- Col King noted that surge, force structure, criteria 6 through 8 and COBRA analysis had been done on these scenarios. However, there was not much differentiation to compel a decision. Col King noted that MilVal results were likewise too close to call to decide between sites. Optimization is not helpful since the way the data is organized does not allow a definitive result. Three COBRA runs have been done. Bottom line, cost data and military

judgment will be likely be the only the basis for future decisions. Col King referenced the 1997 GAO DLR consolidation recommendation. COBRA data is pending for many of the scenarios and will likely indicate savings opportunities if the data can be received.

- Col King briefed Candidate # S&S-0027, Consolidate three Army Life Cycle Management Command (LCMC) sites to FT Monmouth. VADM Lippert wanted clarification on what the scenario suggested and how much of the ICPs the LCMC incorporated ("What was being addressed, the ICP or a portion of the ICP?") Definition of the term Life Cycle Management Command was not clear. How much of each ICP, or the how much of the work done by specific commodity managers was planned to move was not clear in the recommendation. COBRA data is pending as well. The Principals directed the team to gather additional data and revisit during the next principal session.
- Col King briefed Candidate # S&S-0029, which was similar to 0027, but consolidates to Redstone vice Ft. Monmouth. This scenario required the same clarification as 0027 above.
- Col King briefed Candidate # S&S-0007, consolidate Navy ICPs to Philadelphia. Some data was received today, but questions for clarification are outstanding. RADM Thompson noted that moving the nuclear mission from Mechanicsburg to Philadelphia was likely a non-starter. Moving the ICP functions alone would be acceptable for consideration but costs to move the nuclear mission could be prohibitive. The team discussed the option of leaving the nuclear mission in an enclave at Mechanicsburg but RADM Thompson noted that the scenario might be at risk since having to maintain Mechanicsburg for the nuclear mission likely renders no return since the base could not entirely close. Col Neeley noted that personnel considerations may drive a savings that would make the option ultimately more attractive. Since COBRA data was still outstanding and final analysis pending, the principals directed further study.
- Col King briefed Candidate # S&S-0010, consolidates Navy ICPs to Mechanicsburg. COBRA runs and results are in. The scenario does show a savings. Col King noted that if ICP Philadelphia moves, and DSCP goes somewhere else, this outcome might drive a new scenario for closure of Philadelphia. RADM Thompson noted he thought the

deliberative body had already approved this exact scenario for development. Col Neeley noted that the scenario had not yet been developed, but that the data might be readily available already in other analysis. Col Neeley suggested that with concurrence of the deliberative body, the Council of Colonels needed to discuss adding a new scenario and noted that a new scenario may not be necessary. VADM Lippert directed that the Council of Colonels meet and discuss with a recommendation to follow.

- Col King discussed Candidate # S&S-0005 which consolidates to DLA footprints at Philadelphia and Richmond to Columbus. The analysis to date had demonstrated savings, and COBRA data is in. Since this was a related scenario to the Philadelphia and Mechanicsburg discussions, it would be part of the Council of Colonels discussion with a recommendation to follow
- Col King then briefed Candidate # S&S-0033. Maximize MilVal and reduce excess capacity is goal of this scenario. Col King noted that this scenario is the most pure optimization example the team had attempted. COBRA data and RFCs are still outstanding, but the scenario was attractive as it has the potential to eliminate excess capacity across the entire ICP system. Mr. Aimone requested the specific outstanding questions on the scenario. LtGen Wetekam asked about related scenario 39, and Col King recommended that since data in # 39 still needed the results from the IG review, Col King suggested that that issue was not presentable. But he noted that if the data bears out, a range of closings is possible.
- Col King briefed Candidate # S&S-0026 but since the scenario has data questions outstanding, it would be briefed at a later date.
- Col King then briefed Candidates # S&S-0036, 37 and 38. These scenarios consolidate select functions at three Army ICPs at different locations. The team is waiting on data for each scenario and these issues would be presented at a later date.
- Principals broke for lunch.
- The Offsite reconvened at 1300. Lt Gen McNabb returned to the meeting.

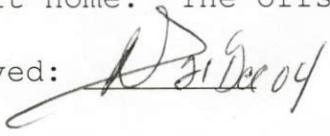
- Col Neeley noted that the status of MilVal outstanding RFCs were obtained. Summary lists were provided to Lt Gen Wetekam for the Air Force and LTG Christianson for the Army. No outstanding MilVal issues were noted for Navy and Marine Corps or DLA. Principals acknowledged that they would press their respective organizations for expedited delivery of the outstanding data.
- Col King continued his brief with Candidate # S&S-0035, a scenario which transfers ICPs to DLA control. Outcomes resulting from this scenario are pending COBRA data. RADM Thompson asked about the logic model that drove the scenario construct. Col King responded that the goals were to maximize MilVal and minimize excess capacity. Data had been extracted from the MilVal and Capacity data calls. VADM Lippert directed the Principals consider scenario 33 as well. Since scenario 33 appeared that it may be the optimal choice among the competing scenarios, it would be briefed after the team had sufficient data and certification issues clarified.
- Col King briefed Candidate # S&S-0028, Consolidate common DLRs to DLA. This scenario is also pending data. A significant number (over 30,000) of DLRs are used by more than one service. Col King noted that Surge, and force structure had been considered. Col King stated that since MilVal or Optimization will not deliver a conclusive recommendation, Military Judgment will be the issue. RADM Thompson asked how the team defended doing some DLRs vice all. VADM Lippert suggested the common DLR concept could be a trail balloon to see if DLA can perform or fail in DLR management. If DLA succeeds, DLA could look toward total DLR management in the future. RADM Thompson asked if the cost model, or COBRA data would provide the cost of adding DLR management to DLA. As example, Navy is pursuing ERP. If the Navy is going to be in DLR management, the ERP module for DLRs would have to be developed for just a few or many DLRs. 2nd and 3rd order functions have to be performed in DLR management. If DLA would take all DLRs this could relieve the Navy ERP of having to accommodate DLR management. LTG Christianson and RADM Thompson noted that the savings could be substantial if DLR management shifted to DLA. Col Neeley asked if the manner in which COBRA DLR data was collected will provide the decisive conclusions needed to forward the recommendation. RADM Thompson asked how long in the BRAC timeline must pass

before the "as is" to the "to be." Bob Meyer stated that "Six years with the first dollar of savings realized in the sixth year (2011)." Joe Meconnahey and Bob Meyer clarified that savings were not scenario specific. Some scenarios might be enablers and may cost money. Savings therefore must be realized within the services or department as a whole, vice realized in a specific scenario. Lt Gen McNabb noted that some really complex DLRs require training and professional engineering expertise that is really tough to replicate. He noted that DLR management rests on the PhDs, technicians and experts retained by the respective services. GAO comments from the 1997 study on this issue were reviewed. Engineering capability and the location/linkage between engineering and inventory management issues were discussed. 339 processes (paying someone else for engineering services related to inventory management) are ongoing now for some consumables, and the services do this type of outsourcing in their organizations today. The sense was that DLA could handle the 339 process if DLA assumed DLR management responsibilities. RADM Thompson noted that having DLA perform DLR services may unburden Navy ERP efforts and save money. VADM Lippert noted that there is risk, but this will also likely be the last BRAC in a decade. It seems apparent that DLA ought to pursue the common DLR as the best first step. Lt Gen McNabb suggested one more filter type run to allow the services to determine if there are any unique service specific technical constraints on select items that might drive more risk into the common DLR model.

- Col King asked if two scenarios Candidates # S&S-0034 and 0035 which transferred all ICPs to DLA (and by default, global DLR management) could then be cancelled since these scenarios competed with the common DLR strategy. The principals agreed to delete 0034 and 0035 and support 0028.
- Col King suggested that at the next deliberative session Principals consider narrowing down the remaining recommendations based on data held on that date. Col King also recommended a data call to Warner Robins to ask about capacity to receive incoming force structure at the base. Principals would be presented with additional options from team 2 at the next deliberative session.
- Col Neeley reviewed the way ahead and reviewed action items generated from the offsite.

- S&S XO will e-mail Outstanding data requirements to each Principal daily. Data due by MilVal, COBRA and RFCs.
- Col Neeley noted the team will get the PBL for Navy's Tires Privatization.
- **VADM Lippert noted that any delay from December 20th requires a memo to Mr. Wynne. Thursday action will determine scope of memo. Group expects to need to ask for relief.**
- Col Neeley reviewed the upcoming schedule including a new session on 22 December from 0800 until complete.
- VADM Lippert expressed thanks to the Council for the hard work. The team is at the last 100 yards and needs to bring it home. The offsite concluded at approximately 1500.

Approved:



KEITH W. LIPPERT
Vice Admiral, SC, USN

Director,
Defense Logistics Agency
Chairman, Supply and Storage,
Joint Cross Service Group

Attachments:

1. Briefing Binder

ACTIVITY: S&S JCSG
CONTROL NUMBER# 4349-0894
COPY 1 OF 1 COPIES
DATE RECEIVED 15 Dec 04
TIME RECEIVED 1425



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

Principals' Offsite

December 13, 2004

Chair: VADM Keith Lippert



Overview

0830 – 0835	<i>Administrative Remarks</i>	CDR Goodwin
0835 – 0840	<i>Chairman’s Remarks</i>	VADM Lippert
0840 – 0930	<i>BRAC 2005 Guidance, Review, and Offsite Construct</i>	Col Neeley
0930 – 0945	<i>Break</i>	
0945 – 1145	<i>Candidate Scenario Recommendations: Team #1 Decision Briefs</i>	COL Bockenstedt
1145 – 1300	<i>Lunch</i>	
1300 – 1500	<i>Candidate Scenario Recommendations: Team #2 Decision Briefs</i>	Col King
1500 – 1515	<i>Break</i>	
1515 – 1700	<i>Decision / Taskings Review and Way Ahead</i>	Col Neeley



Chairman's Remarks

- ISG 20 Dec 04 Candidate Recommendation Mandate
- Full and Open Discussions Today
- Need to Make Tough Decisions
- Need to Help S&S Team Complete it's Work
- Still Need COBRA Data from Service BRAC Teams
- Quality over Quantity



Offsite Construct

Col Neeley



JCSG Way Ahead

	December							
	Week 1							
	13	14	15	16	17	18	19	20
Optimization	█					█	█	
Final Data Call	█					█	█	
JCSG Meeting	█					█	█	
COBRA	█					█	█	
Criterion 6	█					█	█	
Criterion 7	█					█	█	
Criterion 8	█					█	█	
JCSG Meeting	█					█	█	
Offsite	█					█	█	
JCSG Meeting	█			█		█	█	
Format	█	█	█	█	█	█	█	
Suspense	█					█	█	★
Remaining	7	6	5	4	3	2	1	★



