

S&S JCSG Offsite Minutes

22 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), BGEN Usher (S&S Principal, Marines), 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), Mr. Galloway (DoD IG), Mr. Meyer (OSD), Mr. Desiderio (OSD) Capt Rivera (S&S JCSG Marine Team), LCDR Stark (S&S JCSG Data team), Mr. Sears (S&S JCSG COBRA team), CAPT Myhre (Navy BRAC team), Mr. O'Rourke (S&S DLA BRAC Team), CDR Larcher (S&S JCSG Navy Team)

- VADM Lippert commenced the offsite at 0800. VADM Lippert noted that discussion at recent ISG meetings indicated that all teams were struggling and that some of the other JCSGs were experiencing delays that could take the process into February or March; the S&S JCSG had in his estimate made progress. VADM Lippert reviewed the Red Team personnel on chart 3, and the group noted that the spelling on the chart for "lee salaman" appeared incorrect, and the group believed that the Red Team member was General Leon Salomon (USA-ret), a former Army Material Command commander. VADM Lippert noted the changes to the Principals' planned meetings. The 5th and 12 of January were opted for vice 3rd and 13th of January.
- Col Neeley briefed the plan for the offsite in Chart 5.
- Col Neeley briefed Chart 6 and discussed the OGC's review of S&S JCSG draft candidate recommendations and efforts that had been made to coordinate with OSD and OGC to ensure that candidate recommendations write ups were in proper format and contained the appropriate content.
- Col Neeley noted that OSD needed to provide guidance on BOS data that was being received. OSD representative Mr. Desiderio noted that the team should document that the data was in the COBRA data, but not use the data if it is not relevant. Col King noted that the services were treating

the data differently, and noted that the data might not be itemized consistently so that it could be pulled out as Mr. Desiderio suggested. Col King reiterated that something in writing was needed. Mr. Desiderio agreed and would provide appropriate guidance.

- Mr. Galloway briefed the Principals on the status of certification issues. Some of the manual data being used without certification and noted at the last Principals meeting was being replaced with OSD portal data so it was now certified. Mr. Galloway briefed that attention was still needed on data that was received outside the portal process. VADM Lippert asked whose attention was needed. Mr. Galloway briefed who each certifying authority was for each service, and indicated that in his audits he was attempting to refine exactly where certifications were lacking. In the case of DLA, Mr. Galloway noted that DLA was planning to change its certifying authority to delegate from MG Saunders to Mr. O'Rourke. VADM Lippert directed after discussion with Mr. O'Rourke that he (VADM Lippert) was unaware of the change and directed that MG Saunders would continue to be the DLA official. Mr. Galloway briefed that the Army had met and certification issues were resolved such that the future memos would contain appropriate data that had been lacking in the past in all future memos. Mr. Desiderio stated that he had attended the meeting and noted that past certifications were discussed and the Army decided that the certification was sound. Col Neeley asked if that was available in writing. LTG Christianson noted that he had spoken with Dr. College and that the Army would do everything necessary to get the JCSG the appropriate documentation concerning certification. The Principals asked Mr. Galloway to continue his assessment and to keep the group informed of any remaining certification requirements. CDR Goodwin noted he would add this to the daily updates of outstanding data requirements.
- Mr. Meconnahey briefed COBRA Chart 11. Data calls for some scenarios remain overdue. Mr. Meconnahey noted that DLA was overdue due to waiting on Army data but that Army data had arrived yesterday and DLA should be able to deliver its response today. VADM Lippert asked if Mr. Meconnahey was concerned about getting the data back. Mr. Meconnahey noted that he was not overly concerned about getting a response, but that the quality of data received was a concern and this required time to reconcile. VADM Lippert

asked if those responsible knew where the data problems were. Mr. Meconnahey briefed that the S&S JCSG office generally knew where the problems were. LTG Christianson asked if the problems can be identified to a specific RFC and or an individual and Mr. Meconnahey responded that the COBRA team was struggling with a way to communicate specifically what areas or individuals needed to respond to an RFC. VADM Lippert asked if the RFC issue would put the 14 January date at risk. Mr. Meconnahey said it likely would. Mr. Meconnahey stated that the COBRA team is attempting to track and report responsible entities and to report turn-around-time on responses. Mr. Meconnahey stated that LMI personnel are building a database to assist but it will take time. Col Neeley asked OSD reps to comment on that given the constant flow of data, and poor quality issues that drive additional RFCs and time, is there danger in getting additional data and updating the analysis. OSD reps responded that you have to keep taking data or it may look like the team is "gaming" the data. LTG Christianson noted that a mechanism to accommodate the updated data is required since further along in the process the need for clarity will be especially important and the teams will have to be able to show that the best data for a location was used in the analysis.

- Col Faulkner briefed charts 14 to 16. Col Faulkner noted that a lesson learned from previous rounds was to get the Combatant Commanders (CoComs) briefed early. J-8 was asked to ensure that the CoComs have been briefed on the process and to ensure the CoComs had seen all scenarios. 7 of 9 CoComs have responded to the scenarios with a memo. No CoCom comments were noted in the S&S area. PACOM and STRATCOM had large input, nominal input from TRANSCOM. While this is only the first memo from the CoComs, others may follow. Another update to the CoComs will be done in February to March.
- VADM Lippert noted that the ISG schedule has ISG meetings scheduled all the way out to May. VADM Lippert noted he may have conflicts and will ask other Principals to stand in for him.
- Col King briefed Chart 18 and discussed the status of data that had been received and where RFCs had been issued for all of his scenarios. Col King summarized that the team had issued new scenarios for candidate recommendations S&S # 0041 and 0042 and associated data calls following

previous Principal direction and was waiting for the data to proceed. VADM Lippert asked if the candidate recommendations would be ready for 5 January. Col King was not confident he could reach the 5th or 12th January target timeline. Col Neeley did not have confidence that the recommendations would be ready by the 5th, but perhaps by the 10th (for presentation on the 12th). Lt Gen Wetekam stated that he at least wanted to have all scenarios covered, and was concerned that the data and analysis approaches that the team had used might require the team to write another scenario around the 10th or 12th of January and further delay the results. Col King noted that he would seek no decisions today, but would update his scenarios. Col King briefed how the scenarios interplayed and what the potential outcomes were. LTG Christianson asked if the data gathered to date could be rolled into new scenario options without tasking the field. OSD representative Mr. Meyer stated that if the teams had the data they could conceivably combine parts of other scenarios and run the analysis without a data call.

- BGen Usher asked if Principals felt that a process foul would result if a scenario came out that was slightly different from what had been responded to and was tracking in the OSD trackers. RADM Thompson noted that he felt that the Navy position was that since no decisions had been made, it would be helpful to see the analysis and if the business case was there, then it would be worthwhile to proceed in crafting new scenarios based on data already held.
- VADM Lippert directed that the team attempt to ensure that adequate data be gathered and held, and that the team obtain sufficient knowledge on how to do any new scenarios from the data, especially in cases such as the mix and match ICP options if Principals direct.
- Col King noted that all of the pending recommendations were still awaiting data and then briefed the status of each scenario. RFCs and outstanding data requirements were noted. Col King noted that payback analysis had shown some scenarios with large personnel movements and consolidations but with resulting low levels of personnel reductions and this seemed counterintuitive.
- Mr. Desiderio noted that the H&SA JCSG had considered establishing benchmark standards for personnel reductions

given an amount of loss of mission or space. However, due to the different types of work being performed by the various activities under study, there seemed to be no desire at the ISG to standardize across the various groups.

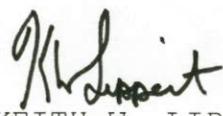
- CAPT Coderre suggested that on a macro level, without even considering benchmarks or metrics, that any overall COBRA losses showing no or low savings from closing infrastructure should be questioned. In particular, the set of scenarios consolidating service/agency ICPs to one should be questioned. CAPT Coderre suggested as example that in one case DLA appeared to gain while Air Force and Army showed losses when each activity was projected as taking similar action. Capt Coderre suggested that any unexpected answers, especially those including unexpected costs or lack of savings should also be questioned and reported on.
- VADM Lippert noted that if personnel savings seemed artificially low, that past results ought to be at least a benchmark. Mr. Desiderio noted that if the results are low for personnel reductions, perhaps the JCSGs should propose something and let the services react. LTG Christianson stated that we have the data, we know how many people and how much space are at our facilities and could perhaps do a sanity check on estimated personnel savings.
- VADM Lippert directed that in the future when a scenario is briefed, teams are to call out how many personnel and square feet are reduced. RADM Thompson asked if the teams could inject their own projections of savings beyond what the services estimate in the data calls. Col King noted that he saw no way to make an estimate. The principals discussed that when considering the ICP mix, some type of comparison would have to be done across the ICPs to ensure logical outcomes in personnel and space savings. VADM Lippert noted that the experience likely existed among the Principals to make a competing personnel savings determination. RADM Thompson asked if each team could provide advice to allow for any type of projections for personnel and space reduction options beyond what the services recommend. RADM Thompson clarified that he wanted to know what the teams desired the Principals to do to drive more realism into the estimates. An action was taken that teams will call out personnel and space savings in each scenario. Further, in addition to noting low personnel reductions, or low square foot savings, team will

note if unexpected costs result from service estimates and appear counterintuitive. The teams will provide via the Council of Colonels, data and concerns to the Principals to enable discussion with respective services.

- Break
- Col Bockenstedt briefed team 1 issues and Charts. New scenarios were established for the three privatization scenarios to add the supply functions to the analysis. ICP impacts are also incorporated into the scenarios. Data calls went out yesterday. DLA will answer on packaged POLs since DLA is the commodity manager.
- On the four SDP scenario candidate recommendation S&S # 0004, COL Bockenstedt noted that the team was confident in the analysis and numbers for payback. VADM Lippert asked Col Neeley to discuss how the scenario was impacted concerning recently received information about Red River. The Joint Cross Service Group for Industrial has scenarios to realign the industrial and munitions aspects of the Red River facility elsewhere, leaving only the Depot function currently being considered in S&S candidate recommendations. VADM Lippert noted that if the Red River Depot could close, then the Army could have the option to close the entire base. LTG Christianson noted that he needed to discuss with the Industrial JCSG to de-conflict what he had been previously briefed. VADM Lippert noted he had been approached that morning by the Industrial JCSG and that the S&S JCSG scenario may need to be reviewed to accommodate consolidation at the Oklahoma City Depot vice Red River. VADM Lippert asked if MilCon was required in Oklahoma City and if sufficient buildable acres were available. Col Bockenstedt noted team 1 would research and report back. Creation of a new scenario was discussed to accommodate the Industrial JCSG request. Team 1 took an action to craft and present this scenario.
- Col Neeley then reviewed the tasking from the offsite which included:
- OSD to provide written guidance on COBRA data anomalies. For example, OSD will provide guidance on how to treat different levels of Base Operating Support cost data received in COBRA data calls from the services.

- The COBRA team will further refine the process of tracking and reporting RFCs, evaluate the quality of data to find trends, and turn-around-time for responses to give the group a sense of how long the process is taking.
- Col King's team will ensure that the capability and data to allow for new ICP scenario options are developed. This will allow variations on ICP scenarios to be examined.
- The Teams will call out personnel and space savings in each scenario.
- In addition to RFCs, if personnel, square foot savings or unexpected costs resulting from service estimates appear counterintuitive, the teams will provide via the Council of Colonels, data and concerns to principals to enable discussion with respective services.
- Candidate recommendation S&S # 0004 will be analyzed to incorporate evolving Red River input from the Industrial Joint Cross Service Group. A new scenario and data calls will be created to conduct this analysis replacing Red River with Oklahoma City ALC.
- Col Neeley reviewed the upcoming schedule including changes to include Principals' meetings on the 5th and 12th of January.
- VADM Lippert expressed thanks to the Council for the hard work and wished each member a happy holiday.
- The offsite concluded with lunch in the Director's Conference Room at 1030.