Candidate Proposals

- Candidate Recommendation
- Justification
- Payback
- Impacts
- Supporting Information
- Quality Assurance Checks



What We Are Going to Do Today

- Brief all current scenarios and supporting data as required by OSD; data is “as of” 12 Dec 04
- Recommend submission of only those scenarios where analysis can withstand ISG/IEC scrutiny
 - Submit “most complete” to General Counsel by 14 Dec 04
 - Submit remainder as data is received and analyzed
 - Request relief where data, especially cost, is incomplete
 - ISG review scheduled to begin NET 3 Jan 05



We Will Recommend

- Four Region Strategic Distribution Platform
- Privatization of Specific Commodities
- Continue Work on DLR and ICP scenarios
- Approval to delete or delay proposals where data is suspect or out of sync
- Approval to discontinue work on and delete competing scenarios



Competing Scenarios

- From TO #20: (2) SDP Regionalization, 5 regions and 4 regions and subsequent FDPs
- From TO #22: (3) ICP transfers and DLR management
- From TO #57: (13) Service and DLA ICP Consolidations
 - (3) Air Force
 - (5) Army
 - (3) DLA
 - (2) Navy



Scenario Litmus Test

- Candidate proposal
 - Makes Sense
 - Thorough
 - Pass the common sense test
- Transformation does not mean cheaper; therefore, need to consider cost and transformation in justification.
- Supporting data
 - Respond to all OSD required areas
 - Comprehensive
- Cost data accuracy and payback
 - Communities will challenge
 - Committee will investigate and verify
- Military judgment and military value are not necessarily cohesive factors; justification for action must be clear



Learning from Prior Rounds (5 Nov 04 ISG)

- Prior BRAC Commissions rejected approximately 15% of DOD’s recommendations
 - Commission must find that SecDef “deviated substantially” from the Force Structure Plan or Selection Criteria to change
- Scenario Analysis will benefit from understanding the basis of the Commission’s rejections
- Three prominent areas of deviation



Prominent Areas of Deviation (5 Nov 04 ISG)

- Implementation Costs/Savings (Personnel & Dollars)
 - Understated
 - Missing
- Requirements/Capabilities
 - Contingency (Surge) needs
- Economic Impact
 - Used inconsistently to reject an otherwise justified recommendation



Example Scenario: rejected by 1995 BRAC Commission

- **Recommendation:** Realign Kirtland AFB.
- **Justification:** “As an installation, Kirtland AFB rated low relative to other bases in the Laboratory and Product Center subcategory when all eight criteria were considered. The Laboratory JCSG, however, gave the Phillips Laboratory operation a high functional value. This realignment will close most of the base....”



Example Reject Scenario (cont.)

■ Return on Investment:

- “The total estimated one-time cost to implement this recommendation is \$277.5 million. The net of all costs and savings during the implementation period is a cost of 158.8 million. Annual recurring savings after implementation are \$62 million with a return on investment expected in three years. The net present value of the costs and savings over 20 years is a savings of \$464.5 million.”



Example Reject Scenario (cont.)

■ Community Concerns

- The community argued the cost to close Kirtland AFB would be much higher than the DOD estimate. The community's estimate to realign KAFB is \$526M, whereas the DOD's initial estimate to realign KAFB was \$275M...
- The community comments that DOD used only costs associated with DOD organizations, and that all costs to United States government organizations, such as the Department of Energy (DOE), should be considered.



Example Reject Scenario (cont.)

■ Commission Findings

- The Commission found the DOD recommendation to realign KAFB would be very expensive to enact and the savings anticipated from the realignment would not be realized....
- When the Commission reviewed the total costs to the National Defense Budget, it found the one-time cost to enact this proposal to be \$602M with an annual recurring savings of \$2M....

■ Commission Recommendation

- The Commission finds the SecDef deviated substantially from the force-structure plan and final criteria 4 and 5. Therefore, the Commission recommends the following: Kirtland Air Force Base will remain open. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.



Candidate Proposals

- Candidate Recommendation
- Justification
- Payback
- Impacts
- Supporting Information
- Quality Assurance Checks



Candidate Scenario Recommendations: Team #1 Decision Briefs

COL Bockenstedt



Candidate #S&S-0022

Candidate Recommendation: Privatizes the wholesale storage and distribution of tires used by DoD. Specific functions to be privatized include those that receive, store, issue, inspect, distribute, and dispose of tires. The scenario envisions privatized activities being performed at contractor facilities which frees up Government infrastructure and reduces requirements for personnel. Contractors will be expected to make direct deliveries of tires to customer organizations within the US. Under this scenario, supply or ICP-related functions remain in the Government.

<p style="text-align: center;"><u>Justification</u></p> <ul style="list-style-type: none"> ✓ This scenario supports TO #21, Privatize wholesale storage and distribution processes.... ✓ Reduces excess wholesale storage capacity by 4.2M cu ft ✓ Reduces costs by \$TBD ✓ Using proven best business practices, it provides acceptable responsiveness to customer requirements 	<p style="text-align: center;"><u>Military Value</u></p> <ul style="list-style-type: none"> ✓ Overall Effect on Military Value: N/A ✓ Relative military value against peers: N/A ✓ Military Judgment: N/A
<p style="text-align: center;"><u>Payback</u></p> <ul style="list-style-type: none"> ✓ One-Time Cost: \$TBD ✓ Net Implementation Costs/Savings: \$TBD ✓ Annual Savings: \$TBD ✓ NPV: \$TBD ✓ Payback Period: TBD Yrs 	<p style="text-align: center;"><u>Impacts</u></p> <ul style="list-style-type: none"> ✓ Economic: TBD ✓ Community: No significant impact on existing community issues ✓ Environmental: Scenario eases environmental compliance burden

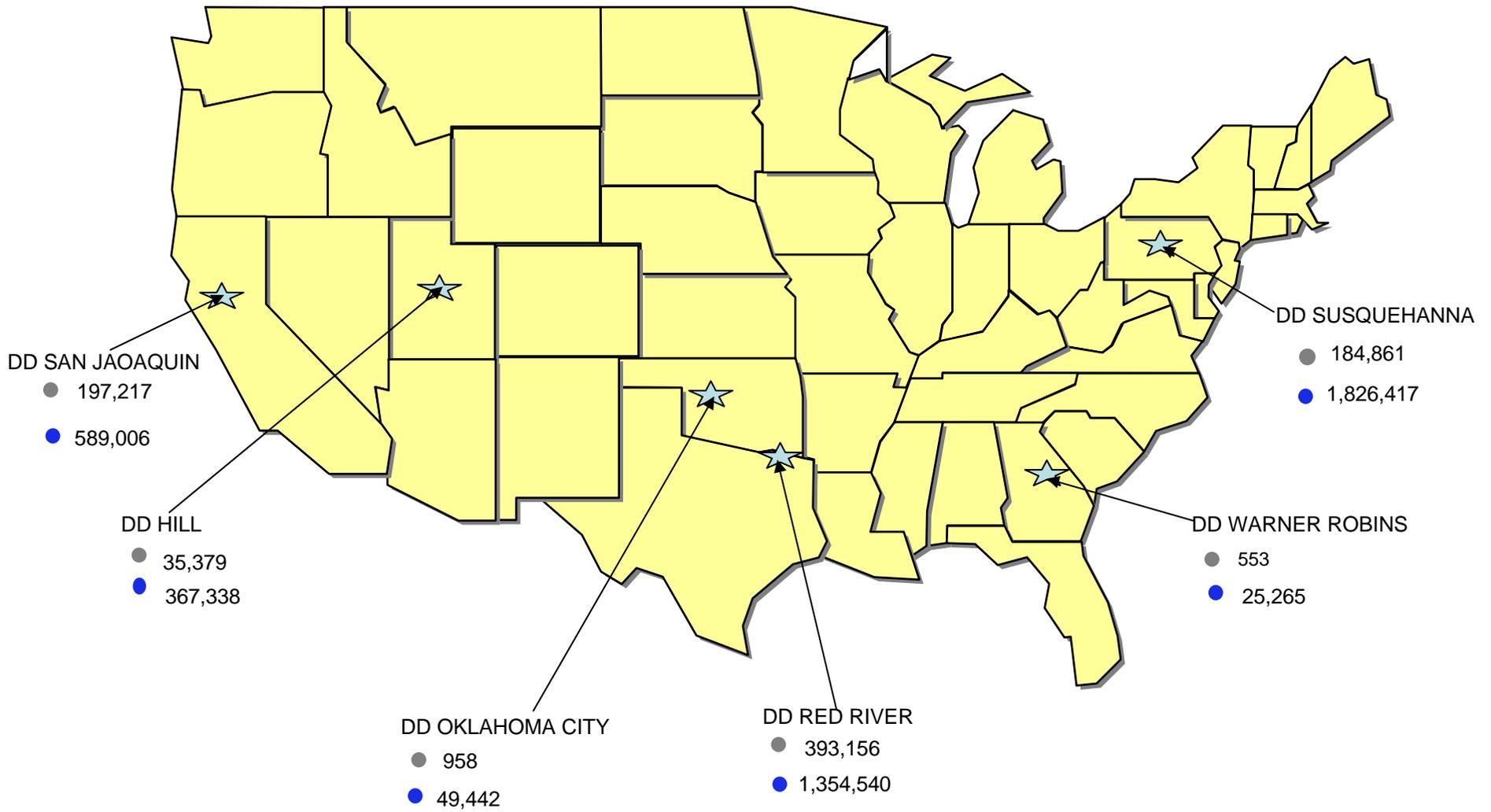
- Strategy**
- Capacity Analysis / Data Verification**
- JCSG/MilDep Recommended**
- De-conflicted w/JCSGs**
- COBRA**
- Military Value Analysis / Data Verification**
- Criteria 6-8 Analysis**
- De-conflicted w/MilDeps**



S&S-0022 Privatize Storage and Distribution of Specific Commodities (Tires)



● QUANTITY 813,920 ea
 ● STORAGE CUBE 4,225,973 cu ft





Candidate #S&S-0023

Candidate Recommendation: Privatizes the wholesale storage and distribution of packaged POL used by DoD. Specific functions to be privatized include those that receive, store, issue, inspect, distribute, and dispose of packaged POL products. The scenario envisions privatized activities being performed at contractor facilities, which frees up Government infrastructure and reduces requirements for personnel. Contractors will be expected to make direct deliveries of packaged POL products to customer organizations within the US. Under this scenario, supply or ICP-related functions remain in the Government.

<p style="text-align: center;"><u>Justification</u></p> <ul style="list-style-type: none"> ✓ This scenario supports TO #21, Privatize wholesale storage and distribution processes.... ✓ Reduces excess wholesale storage capacity by 2M cu ft ✓ Using proven best business practices, it provides acceptable responsiveness to customer requirements ✓ Reduces costs by \$TBD 	<p style="text-align: center;"><u>Military Value</u></p> <ul style="list-style-type: none"> ✓ Overall Effect on Military Value: N/A ✓ Relative military value against peers: N/A ✓ Military Judgment: N/A
<p style="text-align: center;"><u>Payback</u></p> <ul style="list-style-type: none"> ✓ One-Time Cost: \$TBD ✓ Net Implementation Costs/Savings: \$TBD ✓ Annual Savings: \$TBD ✓ NPV: \$TBD ✓ Payback Period: TBD Yrs 	<p style="text-align: center;"><u>Impacts</u></p> <ul style="list-style-type: none"> ✓ Economic: TBD ✓ Community: No significant impact on existing community issues ✓ Environmental: Scenario eases environmental compliance burden

- Strategy
- Capacity Analysis / Data Verification
- JCSG/MilDep Recommended
- De-conflicted w/JCSGs
- COBRA
- Military Value Analysis / Data Verification
- Criteria 6-8 Analysis
- De-conflicted w/MilDepts

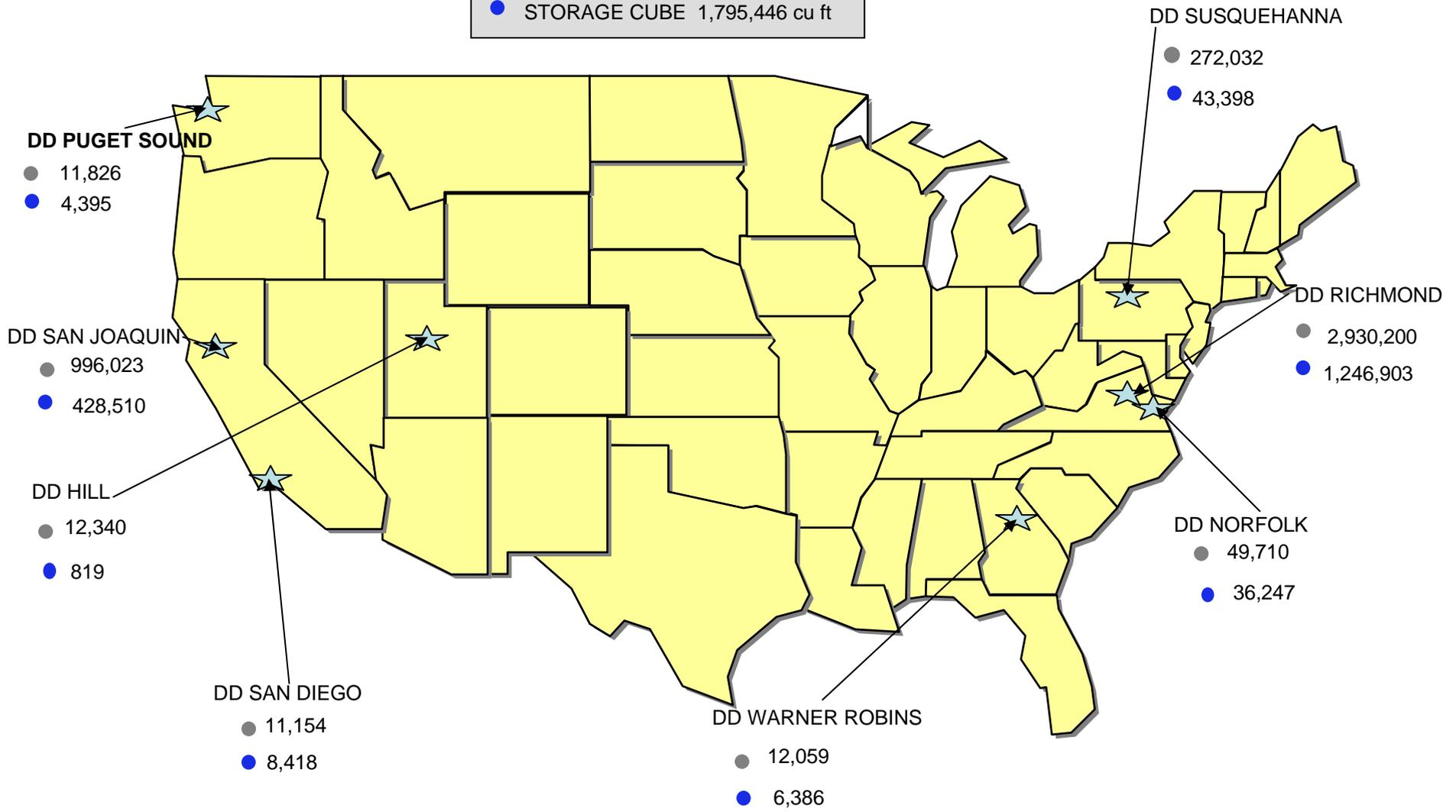


S&S-0023 Privatize Storage and Distribution of Specific Commodities (Packaged POL)

DCN: 11438



● QUANTITY 4,318,804 ea
 ● STORAGE CUBE 1,795,446 cu ft





Candidate #S&S-0024

Candidate Recommendation: Privatizes the wholesale storage and distribution of compressed gases used by DoD. Specific functions to be privatized include those that receive, store, issue, inspect, distribute, and dispose of packaged compressed gas products. The scenario envisions privatized activities being performed at contractor facilities, which frees up Government infrastructure and reduces requirements for personnel. Contractors will be expected to make direct deliveries of compressed gases to customer organizations within the US. Under this scenario, supply or ICP-related functions remain in the Government.

Justification

- ✓ This scenario supports TO #21, Privatize wholesale storage and distribution processes....
- ✓ Reduces excess wholesale storage capacity by 650K cu ft
- ✓ Reduces costs by \$TBD
- ✓ Using proven best business practices, it provides acceptable responsiveness to customer requirements

Military Value

- ✓ Overall Effect on Military Value: N/A
- ✓ Relative military value against peers: N/A
- ✓ Military Judgment: N/A

Payback

- ✓ One-Time Cost: \$TBD
- ✓ Net Implementation Costs/Savings: \$TBD
- ✓ Annual Savings: \$TBD
- ✓ NPV: \$TBD
- ✓ Payback Period: TBD Yrs

Impacts

- ✓ Economic: TBD
- ✓ Community: No significant impact on existing community
- ✓ Environmental: Scenario eases environmental compliance burden

✓ Strategy

✓ Capacity Analysis / Data Verification

JCSG/MilDep Recommended

✓ De-conflicted w/JCSGs

COBRA

✓ Military Value Analysis / Data Verification

Criteria 6-8 Analysis

✓ De-conflicted w/MilDeps

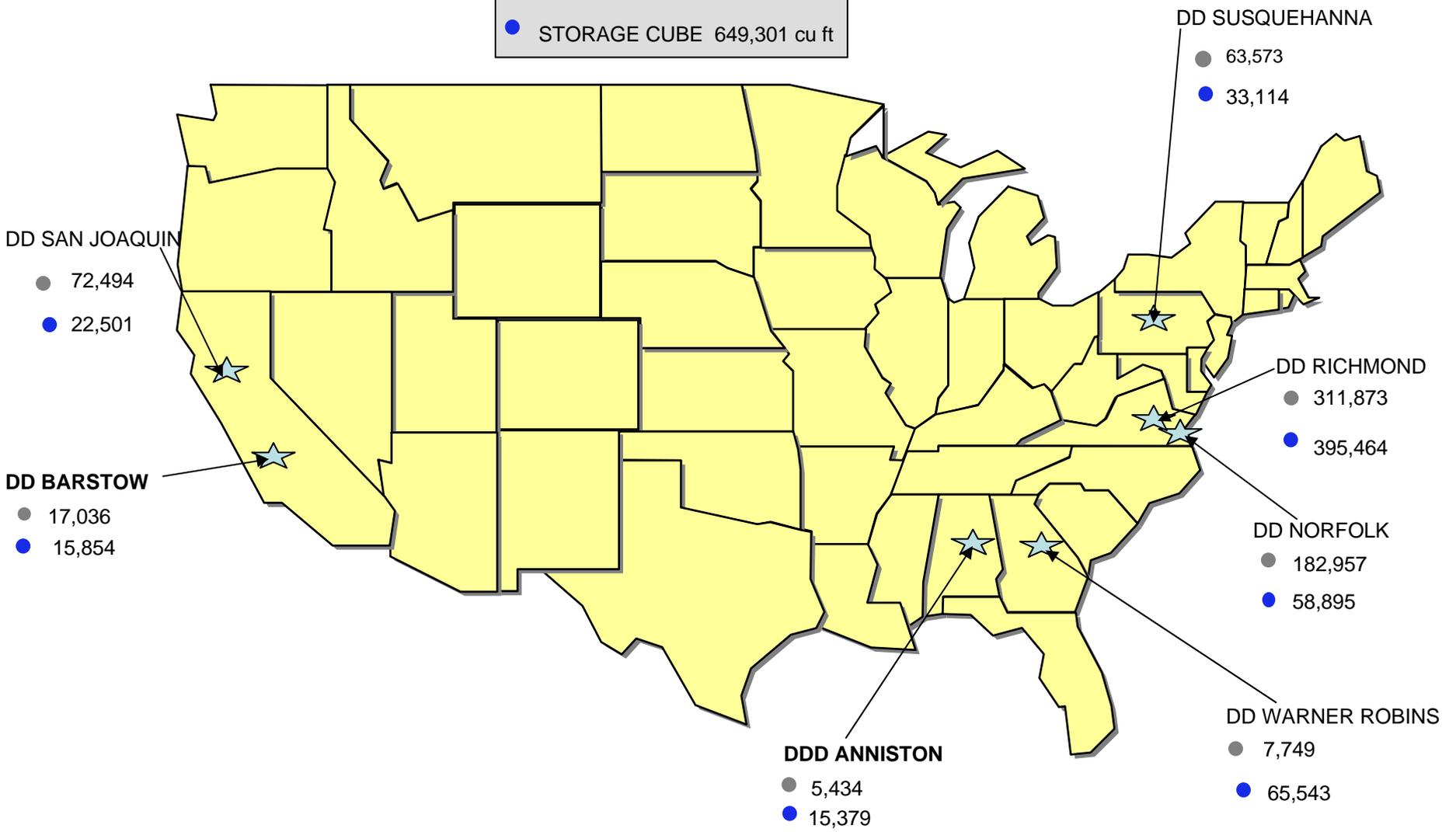


S&S-0024 Privatize Storage and Distribution of Specific Commodities (Compressed Gases)

DCN: 11438



● QUANTITY 736,405 ea
● STORAGE CUBE 649,301 cu ft





Candidate #S&S-0030

Candidate Recommendation: Realigns wholesale storage and distribution functions currently performed at Sierra Army Depot. It enables and supports the Army's effort to close the Sierra Army Depot. The scenario relocates the storage and distribution functions for general supplies, operational project stocks and war reserves to Defense Distribution Depot - Barstow. It also relocates storage and distribution functions for retrograde Class VII combat vehicles from Sierra to Davis-Monthan Air Force Base. In conjunction with other enabling scenarios, it eliminates the need for Sierra, eliminates unnecessary storage capacity and allows for closure of the installation.