Approved: 


 KEITH W. LIPPERT
 VADM, SC, USN
 Director,
 Defense Logistics Agency
 Chairman, Supply and Storage,
 Joint Cross Service Group

Attachments:
 1. Briefing

ACTIVITY: S&S JCSG
 CONTROL NUMBER# 4364-0934
 COPY 1 OF 1 COPIES
 DATE RECEIVED 29 DEC 04
 TIME RECEIVED 1400
 Pages: 1-52



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

Principals' Offsite

December 22, 2004

Chair: VADM Keith Lippert



Overview: 22 December Principals' Offsite



0800 – 0805	<i>Administrative Remarks</i>	CDR Goodwin
0805 – 0810	<i>Chairman's Remarks</i>	VADM Lippert
0810 – 0820	Issues	Col Neeley
0820 – 0830	<i>IG (Certification Controls)</i>	Mike Galloway
0830 – 0840	<i>COBRA Update</i>	Joe Meconnahey
0840 – 0845	<i>Combatant Commanders Update</i>	Col Faulkner
0845 – 0945	<i>Team #2 Candidate Scenario Briefs</i>	Col King
0945 – 1000	<i>Break</i>	
1000 – 1100	<i>Team #1 Candidate Scenario Briefs</i>	COL Bockenstedt
1100 – 1115	<i>Break (Set up for working lunch)</i>	Flag Mess
1115 – TBD	<i>Working Lunch with Decision / Taskings Review and Way Ahead</i>	Col Neeley



Red Team

- Robert B. Pirie, Jr.
 - Former Assistant Secretary of the Navy (Installations and Environment)
- John A. Gordon
 - Deputy Director of Central Intelligence Agency (General, USAF Retired)
- Hansford T. (H.T.) Johnson
 - Former Acting Secretary of the Navy
- Lee Soloman
 - Former Assistant Secretary of the Army (Installations and Logistics)



Issues

Col Neeley



What We Are Going to Do Today

- Address Outstanding Issues
 - Team
 - IG
 - COBRA

- Review ALL scenarios
 - Show progress to date
 - Identify remaining challenges and magnitude
 - Possible further refining of scenarios



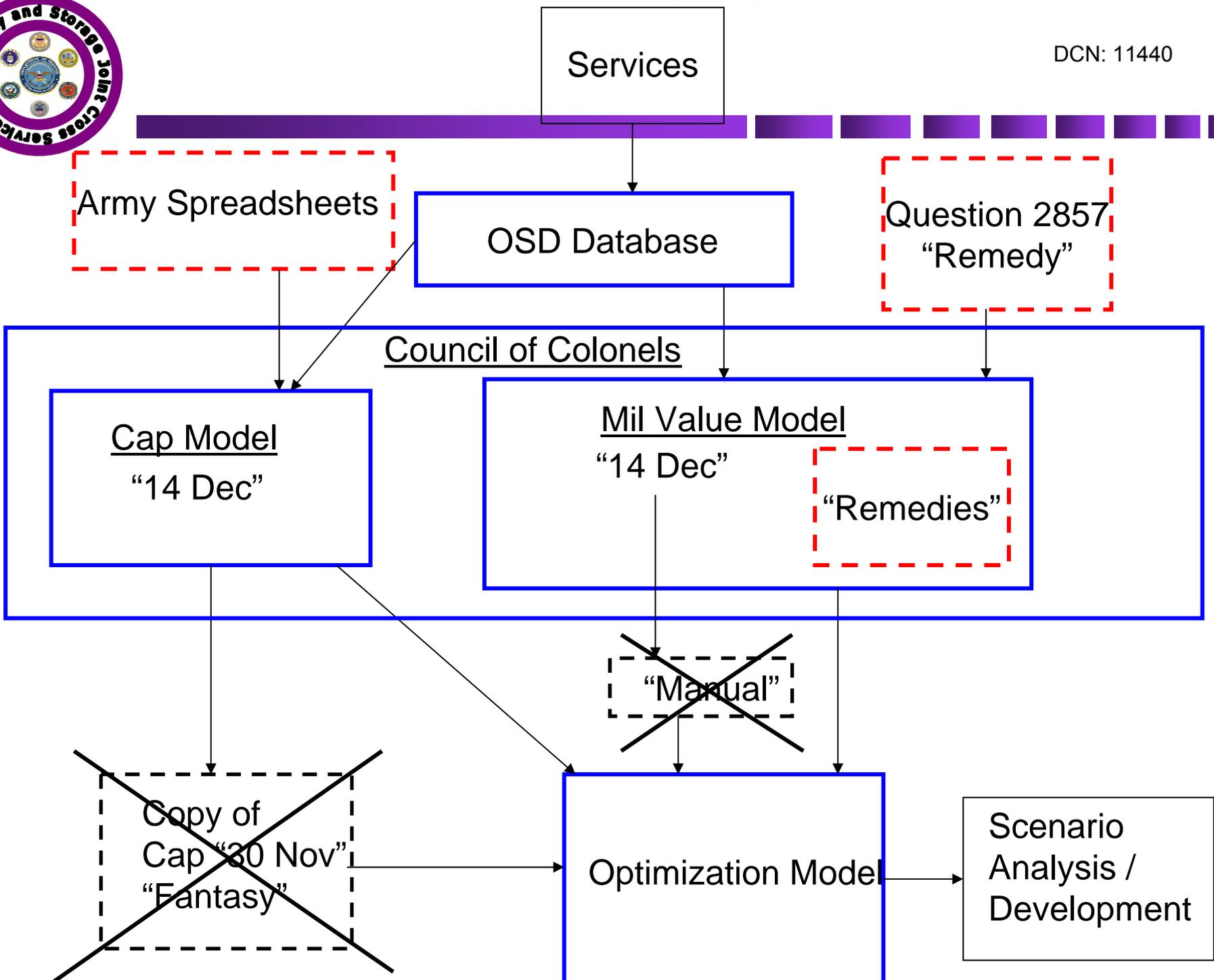
Issues

- Recommendation Submission
 - Quad Charts and Supporting Information
 - General Counsel Review
- ECD for all Recommendations: 10 Jan 05
 - Finalize COBRA analysis
 - RFCs; verify data
- BOS data: need OSD written guidance