Justification

- ✓ This scenario supports TO #20, Establish a consolidated, multi-service supply, storage and distribution system...
- ✓ Reduces excess Army storage capacity by ...TBD sq ft
- ✓ It reduces DoD BOS costs by \$TBD annually

Military Value

- ✓ **Overall Effect on Military Value:** The wholesale effect from a DoD perspective is "0" The Army is eliminating unnecessary storage and distribution capacity
- ✓ **Relative military value against peers:** Same as above
- ✓ **Military Judgment:** Applied in selection of receiving installations...high desert climate for open storage and proximity to Sierra to reduce transportation costs were key factors in selection of receiving installations

Payback

- ✓ One-Time Cost: \$TBD
- ✓ Net Implementation Costs/Savings: \$TBD
- ✓ Annual Savings: \$TBD
- ✓ NPV: \$TBD
- ✓ Payback Period: TBD Yrs

Impacts

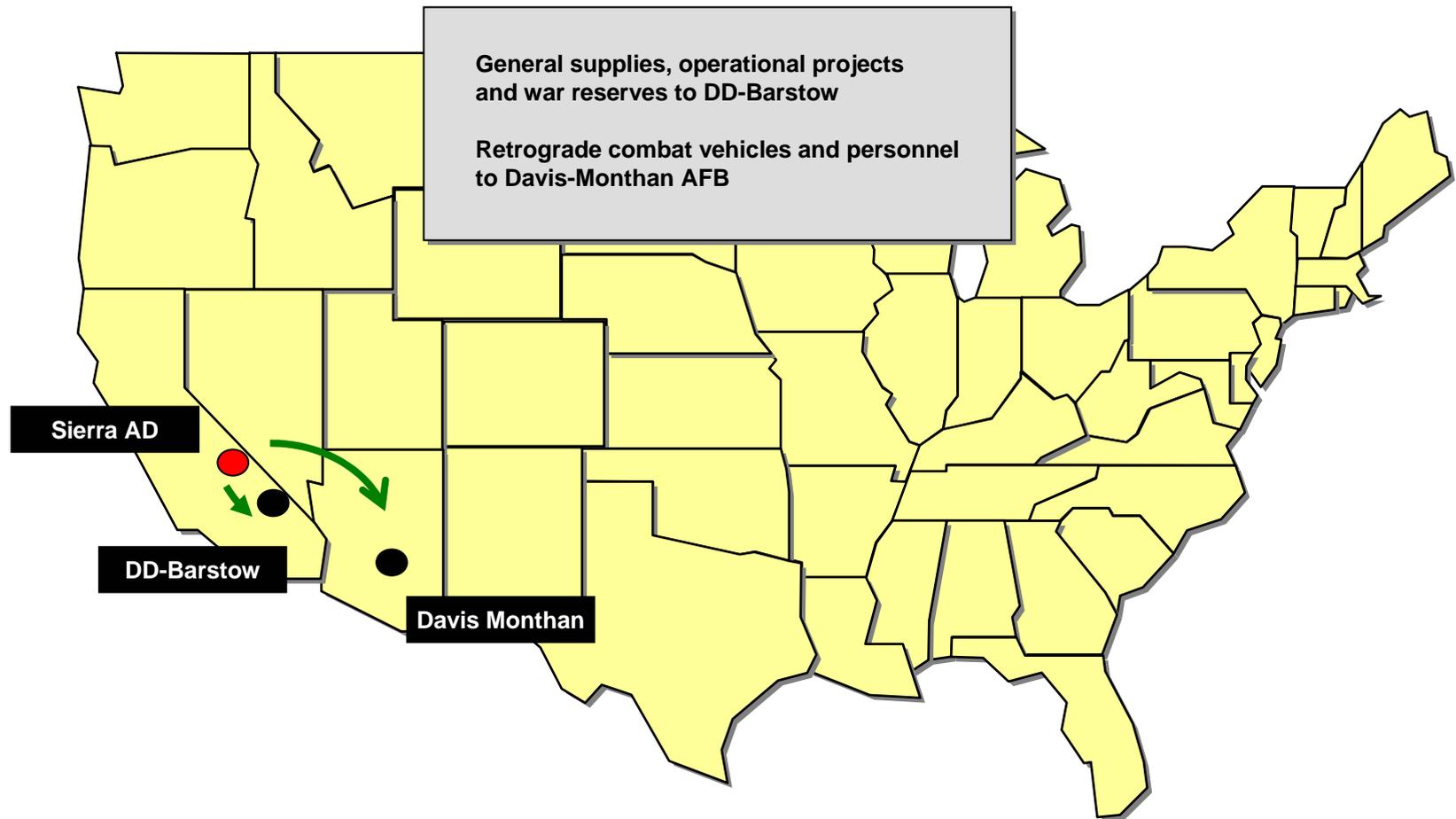
- ✓ **Economic:** TBD
- ✓ **Community:** Elimination of jobs will impact Reding, CA (30,000 people)
- ✓ **Environmental:** Barstow...severe air quality problems

- ✓ **Strategy**
- ✓ **Capacity Analysis / Data Verification**
- ✓ **JCSG/MilDep Recommended**
- ✓ **De-conflicted w/JCSGs**
- ❑ **COBRA**
- ✓ **Military Value Analysis / Data Verification**
- ❑ **Criteria 6-8 Analysis**
- ✓ **De-conflicted w/MilDeps**



S&S-0030 Realign Storage and Distribution Functions at Sierra Army Depot

DDN: 11438



An enabling scenario supporting USA-0008, Close Sierra Army Depot

Assumptions - Regional Strategic Distribution Platforms

- Privatization Initiatives
- Overseas Redistribution Initiatives
- Disposal
- Redistribution Efficiencies
- Improved Net to Gross Space Initiatives
- MILCON (GPW & CCP)



Forward Distribution Points - Limited Storage Capabilities

- Limited Receipt, Storage, Issue and PPP&M Operations
 - Difficult to Handle Items...Class VII
 - For Support of:
 - On-base Retail Customers
 - Depot Maintenance Lines
- Trans-shipment or Cross Docking Operations
- Returns 75-90% Current Infrastructure Capacity to Host
 - Right Sized to New 85% Occupancy...15% Elbow Room
 - No Room to Grow
- Minimal Staff



Forward Distribution Points...No Storage Capabilities

- Limited Receipt, Issue and PPP&M Operations
 - For Support of:
 - On-base Retail Customers
 - Depot Maintenance Lines
- Trans-shipment or Cross Docking Operations
- Returns 90-100% Current Infrastructure Capacity to Host
- Minimal Staff



Candidate #S&S-0003

Candidate Recommendation: Realigns the wholesale storage and distribution system by expanding the number of Strategic Distribution Platforms (SDP) from two to five. It positions the platforms regionally across CONUS and provides for primary storage and distribution support to customers on a regional basis. They will be located at Susquehanna PA; Norfolk, VA; Warner Robins, GA; Red River, TX; and San Joaquin, CA. Realign DDs to Forward Distribution Points at Albany, Anniston, Barstow, Cherry Point, Corpus Christi, Hill, Jacksonville, Oklahoma City Puget Sound, Richmond, and San Diego.
Close Columbus.

Justification

- ✓ 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 Host Organizations
- ✓ Achieves acceptable Customer Wait Time and Response Times.

Military Value

- ✓ Overall effect on military value: None. Net Mil Val for Storage and distribution functions remain the same. Some functions are moved to new locations, however.
- ✓ Relative military value against peers: DDs with highest regional Mil Val were selected as SDPs in two of the five regions. In three regions, selected SDPs did not have the highest Mil Val.
- ✓ Military Judgment: Storage capacity and geographical locations were considered more critical than Mil Val in three regions

Payback

- ✓ One-time Cost: \$TBD
- ✓ Net Implementation Cost/Savings: \$TBD
- ✓ Annual Savings: \$TBD
- ✓ NPV: \$TBD
- ✓ Payback Period: TBD Yrs

Impacts

- ✓ Criteria 6 Economic (TBD)
- ✓ Criteria 7 Minor Issues Found... No Impact
- ✓ Criteria 8 Minor Issues Found...No Impact