Certification Controls

Mr. Galloway



Certification Controls



1. OSD requires all JCSG data to be certified. There are two forms of certification.
 - a) OSD data base by default has solid internal control, inherently certified by process
 - b) Certification memo **SIGNED BY SERVICE CERTIFYING AUTHORITY** as designated by Service/Agency Internal Control Plan
 - 1) Stated authorities currently are
 - a. USAF: Mr. Pease
 - b. USA: Mr. College
 - c. USN: Ms. Davis
 - d. DLA: Maj Gen Saunders
2. Certification must contain:
 - a) Dated Memorandum
 - b) Description must be specific & traceable to the data being certified
 - c) Must include Proper statement “I certify this data to be accurate and complete to the best of my knowledge”
3. ISG Chairman provided relief for “Scenario Data Calls” to allow 2 weeks for certification to follow the data.
4. ISG Chairman relief **DOES NOT** include the following:
 - a) “Remedies” – (DLA, Army), Ancillary Questions – (DLA)
 - b) Certification must accompany the response.
5. IG providing audit worksheet of data lacking certification to S&S JCSG Council of Colonels and OSD. Missing certifications incorporated in S&S JCSG XO daily summary.

**Lack of certification may result in candidate recommendation
being rejected by ISG/IEC**



COBRA Update

Mr. Meconnahey

Cobra Scenario Data Call Status



Scenario Data Call Due Dates

Scenario #	S&S-0028	S&S-0036	S&S-0041	S&S-0042	S&S-0043	S&S-0044	S&S-0045
DLA	11/28/2004	-	-	-	12/30/2004	12/30/2004	12/30/2004
USA	-	12/9/2004	-	12/26/2004	12/30/2004	12/30/2004	12/30/2004
USN	-	-	12/29/2004	-	-	-	-
USN/USMC	-	-	-	-	12/30/2004	12/30/2004	12/30/2004
USAF	-	-	-	12/26/2004	12/30/2004	12/30/2004	12/30/2004

STATUS on Past Due Scenario Data Calls

- S&S-0028 DLA waiting USAF (Rec'd 12/21/2004) / USA data (Rec'd 12/20/2004)
- S&S-0036 Rec'd 12/20/2004 & Sent back due to large numbers of entry errors



Cobra Run Status – Data Quality Issues

Scenario #	Number of COBRA Runs	Movement of Positions	Movement of Equipment	One Time Costs or Savings	Environ-mental Non-MILCON	Activity Mission Costs or Savings	Contract Costs	Recurring Costs or Savings	Construction/ Procurement Avoidances	Facilities Shutdown	Positions +/-	MILCON	Family Housing
S&S-0004	4	X		A					A		X		
S&S-0005	3		X	A				A	A				A
S&S-0006	3	A	A	A				A		X	A	A	
S&S-0010	3		A								A		
S&S-0022	3								X	X	X		
S&S-0023	3								X	X	X		
S&S-0024	3								X	X	X		
S&S-0026	2		A	A				A		X	A	A	
S&S-0027	2		A	A			A			X	A	A	A
S&S-0028	0												
S&S-0029	2		A	A			A			X	A	A	A
S&S-0030	1	X	A	A				A	A	A	X	A	
S&S-0031	2	Gross Data Errors											
S&S-0036	0												
S&S-0038	1	A	A	A							A	A	
S&S-0040	3	A	A	A	A			A		A	A	A	

A = Analysis Required

X = Missing



Combatant Commanders Update

Col Faulkner

The logo for the S&S JCSG and Storage Joint Cross Service is circular with a purple border. Inside the border, the text "S&S JCSG and Storage Joint Cross Service" is written in a circular path. The center of the logo features several smaller circular emblems representing different military services.

S&S JCSG and Combatant Commanders

- OSD/JS has completed briefing all CoComs
 - Mr Grone (OSD-ATL)
 - Col Woodward (JS J8)
- CoComs have been provided full scenarios from OSD database
- All CoComs (w/ exception of CENTCOM & EUCOM) have provided the JS feedback on select scenarios
 - To date - NO S&S scenarios mentioned in any CoCom memo
 - Significant CoCom input received involving all three MILDEPs and HSA/IND/E&T/TECH/MED JCSGs.
- Feb/Mar 05: Second round of CoCom briefings