✓ Strategy

✓ Capacity Analysis / Data Verification

✓ JCSG/MilDep Recommended

✓ De-conflicted w/JCSGs

☐ COBRA

✓ Military Value Analysis / Data Verification

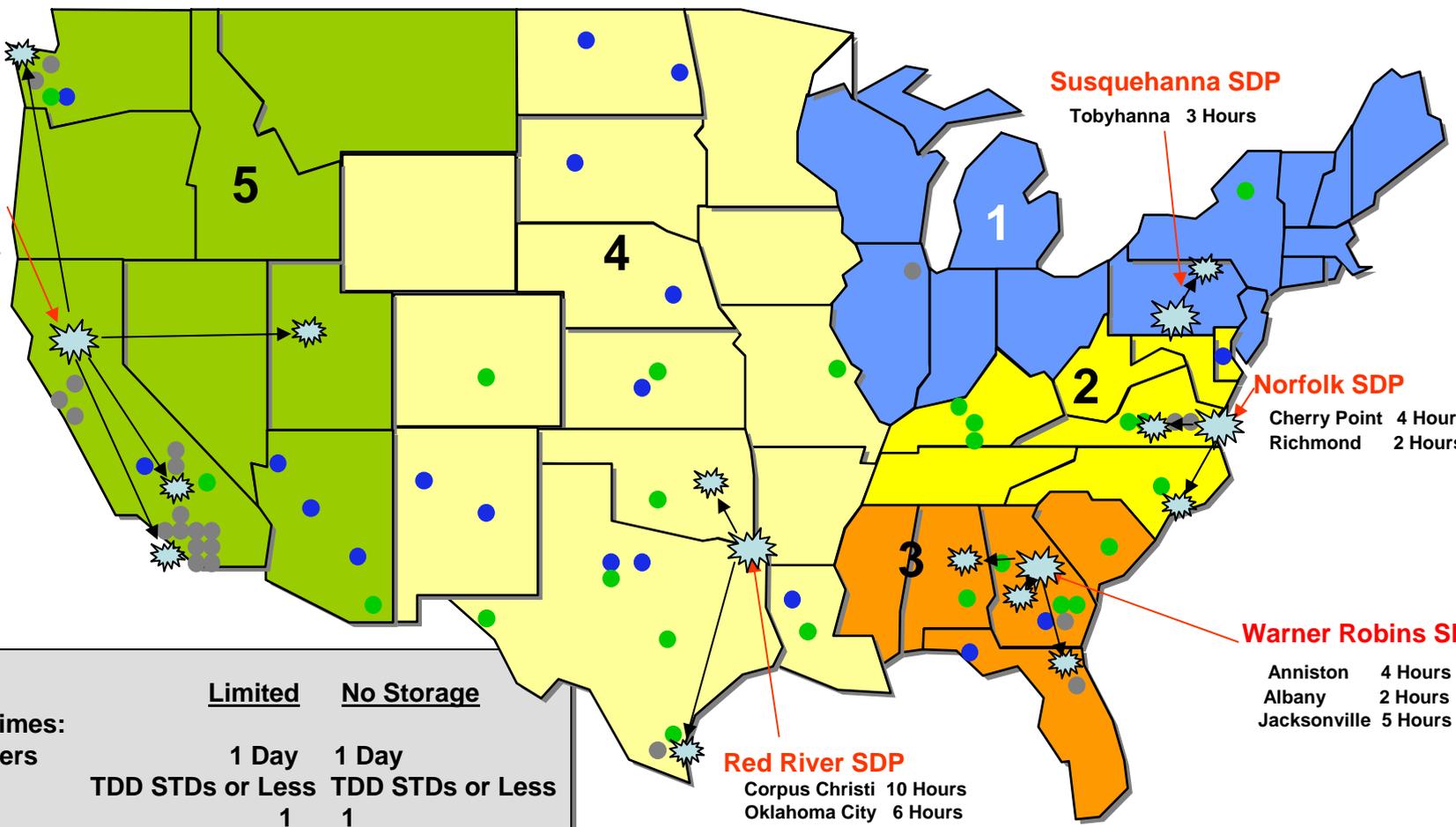
✓ Criteria 6-8 Analysis

✓ De-conflicted w/MilDepts



S&S-0003 Establish Five Regional SDPs with Twelve Forward Distribution Points

DCN: 11438



San Joaquin SDP
 Puget Sound 12 Hours
 Hill 11 Hours
 San Diego 7 Hours
 Barstow 6 Hours

Susquehanna SDP
 Tobyhanna 3 Hours

Norfolk SDP
 Cherry Point 4 Hours
 Richmond 2 Hours

Warner Robins SDP
 Anniston 4 Hours
 Albany 2 Hours
 Jacksonville 5 Hours

Red River SDP
 Corpus Christi 10 Hours
 Oklahoma City 6 Hours

Regional Delivery Times:	Limited	No Storage
Industrial Customers	1 Day	1 Day
Other Customers	TDD STDs or Less	TDD STDs or Less
DDs Closed	1	1
MILCON Requirements	2 GPW, 2 CCPs	3 GPW, 2 CCPs
Infrastructure Reduced	122M NFT ³	144M NFT ³
Capacity Eliminated	23%	31%
FTE/CE Eliminated	957	1381



Candidate #S&S-0004

Candidate Recommendation: Realigns the wholesale storage and distribution system by expanding the number of Strategic Distribution Platforms (SDP) from two to four. It positions the platforms regionally across CONUS and provides for primary storage and distribution support to customers on a regional basis. They will be located at Susquehanna PA; Warner Robins, GA; Red River, TX; and San Joaquin, CA. Realign DDs to Forward Distribution Points (FDP) at Albany, Anniston, Barstow, Cherry Point, Corpus Christi, Hill, Jacksonville, Norfolk, Oklahoma City, Puget Sound, Richmond, and San Diego. Close Columbus.

Justification

- ✓ 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 Host Organizations
- ✓ Achieves acceptable Customer Wait Time and Response Times.

Military Value

- ✓ Overall effect on military value: None. Net Mil Val remains the same for the total storage and distribution system. Some functions, however, will be transferred to different locations.
- ✓ Relative military value against peers: In one region, the DD with highest regional Mil Val was selected as the SDP. In three regions, selected DDs did not have highest regional Mil Val.
- ✓ Military Judgment: Storage capacity and geographical locations were considered more critical than Mil Val in three regions.

Payback

- ✓ One-time Cost: \$TBD
- ✓ Net Implementation Cost/Savings: \$TBD
- ✓ Annual Savings: \$TBD
- ✓ NPV: \$TBD
- ✓ Payback Period: TBD Yrs

Impacts

- ✓ Criteria 6 Economic (TBD)
- ✓ Criteria 7 Minor Issues Found, Conclusion No Impact
- ✓ Criteria 8 Minor Issues Found, No Impact

✓ Strategy

✓ Capacity Analysis / Data Verification

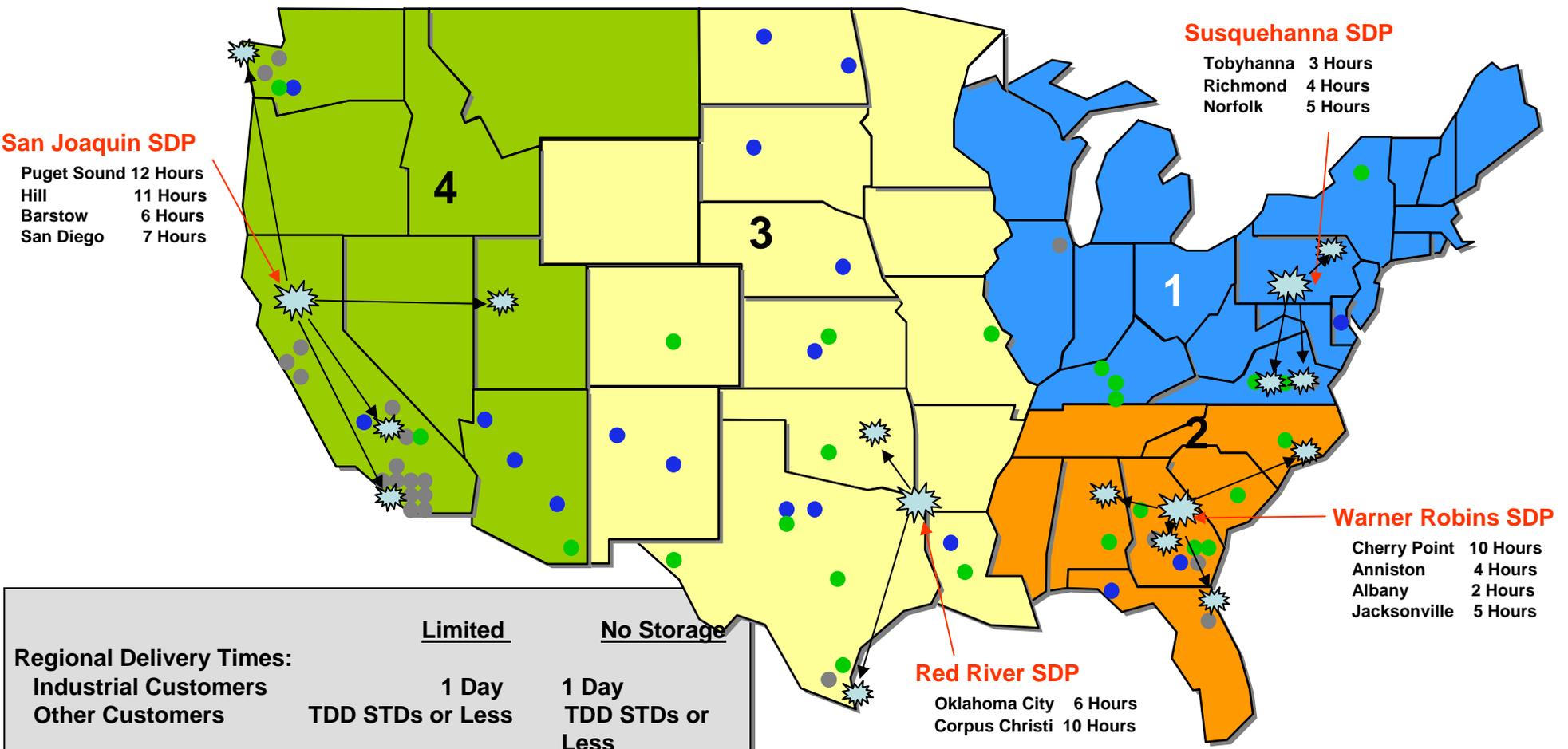
✓ JCSG/MilDep
Recommended

✓ De-conflicted w/JCSGs



S&S-0004 Establish Four Regional SDPs with Thirteen Forward Distribution Points

DCN: 11438



	<u>Limited</u>	<u>No Storage</u>
Regional Delivery Times:		
Industrial Customers	1 Day	1 Day
Other Customers	TDD STDs or Less	TDD STDs or Less
DDs Closed	1	1
MILCON Requirements	2 GPW, 1 CCPs	5 GPW, 1 CCPs
Infrastructure Reduced	138M NFT ³	162M NFT ³
Capacity Eliminated	32%	41%
FTE/CE Eliminated	1113	1647