Actions Pending/Complete

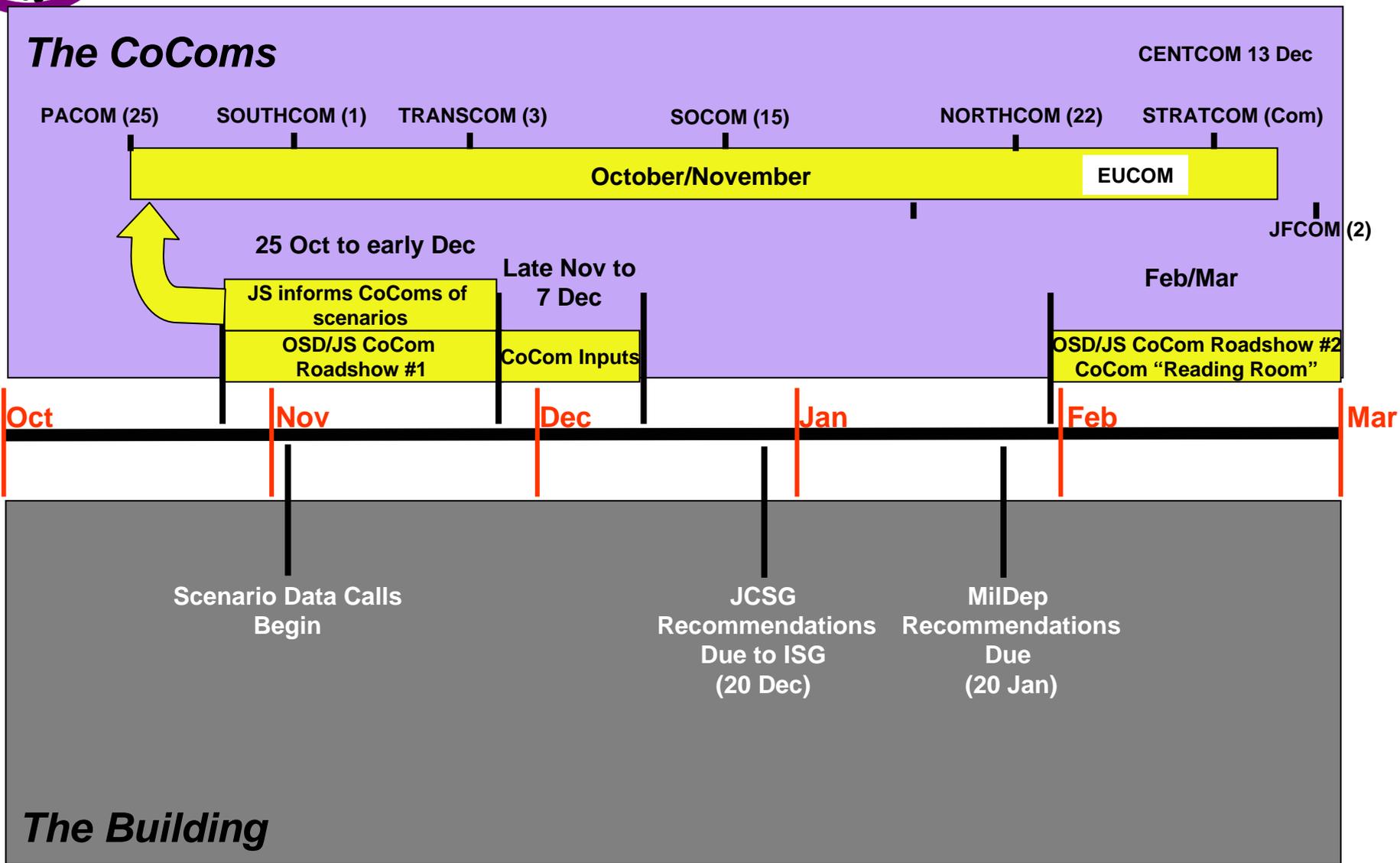
Phase One				Phase Two	
CoCom	Com Brief	Paired Scenarios Provided	Full Scenarios Provided	CoCom F.B.	Last Scen Updt
NORTHCOM	22 Nov	10 Nov	10 Nov	X	10 Dec
JFCOM	2 Dec	16 Nov	19 Nov	X	16 Dec
STRATCOM	****	10 Nov	10 Nov	X	2 Dec
TRANSCOM	3 Nov	3 Nov	10 Nov	X	2 Dec
PACOM	25 Oct	9 Nov	9 Nov	X	16 Dec
SOCOM	15 Nov	15 Nov	15 Nov	X (X2)	16 Dec
SOUTHCOM	1 Nov	1 Nov	10 Nov	X	2 Dec
EUCOM	21 Dec	N/A	29 Nov		
CENTCOM	13 Dec	N/A	2 Dec		

■ Complete
 ■ Scheduled
 ■ Unscheduled

**** Cnx at request of ComSTRATCOM (previously briefed as J8)



CoCom/Building Timeline



Note: SecDef Recommendations due to Commission: 16 May 05



Team #2 Candidate Scenario Briefs

Col King



Service Control of ICPs Scenarios



Competing Scenarios

Non Competing Scenarios

Single ICP within each Service

“Virtual” ICP

ICP Mix

DLA S&S-0005 (Columbus)

USA S&S-0027 (Monmouth)
 S&S-0029 (Redstone)

USAF S&S-0006 (Tinker)
 S&S-0031 (Hill)
 S&S-0040 (Robins)

USN S&S-0041 (Philadelphia)
 S&S-0010 (Mechanicsburg)

USA S&S-0036 (Monmouth)
 S&S-0038 (Redstone)

USAF S&S-0026 (Wright Patt)

S&S-0042

S&S-0028 (in work/submitted for GC review)
 MCLB Albany (Single Service ICP by definition)



Candidate #S&S-0027

Candidate Recommendation: Realign all personnel and functions currently performed by the Army three Major Subordinate Commands, (AMCOM, Redstone Arsenal, CECOM (Fort Monmouth and Fort Huachuca), and TACOM (Detroit Arsenal, Rock Island, and Soldier System Center) and their Programs Executive Officers and Program Managers to Fort Monmouth, NJ. Align as the Army Consolidated Command. This action allows for further alignment of common functions (inventory management, contracting, legal support, IMMC matrix support, resource management and PEOs/PMs) currently being performed by the six activities.

Justification

- ✓ Realign the 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

- ✓ One Time Cost: \$ 466.8M
- ✓ Payback Period: Never **RFC Outstanding**
- ✓ Implementation Period Net Cost: \$667.8M
- ✓ Annual Recurring Cost: \$46.4M
- ✓ Net Present Value (20 years): \$1,054.9M (cost)

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: Realign all personnel and functions currently performed by the Army three Major Subordinate Commands, (AMCOM, Redstone Arsenal, CECOM (Fort Monmouth and Fort Huachuca), and TACOM (Detroit Arsenal, Rock Island, and Soldier System Center) and their Programs Executive Officers and Program Managers to Redstone Arsenal, AL. Align as the Army Consolidated Command This action allows for further alignment of common functions (inventory management, contracting, legal support, IMMC matrix support, resource management and PEOs/PMs) currently being performed by the six activities.

Justification

- ✓ Realign the 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: \$533.3 M **RFC Outstanding**
- ✓ Payback Period: 11 years (2021)
- ✓ Implementation Period Net Cost: \$340.4M
- ✓ Annual Recurring Savings: \$50.2M
- ✓ Net Present Value (20 years): \$141.0M (savings)

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/MilDepts



Candidate #S&S-0041

Candidate Recommendation: Realign Naval Inventory Control Point functions at NSA Philadelphia with exception of warehousing functions (Code 009 and OSM). Functions to be consolidated include requirements determination, material management, allowance development, technical/ILS support, security assistance, item introduction, and interim support. Disestablish NAVICP Mechanicsburg. NAVICP warehousing functions (Code 009 and OSM) are retained at NSA Mechanicsburg as NAVICP Detachment Mechanicsburg.

<p style="text-align: center;"><u>Justification</u></p> <ul style="list-style-type: none"> ✓ Consolidates NAVICP infrastructure in a single location ✓ Gain efficiencies in common functions ✓ Facilitates transformational objectives by further aligning business processes 	<p style="text-align: center;"><u>Military Value</u></p> <ul style="list-style-type: none"> ✓ NAVICP Phil Military Value score marginally higher ✓ No clear Military Value differentiation between sites. ✓ Differentiation primarily driven by unique product lines ✓ Alignment of Code 009/OSM warehousing functions improves ROI of ICP consolidation at NSA Phil
<p style="text-align: center;"><u>Payback</u></p> <ul style="list-style-type: none"> ✓ One Time Cost: SDC Outstanding ✓ Payback Period: ✓ Implementation Period Net Cost: ✓ Annual Recurring Costs: ✓ Net Present Value (20 year): 	<p style="text-align: center;"><u>Impacts</u></p> <ul style="list-style-type: none"> ✓ Economic: (TBD) ✓ Community: No impact noted. ✓ Environmental: Incomplete; missing NSA Philadelphia Installation Profile (Gaining Activity)

- ✓ 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: Realign Naval Inventory Control Point functions at NSA Mechanicsburg. Functions include 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.
- ✓ NAVICP Phil Military Value score marginally higher
- ✓ Differentiation primarily driven by unique product lines

Payback

RFC TBD

- ✓ One Time Cost: \$57.1M
- ✓ Payback period: 2021 (12 Years)
- ✓ Implementation Period Net Cost: \$ 40.7M
- ✓ Annual Recurring Savings: \$5.6M
- ✓ Net Present Value (20 year): \$15.3M (savings)

Impacts

- ✓ Economic: Potential reduction of 2,318 jobs (direct and indirect) in metropolitan division economic area (.1%)
- ✓ Community: No impact noted.
- ✓ Environmental: Incomplete; missing NSA Philadelphia Installation Profile (Gaining Activity). Air quality (Mech); Cultural resources (Mech); 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: Realign 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.

<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: Hill 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: ✓ Annual Recurring Savings: ✓ Net Present Value (20 year): <p style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">RFC TBD</p>	<p style="text-align: center;"><u>Impacts</u></p> <ul style="list-style-type: none"> ✓ Economic: TBD ✓ Community: Housing Cost (Hill AFB), Hospital beds (Hill AFB), 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: Realign 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: \$396.2M ✓ Payback Period: Never ✓ Implementation Period Net Cost: \$424.1M ✓ Annual Recurring Costs: \$7.9M ✓ Net Present Value (20 year): \$461.5M (cost) <p style="text-align: right; color: red;">RFC TBD</p>	<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/MilDepts



Candidate #S&S-0040

Candidate Recommendation: Realign Air Force wholesale Inventory Control Points (ICPs) functions at Tinker AFB, OK and Hill AFB, UT to Robins AFB, GA. 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: Robins 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: \$324.6M ✓ Payback Period: 100+ years ✓ Implementation Period Net Cost: \$337.3M ✓ Annual Recurring Savings: \$10.4M ✓ Net Present Value (20 year): \$231.4M (cost) <p style="text-align: right; color: red;">RFC TBD</p>	<p style="text-align: center;"><u>Impacts</u></p> <ul style="list-style-type: none"> ✓ Economic: TBD ✓ Community: Crime Index (Robins AFB) ✓ Environmental: Water resources (Robins 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-0026

Candidate Recommendation: Realign select AF ICP functions to create a virtual ICP for the Air Force at Wright-Patterson AFB, OH.

<p style="text-align: center;"><u>Justification</u></p> <ul style="list-style-type: none"> ✓ Mission Consolidation ✓ Management and functional oversight activity drawdowns ✓ Aligns commercial Supply Chain Mgt commercial practices with AF ICP business processes 	<p style="text-align: center;"><u>Military Value</u></p> <p>(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.</p> <p>(2) Solidify strategic supply chain sourcing by physically aligning commodity management, SOS, and TRC through movement of the SOS and/or TRC.</p>
<p style="text-align: center;"><u>Payback</u></p> <ul style="list-style-type: none"> ✓ One Time Cost: \$53.8M ✓ Payback Period: 2017 (11 years) ✓ Implementation Period Net Cost: \$26.4M ✓ Annual Recurring Savings: \$6.7M ✓ Net Present Value (20 year): \$35M (savings) <p style="text-align: right;">RFC TBD</p>	<p style="text-align: center;"><u>Impacts</u></p> <ul style="list-style-type: none"> ✓ 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-0005

Candidate Recommendation: Disestablish 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, and relocate 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 (savings)

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-0036

Candidate Recommendation: Realign personnel performing select functions (item and asset management, distribution and transportation, system analysis support and business management) from the three Army Major Subordinate Commands – AMCOM, Redstone Arsenal, CECOM (Fort Huachuca), and TACOM (Detroit Arsenal, Rock Island Arsenal, and Soldier System Command) to Fort Monmouth, NJ. Realign with the CECOM personnel performing these same functions and align as the Army Inventory Control Point. The supporting contracting personnel for AMCOM, CECOM (Fort Huachuca) and TACOM (Rock Island Arsenal, Detroit Arsenal, and Soldier System Center) will relocate and align under CECOM acquisition center.

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 **RFC Outstanding. Initial**
- ✓ Payback Period **File Unusable.**
- ✓ 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-0038

Candidate Recommendation: Realign personnel performing select functions (item and asset management, distribution and transportation, system analysis support and business management) from the three Army Major Subordinate Commands - CECOM (Fort Monmouth and Fort Huachuca, and TACOM (Detroit Arsenal, Rock Island Arsenal, and Soldier System Command) to Redstone Arsenal, AL. Relocate with the AMCOM personnel performing these same functions and align as the Army Inventory Control Point. The supporting contracting personnel for CECOM (Fort Monmouth and Fort Huachuca) and TACOM (Detroit Arsenal, Rock Island Arsenal and Soldier System Center) will relocate and align under AMCOM acquisition center.