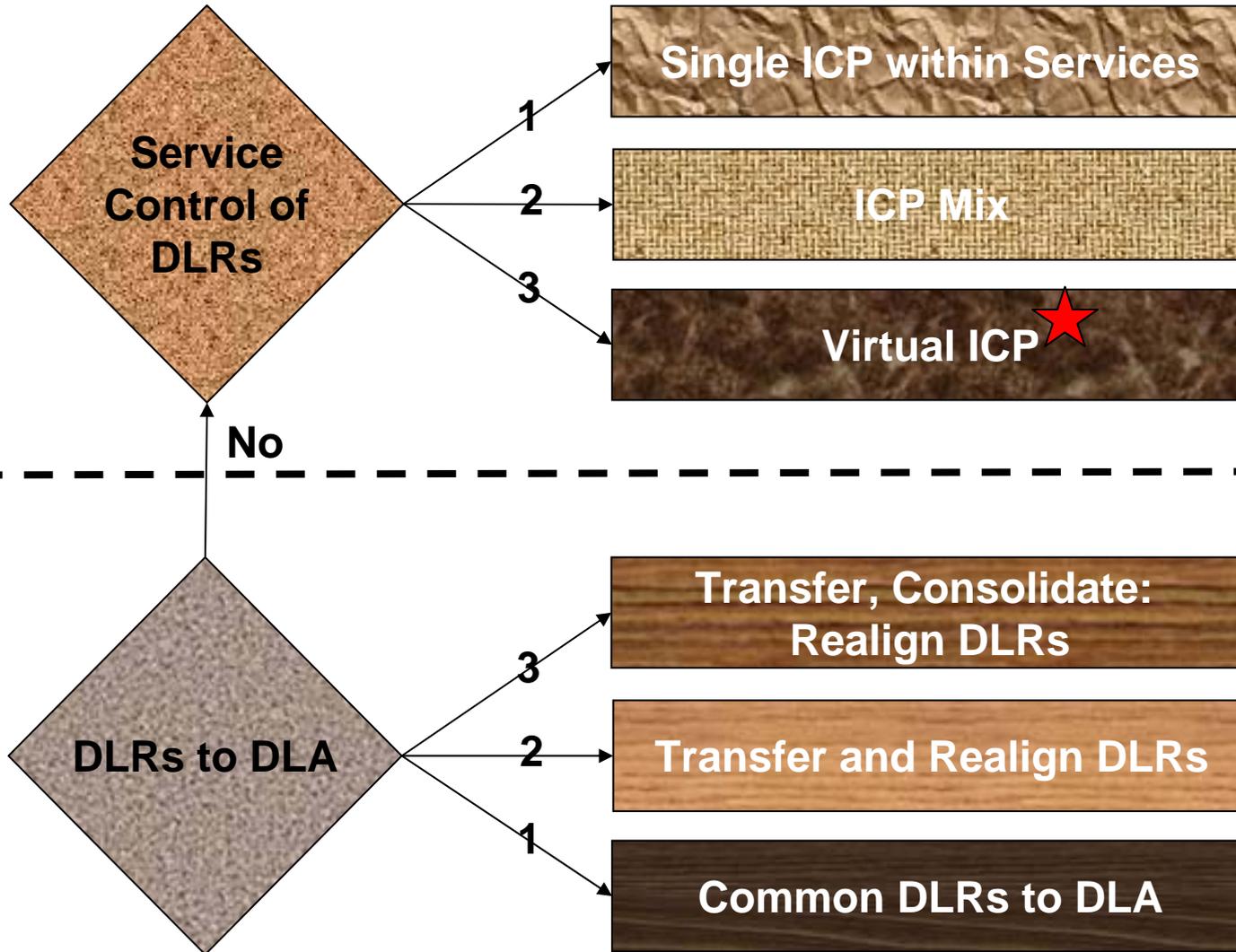


Candidate Scenario Recommendations: Team #2 Decision Briefs

Col King



ICP Scenarios



Challenges

Work Force
System Development
Engineering Linkage

 Not Supported by Optimization Modeling



Candidate #S&S-0027

Candidate Recommendation: Consolidates three Army Life Cycle Management Command (LCMCs) activities at five locations (Redstone Arsenal, Detroit Arsenal, Rock Island, Soldier System Center, and Fort Huachuca) to Fort Monmouth, NJ. Establishes an Army Integrated Materiel Management Center (AIMMC) allowing the Army to have one LCMC that will provide inventory support, readiness support, matrix support to the Program Executive Officers, Program / Project Managers, and industrial base management all from one location.

Justification

- ✓ Consolidates Army LCMC infrastructure in a single location
- ✓ Gain efficiencies in common functions
- ✓ Facilitates transformational objectives by further aligning business processes
- ✓ Supports TO 57 –Consolidate the Army ICPs at a Single location

Military Value

- ✓ Fort Monmouth consistently scored highest in Military value analysis
- ✓ Fort Monmouth may present MILCON/restoration requirements with ICP consolidation

Payback

NO DATA IN

- ✓ One Time Cost
- ✓ Payback Period
- ✓ Implementation Period Net Cost:
- ✓ Annual Recurring Saving:
- ✓ Net Present Value (20 years)

Impacts

- ✓ Economic: TBD
- ✓ Community: Some issues noted with no significant impact to this scenario)
- ✓ Environmental: Air quality (Fort Monmouth); Water resources (Fort Monmouth)

✓ **Strategy**

✓ **Capacity Analysis / Data Verification**

✓ **JCSG/MilDep Recommended**

✓ **De-conflicted w/JCSGs**

❑ **COBRA**

✓ **Military Value Analysis / Data Verification**

❑ **Criteria 6-8 Analysis**

✓ **De-conflicted w/MilDeps**



Candidate #S&S-0029

Candidate Recommendation: Consolidates three Army Life Cycle Management Command activities at five locations (Fort Monmouth, Detroit Arsenal, Rock Island, Soldier System Center, and Fort Huachuca) to Redstone Arsenal, AL. Establishes an Army Integrated Materiel Management Center (AIMMC) allowing the Army to have one LCMC that will provide inventory management, readiness support, matrix support to the Program Executive Officers, Program / Project Managers, and industrial base management all from one location.

Justification

- ✓ Consolidates Army LCMC infrastructure in a single location
- ✓ Gain efficiencies in common functions
- ✓ Facilitates transformational objectives by further aligning business processes
- ✓ Supports TO 57 –Consolidate the Army ICPs at a Single location

Military Value

- ✓ Redstone Arsenal consistently ranked near the top of Military value scoring
- ✓ Redstone Arsenal has 4,195 buildable acres and is in the proximity to Ordnance Missile and Munitions Center and School, NASA, Logistics Support Agency and presents an potential option for Army ICP consolidation.

Payback

- ✓ One Time Cost: **NO DATA IN**
- ✓ Payback Period
- ✓ Implementation Period Net Cost:
- ✓ Annual Recurring Savings:
- ✓ Net Present Value (20 years)

Impacts

- ✓ Economic: TBD
- ✓ Community: Minor issues reported with no significant impact to this scenario
- ✓ Environmental: Cultural resources (Redstone); Water resources (Redstone).

- ✓ **Strategy**
- ✓ **Capacity Analysis / Data Verification**
- ✓ **JCSG/MilDep Recommended**
- ✓ **De-conflicted w/JCSGs**
- ❑ **COBRA**
- ✓ **Military Value Analysis / Data Verification**
- ❑ **Criteria 6-8 Analysis**
- ✓ **De-conflicted w/MilDeps**



Candidate #S&S-0007

Candidate Recommendation: Consolidate Naval Inventory Control Point functions at NSA Philadelphia. These functions include, but are not limited to, requirements determination, material management, allowance development, technical/ILS support, security assistance, item introduction, and interim support. All functions currently performed at NAVICP Mechanicsburg will be re-located to NAVICP Philadelphia location. This action disestablishes NAVICP Mechanicsburg and transfers all Integrated Material Management and User functions to NAVICP Philadelphia resulting in a single Naval Inventory Control Point physically located at NSA Philadelphia.

Justification

- ✓ Consolidates NAVICP infrastructure in a single location
- ✓ Gain efficiencies in common functions
- ✓ Facilitates transformational objectives by further aligning business processes

Military Value

- ✓ No clear Military Value differentiation between sites
- ✓ Differentiation primarily driven by unique product lines
- ✓ Disposition of NAVSEA 08 function (nuclear support) must be resolved

Payback

- ✓ One Time Cost:
- ✓ Payback Period:
- ✓ Implementation Period Net Cost:
- ✓ Annual Recurring Costs:
- ✓ Net Present Value (20 year):

RFC Outstanding

Impacts

- ✓ Economic: (TBD)
- ✓ Community: No impact noted.
- ✓ Environmental: Incomplete; missing NSA Philadelphia Installation Profile (Gaining Activity); due 10 December.

✓ **Strategy**

✓ **Capacity Analysis / Data Verification**

✓ **JCSG/MilDep Recommended**

✓ **De-conflicted w/JCSGs**

❑ **COBRA**

✓ **Military Value Analysis / Data Verification**

❑ **Criteria 6-8 Analysis**

✓ **De-conflicted w/MilDeps**



Candidate #S&S-0010

Candidate Recommendation: Consolidate Naval Inventory Control Point functions at NSA Mechanicsburg. These functions include, but are not limited to, requirements determination, material management, allowance development, technical/ILS support, security assistance, item introduction, and interim support. All functions currently performed at NAVICP Philadelphia will be transferred to NAVICP Mechanicsburg location. This action disestablishes NAVICP Philadelphia and transfers all IMM and User functions to NAVICP Mechanicsburg resulting in a single Naval Inventory Control Point physically located NSA Mechanicsburg.

Justification

- ✓ Consolidates NAVICP infrastructure in a single location
- ✓ Gain efficiencies in common functions
- ✓ Facilitates transformational objectives by further aligning business processes

Military Value

- ✓ No clear Military Value differentiation between sites.
- ✓ Differentiation primarily driven by unique product lines

Payback

- ✓ One Time Cost: \$57.1M **RFC Outstanding**
- ✓ Payback period: 2021 (12 Years)
- ✓ Implementation Period Net Cost: \$ 41.1M
- ✓ Annual Recurring Savings: \$5.4M
- ✓ Net Present Value (20 year): \$13.1M

Impacts

- ✓ Economic: TBD
- ✓ Community: No impact noted.
- ✓ Environmental: Incomplete; missing NSA Philadelphia Installation Profile (Losing Activity); due 10 December. Air quality (Mechanicsburg); Cultural resources (Mechanicsburg); Water resources (Mechanicsburg)

- | | | | |
|-------------------|--|----------------------------------|----------------------------------|
| ✓ Strategy | ✓ Capacity Analysis / Data Verification | ✓ JCSG/MilDep Recommended | ✓ De-conflicted w/JCSGs |
| ☐ COBRA | ✓ Military Value Analysis / Data Verification | ☐ Criteria 6-8 Analysis | ✓ De-conflicted w/MilDeps |



Candidate #S&S-0031

Candidate Recommendation: Consolidate Air Force wholesale Inventory Control Points (ICPs) functions at Robins AFB, GA and Tinker AFB OK to Hill AFB, UT. These functions include, but are not limited to, budgeting, funding, requirements determination, inventory management, materiel acquisition, and maintenance planning.

Justification

- ✓ Consolidates Air Force ICP infrastructure in a single location
- ✓ Gain efficiencies in common functions

Military Value

- ✓ Overall: Hill AFB ICP activity consistently ranked relatively high in military value scoring.
- ✓ Mil Judgment: Potential disruption of engineering linkages may present challenges.

Payback

- ✓ One Time Cost:
- ✓ Payback Period:
- ✓ Implementation Period Net Cost:
- ✓ Annual Recurring Savings: **RFCs**
- ✓ Net Present Value (20 year): **OUTSTANDING**

Impacts

- ✓ Economic: TBD
- ✓ Community: Housing Cost, Hospital beds, Small Market Impact (Robins AFB)
- ✓ Environmental: Air quality (Hill); Water resources (Hill)

✓ Strategy

✓ Capacity Analysis / Data Verification

✓ JCSG/MilDep Recommended

✓ De-conflicted w/JCSGs

☐ COBRA

✓ Military Value Analysis / Data Verification

☐ Criteria 6-8 Analysis

✓ De-conflicted w/MilDeps



Candidate #S&S-0006

Candidate Recommendation: Consolidate Air Force wholesale Inventory Control Points (ICPs) functions at Robins, AFB GA and Hill AFB, UT to Tinker AFB, OK. These functions include, but are not limited to, budgeting, funding, requirements determination, inventory management, materiel acquisition, and maintenance planning.

<p style="text-align: center;"><u>Justification</u></p> <ul style="list-style-type: none"> ✓ Consolidates Air Force ICP infrastructure in a single location ✓ Gain efficiencies in common functions 	<p style="text-align: center;"><u>Military Value</u></p> <ul style="list-style-type: none"> ✓ Overall: Tinker AFB ICP activity consistently ranked relatively high in military value scoring. ✓ Mil Judgment: Potential disruption of engineering linkages may present challenges.
<p style="text-align: center;"><u>Payback</u></p> <ul style="list-style-type: none"> ✓ One Time Cost: Payback Period: ✓ Implementation Period Net Cost: RFCs ✓ Annual Recurring Savings: OUTSTANDING ✓ Net Present Value (20 year): 	<p style="text-align: center;"><u>Impacts</u></p> <ul style="list-style-type: none"> ✓ Economic: TBD ✓ Community: Crime Index (Tinker), Small Market Impact (Robins) ✓ Environmental: Water resources (Tinker AFB)

- Strategy
- Capacity Analysis / Data Verification
- JCSG/MilDep Recommended
- De-conflicted w/JCSGs
- COBRA
- Military Value Analysis / Data Verification
- Criteria 6-8 Analysis
- De-conflicted w/MilDeps



Candidate #S&S-0005

Candidate Recommendation: Consolidate Defense Logistics Agency Inventory Control Point (ICP) functions (less the Defense Energy Supply Center) at Defense Supply Center Philadelphia (DSCP), PA, and at Defense Supply Center Richmond, (DSCR), VA, to Defense Supply Center Columbus (DSCC), OH. This will result in both weapon system (aviation, land, maritime) and troop support being provided from one location.

Justification

- ✓ Supports T.O. 57: Establish a single ICP within each Service or consolidate into joint ICPs.
- ✓ Mission Consolidation
- ✓ Reduces excess capacity

Military Value

- ✓ Overall effect on Military Value: DSCC consistently ranked highest in military value scoring analysis.
- ✓ Military judgment: Space available at DSCC makes DSCP/DSCR relocation a potential option through MILCON.

Payback

- ✓ One Time Cost: \$283.5M
- ✓ Payback Period: 2013 (5 years)
- ✓ Implementation Period Net Cost: \$38.2M
- ✓ Annual Recurring Savings: - \$36.2M
- ✓ Net Present Value (20 year): - \$294.8M

Data Calls
(Out/In)

DLA 1/1

Impacts

- ✓ Economic: (TBD)
- ✓ Community: No substantial impact
- ✓ Environmental: No substantial impact.

- | | | | |
|------------|---|---------------------------|---------------------------|
| ✓ Strategy | ✓ Capacity Analysis / Data Verification | ✓ JCSG/MilDep Recommended | ✓ De-conflicted w/JCSGs |
| ☐ COBRA | ✓ Military Value Analysis / Data Verification | ☐ Criteria 6-8 Analysis | ✓ De-conflicted w/MilDeps |



Candidate #S&S-0033

Candidate Recommendation: Consolidates Services/DLA ICP activities to maximize military value and minimize excess capacity. Relocate Soldier System Command, Natick (TACOM-ICP) to Ft Monmouth. Relocate NAVICP Philadelphia to NSA Mechanicsburg and consolidate with NAVICP Mechanicsburg. Relocate and consolidate Detroit Arsenal (ILSC) to Redstone Arsenal (AMCOM-ICP). Relocate and consolidate Ft Huachuca ICP to Redstone Arsenal (AMCOM-ICP). Relocate and consolidate Rock Island Arsenal (TACOM-ICP) to Redstone Arsenal (AMCOM-ICP). Relocate and consolidate Lackland AFB-NICP to Tinker AFB-NICP. Gaining NICPs will assume all functions currently performed at the NICPs they absorb.

Justification

✓ Maximizes military value while minimizing excess capacity across the Services/DLA ICP universe

Military Value

Overall effect in Military value: Scenario is derived from optimization modeling which maximizes military value while minimizing excess capacity.

Payback

- ✓ One Time Cost:
- ✓ Payback Period:
- ✓ Implementation Period Net Cost:
- ✓ Annual Recurring Savings:
- ✓ Net Present Value (20 year):

Data Calls (Out/In)

Army	1/0
Navy	1/1
AF	1/1
DLA	0/0

Impacts

- ✓ Economic: TBD
- ✓ Community: No significant impacts.
- ✓ Environmental: Incomplete; missing NSA Philadelphia Installation Profile (Losing Activity); due 10 December. No significant impacts anticipated.

✓ **Strategy**

✓ **Capacity Analysis / Data Verification**

✓ **JCSG/MilDep Recommended**

✓ **De-conflicted w/JCSGs**

❑ **COBRA**

✓ **Military Value Analysis / Data Verification**

❑ **Criteria 6-8 Analysis**

✓ **De-conflicted w/MilDeps**



Candidate #S&S-0026

Candidate Recommendation: Consolidates select AF ICP functions to create a virtual ICP for the Air Force.

Justification

- ✓ Mission Consolidation
- ✓ Management and functional oversight activity drawdowns
- ✓ Aligns commercial Supply Chain Mgt commercial practices with AF ICP business processes

Military Value

- (1) Improve command & control of Air Force spares support by consolidating Inventory Control Point (ICP) command and control operations at a single point/commander, with the remaining functions consolidated to 3 sustainment wings at the ALCs.
- (2) Solidify strategic supply chain sourcing by physically aligning commodity management, SOS, and TRC through movement of the SOS and/or TRC.

Payback

- ✓ One Time Cost: \$54.7M
- ✓ Payback Period: Never RFC Outstanding
- ✓ Implementation Period Net Cost: \$77.5M
- ✓ Annual Recurring Savings: 0
- ✓ Net Present Value (20 year): \$110M

Impacts

- ✓ Economic: TBD
- ✓ Community: Small market impact (Robins AFB)
- ✓ Environmental: Water resources (Wright-Patterson AFB)

- | | | | |
|------------|---|---------------------------|---------------------------|
| ✓ Strategy | ✓ Capacity Analysis / Data Verification | ✓ JCSG/MilDep Recommended | ✓ De-conflicted w/JCSGs |
| ☐ COBRA | ✓ Military Value Analysis / Data Verification | ☐ Criteria 6-8 Analysis | ✓ De-conflicted w/MilDeps |



Candidate #S&S-0036

Candidate Recommendation: The Army establishes an Army Inventory Control Point (AICP) by consolidating inventory management and related support functions from three Army Life Cycle Management Commands (LCMCs) located at five activities (Redstone Arsenal, Detroit Arsenal, Fort Monmouth, Fort Huachuca, Rock Island Arsenal, and Soldier System Center) at Fort Monmouth, NJ. This allows the Army to have one Inventory Control Point (ICP) providing inventory management functions at one location.

Justification

- ✓ Consolidates Army LCMC infrastructure in a single location
- ✓ Gain efficiencies in common functions
- ✓ Facilitates transformational objectives by further aligning business processes

Military Value

- ✓ Overall effect of Military Value: Scenario not supported by optimization

Payback

- ✓ One Time Cost **NO DATA IN**
- ✓ Payback Period
- ✓ Implementation Period Net Cost
- ✓ Annual Recurring Saving:
- ✓ Net Present Value (20 years)

Impacts

- ✓ Economic: TBD
- ✓ Community: Some impacts reported but not significant to impact this scenario
- ✓ Environmental: Air quality (Fort Monmouth); Water resources (Fort Monmouth)

- | | | | |
|-------------------|--|----------------------------------|----------------------------------|
| ✓ Strategy | ✓ Capacity Analysis / Data Verification | ✓ JCSG/MilDep Recommended | ✓ De-conflicted w/JCSGs |
| ☐ COBRA | ✓ Military Value Analysis / Data Verification | ☐ Criteria 6-8 Analysis | ✓ De-conflicted w/MilDeps |



Candidate #S&S-0037

Candidate Recommendation: The Army establishes an Army Inventory Control Point (AICP) by consolidating inventory management and related support functions from three Army Life Cycle Management Commands (LCMC) located at five activities (Redstone Arsenal, Detroit Arsenal, Fort Monmouth, Fort Huachuca, Rock Island Arsenal, and Soldier System Center) at Detroit Arsenal, MI This allows the Army to have one Inventory Control Point (ICP) providing inventory management functions at one location.

Justification

- ✓ Consolidates Army LCMC infrastructure in a single location
- ✓ Gain efficiencies in common functions
- ✓ Facilitates transformational objectives by further aligning business processes

Military Value

- ✓ Overall effect of Military Value: Scenario not supported by optimization

Payback

- ✓ One Time Cost **NO DATA IN**
- ✓ Payback Period
- ✓ Implementation Period Net Cost
- ✓ Annual Recurring Saving
- ✓ Net Present Value

Impacts

- ✓ Economic: TBD
- ✓ Community: Some impacts reported but not significant to impact this scenario
- ✓ Environmental: Water resources (Selfridge)

✓ Strategy

✓ Capacity Analysis / Data Verification

JCSG/MilDep Recommended

✓ De-conflicted w/JCSGs

COBRA

✓ Military Value Analysis / Data Verification

Criteria 6-8 Analysis

De-conflicted w/MilDepts



Candidate #S&S-0038

Candidate Recommendation: The Army establishes an Army Inventory Control Point (AICP) by consolidating inventory management and related support functions from three Army Life Cycle Management Commands (LCMCs) located at five activities (Redstone Arsenal, Detroit Arsenal, Fort Monmouth, Fort Huachuca, Rock Island Arsenal, and Soldier System Center) at Redstone Arsenal, AL. This allows the Army to have one Inventory Control Point (ICP) providing inventory management functions at one location.

Justification

- ✓ Consolidates Army LCMC infrastructure in a single location
- ✓ Gain efficiencies in common functions
- ✓ Facilitates transformational objectives by further aligning business processes

Military Value

- ✓ Overall effect of Military Value: Scenario not supported by optimization

Payback

- ✓ One Time Cost **NO DATA IN**
- ✓ Payback Period
- ✓ Implementation Period Net Cost
- ✓ Annual Recurring Saving
- ✓ Net Present Value (20 years)

Impacts

- ✓ Economic: TBD
- ✓ Community: Some impacts reported but not significant to impact this scenario
- ✓ Environmental: Cultural resources (Redstone); Water resources (Redstone)

- ✓ Strategy
- ✓ Capacity Analysis / Data Verification
- ✓ JCSG/MilDep Recommended
- ✓ De-conflicted w/JCSGs
- ❑ COBRA
- ✓ Military Value Analysis / Data Verification
- ❑ Criteria 6-8 Analysis
- ✓ De-conflicted w/MilDepts



Candidate #S&S-0035

Candidate Recommendation: Transfers, Consolidates, and Realigns Service Inventory Control Points (ICP) to the Defense Logistics Agency (DLA).