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: \$72.4M **RFC Outstanding**
- ✓ Payback Period: 1 Year 2011
- ✓ Implementation Period Net Saving: \$11.3M
- ✓ Annual Recurring Saving: \$11.1 M
- ✓ Net Present Value (20 years): \$177.7M

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/MilDeps



Candidate #S&S-0042

Candidate Recommendation: Realign Soldier System Command, Natick (TACOM-ICP), Detroit Arsenal (TACOM-ICP), and Rock Island Arsenal (TACOM-ICP) to Redstone Arsenal (AMCOM-ICP). Realign Ft Huachuca (CSLA-ICP) to Ft Monmouth (CECOM-ICP). Realign Lackland AFB (CPSG-ICP) to Warner Robbins ALC. Gaining NICPs will assume all functions currently performed at relocating NICPs.

Justification

- ✓ Reduce DoD NICP infrastructure
- ✓ Gain efficiencies by consolidating common functions
- ✓ Facilitates transformational objectives by further aligning business processes

Military Value

- ✓ AMCOM Redstone Arsenal ranked highest of all Army NICPs in Mil Value scoring
- ✓ Optimization solution improves overall Mil Value and improves capacity utilization
- ✓ Availability of 4,195 buildable acres supports selection of Redstone Arsenal as gaining location for Army NICPs

Payback

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

Impacts

- ✓ Economic: TBD
- ✓ Community: TBD
- ✓ Environmental: TBD

- ✓ 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: SDC Outstanding (DLA) ✓ 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

✓ 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



Team #1 Candidate Scenario Briefs

COL Bockenstedt



Candidate #S&S-0043

Candidate Recommendation: Disestablish wholesale supply, storage and distribution functions for all tires used by DoD. Privatize tire supply functions currently performed by Army ICPs, TACOM and AMCOM; Air Force ICP, Ogden Air Logistics Center; and Navy ICP, NAVICP-Philadelphia. Privatize tire storage and distribution functions currently performed at Defense Distribution Depots Columbus, Tobyhanna, Susquehanna, Richmond, Norfolk, Cherry Point, Albany, Warner Robins, Anniston, Jacksonville, Red River, Oklahoma City, Corpus Christi, Puget Sound, Hill, San Diego, Barstow, San Joaquin and Pearl Harbor. Eliminate personnel and infrastructure associated with these functions.

Justification

- ✓ Supports transformation by privatizing wholesale storage and distribution processes.
- ✓ Allows use of latest technologies, expertise and business practices to improve support to customers.
- ✓ Reduces excess storage capacity by 4.2M cu ft.

Military Value

- ✓ **Overall Effect on Military Value:** N/A
- ✓ **Relative Military Value Against Peers:** N/A
- ✓ **Military Judgment:** N/A

Payback

- ✓ One-Time Cost: \$3.2M
- ✓ Net Implementation Costs/Savings: -\$44.6M
- ✓ Annual Savings: -\$9.8M
- ✓ NPV: -\$132M
- ✓ Payback Period: Immediate

Impacts

- ✓ **Economic:** TBD.
- ✓ **Community:** No significant impact.
- ✓ **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-0043 Cost and Savings

Costs in 2005 Constant Dollars (\$K)...FY06-11

MILCON	0
Personnel	1,730
Overhead	940
Moving	461
Mission	0
Other	<u>91</u>
	3,223

Savings in 2005 Constant Dollars (\$K)...FY06-11

MILCON	0
Personnel	19,682
Overhead	27,791
Moving	0
Mission	344
Other	<u>0</u>
	47,818

Positions Eliminated: 64

Positions realigned: 0



Candidate #S&S-0044

Candidate Recommendation: Disestablish wholesale supply, storage and distribution functions for all packaged POL products used by DoD. Privatize packaged POL supply functions performed by Defense Supply Centers at Richmond, Columbus and Philadelphia; Army ICPs, TACOM, AMCOM and CECOM; Air Force ICPs, Ogden, Warner Robins and Oklahoma City Air Logistics Centers; Navy ICP at Mechanicsburg and Philadelphia; and Marine Corps ICP at MCLB, Albany. Privatize packaged POL storage and distribution functions currently performed at Defense Distribution Depots Columbus, Tobyhanna, Susquehanna, Richmond, Norfolk, Cherry Point, Albany, Warner Robins, Anniston, Jacksonville, Red River, Oklahoma City, Corpus Christi, Puget Sound, Hill, San Diego, Barstow, San Joaquin and Pearl Harbor. Eliminate personnel and infrastructure associated with these functions.

Justification

- ✓ Supports transformation by privatizing wholesale storage and distribution processes.
- ✓ Allows use of latest technologies, expertise and business practices to improve support to customers.
- ✓ Reduces excess wholesale storage capacity by 2M cu ft.

Military Value

- ✓ **Overall Effect on Military Value:** N/A
- ✓ **Relative Military Value Against Peers:** N/A
- ✓ **Military Judgment:** N/A

Payback

- ✓ One-Time Cost: \$2M
- ✓ Net Implementation Costs/Savings: -\$22.9M
- ✓ Annual Savings: -\$4.6M
- ✓ NPV: -\$64.5M
- ✓ Payback Period: Immediate

Impacts

- ✓ **Economic:** TBD.
- ✓ **Community:** No significant impact.
- ✓ **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-0044 Cost and Savings



Costs in 2005 Constant Dollars (\$K)...FY06-11

MILCON	0
Personnel	1,204
Overhead	490
Moving	284
Mission	0
Other	<u>11</u>
	1,989

Savings in 2005 Constant Dollars (\$K)...FY06-11

MILCON	0
Personnel	12,038
Overhead	12,369
Moving	0
Mission	492
Other	<u>0</u>
	24,899

Positions Eliminated: 35

Positions realigned: 0



Candidate #S&S-0045

Candidate Recommendation: Disestablish wholesale supply, storage and distribution functions for all compressed gas products used by DoD. Privatize compressed gas supply functions performed by Defense Supply Centers at Richmond, Columbus and Philadelphia; Army ICPs, TACOM, AMCOM and CECOM; Air Force ICPs, Ogden, Warner Robins and Oklahoma City Air Logistics Centers; Navy ICP at Mechanicsburg and Philadelphia; and Marine Corps ICP at MCLB, Albany. Privatize compressed gas storage and distribution functions currently performed at Defense Distribution Depots Columbus, Tobyhanna, Susquehanna, Richmond, Norfolk, Cherry Point, Albany, Warner Robins, Anniston, Jacksonville, Red River, Oklahoma City, Corpus Christi, Puget Sound, Hill, San Diego, Barstow, San Joaquin and Pearl Harbor. Eliminate personnel and infrastructure associated with these functions.

Justification

- ✓ Supports transformation by privatizing wholesale storage and distribution processes.
- ✓ Allows use of latest technologies, expertise and business practices to improve support to customers.
- ✓ Reduces excess wholesale storage capacity by 650K cu ft

Military Value

- ✓ **Overall Effect on Military Value:** N/A
- ✓ **Relative Military Value Against Peers:** N/A
- ✓ **Military Judgment:** N/A

Payback

- ✓ One-Time Cost: \$745K
- ✓ Net Implementation Costs/Savings: -\$6.6M
- ✓ Annual Savings: -\$1.7M
- ✓ NPV: -\$21.8M
- ✓ Payback Period: Immediate

Impacts

- ✓ **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-0045 Cost and Savings



Costs in 2005 Constant Dollars (\$K)...FY06-11

MILCON	0
Personnel	864
Overhead	167
Moving	71
Mission	0
Other	<u>15</u>
	1,117

Savings in 2005 Constant Dollars (\$K)...FY06-11

MILCON	0
Personnel	3,125
Overhead	3,430
Moving	0
Mission	1,173
Other	<u>0</u>
	7,728

Positions Eliminated: 10

Positions realigned: 0

Candidate #S&S-0004



Candidate Recommendation: Close Defense Distribution Depot, Columbus. Realign and expand mission and infrastructure at Defense Distribution Depots, Red River and Warner Robins as Strategic Distribution Platforms (SDPs). Realign and downsize mission and infrastructure at Defense Distribution Depots, Tobyhanna, Richmond, Norfolk, Cherry Point, Albany, Jacksonville, Anniston, Oklahoma City, Corpus Christi, Puget Sound, Bartsow, San Diego and Hill as Forward Distribution Points (FDPs). Redistribute inventories from FDPs to Red River, Warner Robins, San Joaquin and Susquehanna SDPs. Relocate or eliminate personnel at FDPs and also eliminate infrastructure at FDPs.

Justification

- ✓ Provides for regional support to customers worldwide.
- ✓ 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

Military Value

- ✓ **Overall Effect on Military Value:** None.
- ✓ **Relative Military Value Against Peers:** Mil Val rankings, storage capacity and geographical locations were considered in selecting SDPs.
- ✓ **Military Judgment:** Applied in selecting SDPs to minimize MILCON and optimize support to customer organizations.

Payback

- ✓ One-time Cost: \$222.4M
- ✓ Net Implementation Cost/Savings: -\$202.9M
- ✓ Annual Savings: -\$137.4M
- ✓ NPV: -\$1.5B
- ✓ Payback Period: 2010

Impacts

- ✓ **Economic:** Assuming no economic recovery...max potential job loss to communities is 6,072.
- ✓ **Community:** Minor issues found...no impact.
- ✓ **Environmental:** 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/MilDeps



S&S-0004 Cost and Savings

Costs in 2005 Constant Dollars (\$K)...FY06-11

MILCON	63,128
Personnel	152,636
Overhead	39,328
Moving	93,837
Mission	164,539
Other	<u>24,881</u>
	538,349

Savings in 2005 Constant Dollars (\$K)...FY06-11

MILCON	0
Personnel	238,844
Overhead	482,580
Moving	4
Mission	0
Other	<u>19,814</u>
	741,243

Positions Eliminated: 971

Positions realigned: 473



Candidate #S&S-0030

Candidate Recommendation: Realign storage and distribution functions for general supplies, war reserves, operational project stocks and retrograde combat vehicles at Sierra Army Depot. Relocate general supplies, operational project stocks from Sierra to Defense Distribution Depot, Barstow. Relocate retrograde combat vehicles from Sierra to Aerospace Maintenance and Regeneration Center (AMARC) at Davis Monthan AFB. Add contractor personnel at Barstow and relocate some personnel from Sierra to AMARC. Eliminate remaining storage and distribution personnel at Sierra.

Justification

- ✓ Enables Army scenario #USA-0008 which closes Sierra Army Depot.
- ✓ Eliminates excess storage and distribution infrastructure.

Military Value

- ✓ **Overall Effect on Military Value:** N/A
- ✓ **Relative military value against peers:** N/A
- ✓ **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 (No COBRA)

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

Impacts

- ✓ **Economic:** TBD
- ✓ **Community:** No significant impact.
- ✓ **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/MilDepts**



S&S-0028 Cost and Savings

Costs in 2005 Constant Dollars (\$K)...FY06-11

- MILCON
- Personnel
- Overhead
- Moving
- Mission
- Other

Savings in 2005 Constant Dollars (\$K)...FY06-11

- MILCON
- Personnel
- Overhead
- Moving
- Mission
- Other

Positions Eliminated:

Positions realigned:



Decision / Taskings Review and Way Ahead

Col Neeley



Housekeeping

■ Delete

- S&S-0012
- S&S-0017
- S&S-0018
- S&S-0019



Way Ahead

24 Dec & 31 Dec – *No ISG scheduled*

3, 5, 12, 13 Jan – *JCSG Principals' Meeting (1500 – 1700), J4 Conference Room / 2C836*

7 Jan – *ISG Meeting (1030), VADM Lippert attends, Pentagon (3D1019)*

14 Jan – *ISG Meeting (1530), VADM Lippert attends, Pentagon (3D1019)*

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

21 Jan – *ISG Meeting (1030), VADM Lippert attends, Pentagon (3D1019)*

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*