<p style="text-align: center;"><u>Justification</u></p> <ul style="list-style-type: none"> ✓ Supports T.O. 22: Migrate oversight and management of all Service DLRs to a single DoD Agency/Activity. ✓ Mission consolidation ✓ Reduces excess capacity 	<p style="text-align: center;"><u>Military Value</u></p> <ul style="list-style-type: none"> ✓ Consolidates ICP Activities ✓ Maximizes military value while minimizing excess capacity across <u>all</u> ICP Activates
<p style="text-align: center;"><u>Payback</u></p> <ul style="list-style-type: none"> ✓ One Time Cost ✓ Payback Period ✓ Implementation Period Net Cost: ✓ Annual Recurring Saving: ✓ Net Present Value (20 years) 	<p style="text-align: center;"><u>Impacts</u></p> <ul style="list-style-type: none"> ✓ Economic: (TBD) ✓ Community: No substantial impact. ✓ Environmental: No Substantial impact.

Data Calls
(Out/In)
Army 1/0
Navy 1/1
AF 1/0
DLA 1/0

- ✓ Strategy
- ✓ Capacity Analysis / Data Verification
- ✓ JCSG/MilDep Recommended
- ✓ De-conflicted w/JCSGs
- ☐ COBRA
- ✓ Military Value Analysis / Data Verification
- ☐ Criteria 6-8 Analysis
- ✓ De-conflicted w/MilDeps



Candidate #S&S-0034

Candidate Recommendation: Transfers and Realigns Service Inventory Control Points (ICP) to the Defense Logistics Agency (DLA) by mission area. Mission areas are aviation, cryptological, land, maritime, and troop support.

<p style="text-align: center;"><u>Justification</u></p> <ul style="list-style-type: none"> ✓ Supports T.O. 22: Migrate oversight and management of all Service DLRs to a single DoD Agency/Activity. ✓ Mission consolidation ✓ Reduces excess capacity 	<p style="text-align: center;"><u>Military Value</u></p> <ul style="list-style-type: none"> ✓ Aligns ICPs by Mission Area ✓ Maximizes military value; minimizes <u>mission area</u> excess capacity
<p style="text-align: center;"><u>Payback</u></p> <ul style="list-style-type: none"> ✓ One Time Cost ✓ Payback Period RFC Outstanding ✓ Implementation Period Net Cost: ✓ Annual Recurring Saving: ✓ Net Present Value (20 years) 	<p style="text-align: center;"><u>Impacts</u></p> <ul style="list-style-type: none"> ✓ Economic: (TBD) ✓ Community: No substantial impact. ✓ Environmental: No substantial impact.

Data Calls
(Out/In)
Army 1/0
Navy 1/1
AF 1/1
DLA 1/0

- | | | | |
|-------------------|--|----------------------------------|----------------------------------|
| ✓ Strategy | ✓ Capacity Analysis / Data Verification | ✓ JCSG/MilDep Recommended | ✓ De-conflicted w/JCSGs |
| ☐ COBRA | ✓ Military Value Analysis / Data Verification | ☐ Criteria 6-8 Analysis | ✓ De-conflicted w/MilDeps |



Candidate #S&S-0028

Candidate Recommendation: Realign approximately 31,000 common Depot Level Repairables (DLRs) from the Military Services to the Defense Logistics Agency (DLA). “Common” DLRs are defined as those DLRs used by more than one Service/Agency.

<p style="text-align: center;"><u>Justification</u></p> <ul style="list-style-type: none"> ✓ Supports T.O. 22: Migrate oversight and management of all Service DLRs to a single DoD Agency/Activity. 	<p style="text-align: center;"><u>Military Value</u></p> <ul style="list-style-type: none"> ✓ Common DLR movement to DLA relocates a portion of MILDEP Inventory Control Points (ICPs) DLR management to DLA
<p style="text-align: center;"><u>Payback</u></p> <ul style="list-style-type: none"> ✓ One Time Cost ✓ Payback Period RFC Outstanding ✓ Implementation Period Net Cost: ✓ Annual Recurring Saving: ✓ Net Present Value (20 years) <div style="float: right; text-align: left;"> <p>Data Calls (Out/In)</p> <p>Army <u>1/0</u></p> <p>Navy <u>1/1</u></p> <p>AF <u>1/1</u></p> <p>DLA <u>1/0</u></p> </div>	<p style="text-align: center;"><u>Impacts</u></p> <ul style="list-style-type: none"> ✓ Economic: (TBD) ✓ Community: No substantial impact ✓ Environmental: No substantial impact

- Strategy
- Capacity Analysis / Data Verification
- JCSG/MilDep Recommended
- De-conflicted w/JCSGs
- COBRA
- Military Value Analysis / Data Verification
- Criteria 6-8 Analysis
- De-conflicted w/MilDepts



Candidate #S&S-0039

Candidate Recommendation: Relocate and consolidate MCLB Albany (NICP) to Detroit Arsenal (ILSC). Relocate Soldier System Command, Natick (TACOM-NICP) to Detroit Arsenal (ILSC). Relocate and consolidate Rock Island Arsenal (TACOM-NICP) to Detroit Arsenal (ILSC). Relocate and consolidate Redstone Arsenal (AMCOM-NICP) to Ft Monmouth (CECOM-NICP). Relocate and consolidate CSLA Ft Huachuca (NICP) to Ft Monmouth (CECOM-NICP). Relocate and consolidate CPSG Lackland AFB (NICP) to ALC Tinker (NICP). Gaining NICPs will assume all functions currently performed at the NICPs they absorb.

Justification

- ✓ Consolidates NAVICP infrastructure in a single location
- ✓ Facilitates transformational objectives by further aligning business processes

Military Value

- ✓ **Overall effect in Military value:** Scenario is derived from optimization modeling which maximizes military value while minimizing excess capacity.

Payback

- ✓ One Time Cost:
- ✓ Payback Period:
- ✓ Implementation Period Net Cost:
- ✓ Annual Recurring Savings:
- ✓ Net Present Value (20 year):

Impacts

- ✓ Economic: TBD
- ✓ Community: No significant impacts.
- ✓ Environmental: Incomplete; missing NSA Philadelphia Installation Profile (Losing Activity); due 10 December. No significant impacts anticipated.

✓ Strategy

✓ Capacity Analysis / Data Verification

☐ JCSG/MilDep Recommended

✓ De-conflicted w/JCSGs

☐ COBRA

✓ Military Value Analysis / Data Verification

☐ Criteria 6-8 Analysis

☐ De-conflicted w/MilDeps



Decision / Taskings Review and Way Ahead

Col Neeley



Decision / Taskings Review





Way Ahead (2004)

16 Dec – JCSG Principals' Meeting (1400 – 1600), J4 Conference Room / 2C836

17 Dec – ISG Meeting (1030), VADM Lippert attends, Pentagon (3D1019)

20 Dec 04 – JCSG candidate recommendations due to the ISG (S&S JCSG internal suspense)

24 Dec – No ISG scheduled

31 Dec – No ISG scheduled



Way Ahead (2005)

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*



Backups

Col King



Candidate #S&S-0039

Candidate Recommendation: Relocate and consolidate MCLB Albany (NICP) to Detroit Arsenal (ILSC). Relocate Soldier System Command, Natick (TACOM-NICP) to Detroit Arsenal (ILSC). Relocate and consolidate Rock Island Arsenal (TACOM-NICP) to Detroit Arsenal (ILSC). Relocate and consolidate Redstone Arsenal (AMCOM-NICP) to Ft Monmouth (CECOM-NICP). Relocate and consolidate CSLA Ft Huachuca (NICP) to Ft Monmouth (CECOM-NICP). Relocate and consolidate CPSG Lackland AFB (NICP) to ALC Tinker (NICP). Gaining NICPs will assume all functions currently performed at the NICPs they absorb.

Justification

- ✓ Consolidates NAVICP infrastructure in a single location
- ✓ Facilitates transformational objectives by further aligning business processes

Military Value

- ✓ Mil Value range for all NICPs: .0299-.2239
- ✓ Avg Mil Value for all NICPs: .1623
- ✓ Avg Mil Value of Gaining NICPs: .1867
- ✓ Avg Mil Value of Losing ICPs: .1183

Payback

- ✓ One Time Cost:
- ✓ Payback Period:
- ✓ Implementation Period Net Cost:
- ✓ Annual Recurring Savings:
- ✓ Net Present Value (20 year):

Impacts

- ✓ Economic: TBD
- ✓ Community: No significant impacts.
- ✓ Environmental: Incomplete; missing NSA Philadelphia Installation Profile (Losing Activity); due 10 December. No significant impacts anticipated.

✓ Strategy

✓ Capacity Analysis / Data Verification

☐ JCSG/MilDep Recommended

✓ De-conflicted w/JCSGs

☐ COBRA

✓ Military Value Analysis / Data Verification

☐ Criteria 6-8 Analysis

☐ De-conflicted w/MilDeps



Candidate #S&S-00XX

Candidate Recommendation: Consolidate all Naval Inventory Control Point functions at NSA Mechanicsburg. These functions include, but are not limited to, requirements determination, material management, allowance development, technical/ILS support, security assistance, item introduction, and interim support. All functions currently performed at NAVICP Philadelphia will be transferred to NAVICP Mechanicsburg location. Disestablish NAVICP Philadelphia . Consolidate DSC Philadelphia with DSC Columbus at DSC Columbus. Disestablish DSC Philadelphia.

<p style="text-align: center;"><u>Justification</u></p> <ul style="list-style-type: none"> ✓ Consolidates NICP infrastructure ✓ Gain efficiencies in consolidation of common functions ✓ Facilitates transformational objectives by further aligning business processes ✓ Enables closure of NSA Philadelphia 	<p style="text-align: center;"><u>Military Value</u></p> <ul style="list-style-type: none"> ✓ DSC Philadelphia .1588 ✓ DSC Columbus .1924 ✓ NAVICP Philadelphia .1993 ✓ NAVICP Mechanicsburg .1882
<p style="text-align: center;"><u>Payback</u></p> <ul style="list-style-type: none"> ✓ One Time Cost: ✓ Payback Period: ✓ Implementation Period Net Cost: ✓ Annual Recurring Saving: ✓ Net Present Value (20 years): 	<p style="text-align: center;"><u>Impacts</u></p> <ul style="list-style-type: none"> ✓ Economic: Data not available ✓ Community: No impacts noted. ✓ Environmental: Incomplete; missing NSA Philadelphia Installation Profile (Losing Activity); due 10 December. Air quality (Mechanicsburg); Cultural resources (Mechanicsburg); Water resources (Mechanicsburg)

- Strategy
- Capacity Analysis / Data Verification
- JCSG/MilDep Recommended
- De-conflicted w/JCSGs
- COBRA
- Military Value Analysis / Data Verification
- Criteria 6-8 Analysis
- De-conflicted w/MilDeps