

BRAC 2005
Technical Joint Cross-Service Group (TJCSG)
Meeting Minutes of 11 January 2005

Dr. Segal chaired the meeting. The agenda is enclosed in attachment 1. The list of attendees is enclosed in attachment 2. Read ahead materials for the meeting are enclosed in attachment 3. The primary objective for the meeting was to review COBRA runs for TECH-0020 and TECH-0040. Also, any significant issues regarding the Military Value and Capacity Reports were to be discussed. Finally, the status of the issue regarding the movement of FFRDCs was to be discussed. The agenda topics are listed below in the order in which they were covered. The key points, decisions and action items from the meeting are as follows:

Opening Remarks - Mr. Shaffer

- The TJCSG must perform initial COBRA runs and the expectation from the OSD BRAC office is that multiple COBRA excursions will be performed for each scenario as assumptions and data get refined. Initial COBRA runs are to allow a first glance at the feasibility of such a scenario.

TECH-0020, Battlespace Environments, COBRA Review – COL DeSalva

Key Points:

- Return on Investment occurs in 100+ years.
- One time costs exceed \$83M.
- Annual savings beyond 2011 are only \$245K.
- MILCON costs exceed \$24M.
- If this scenario would allow for a clean closure of NRL Monterey, then it would be worth carrying forward. Otherwise, it will not add much value to the BRAC effort.
- Dr. Schuette recommended using a standard for required square footage for office and lab space as well as a standard for start dates associated with each scenario.
- For scenarios requiring MILCON to build laboratory space, Dr. Schuette recommended using 2009 as the start date and 150 square feet/person.
- For scenarios requiring MILCON to build office space, Dr. Schuette recommended using 2008 as the start date and 160 square feet/person.
- For scenarios requiring no MILCON, Dr. Schuette recommended using 2006 as the start date.

Decisions:

- The TJCSG decided to use 15% as a standard personnel reduction for administrative personnel for all TJCSG scenarios as interim guidance unless the Subgroup provides different assumptions with supporting rationale.

- The TJCSG decided to have the data scrubbed further to better understand the associated costs and to determine if they are all appropriate. If necessary, COBRA assumptions will be proposed by the subgroup to the TJCSG. Another COBRA run will be performed once any new data are received and/or any assumptions are approved by the TJCSG.
- The Services and Subject Matter Experts will determine the required square footage for lab and office space for each scenario. Also, they will determine the required special facilities and equipment for each scenario. This data will be used for all COBRA runs. BG Castle and his support team will determine if a standard for square footage for lab space, office space, special equipment and facilities, etc. is appropriate or if each scenario should be treated differently. This recommendation will be reviewed for approval by the TJCSG at the Thursday, 13 January 2005, TJCSG Meeting.

TECH-0040, DRL (Anacostia) COBRA Review – Dr. Schuette

Key Points

- The Return on Investment is approximately two years.
- One Time costs are in excess of \$128M.
- Total MILCON costs are in excess of \$95M.
- Annual savings beyond 2011 are in excess of \$48M.
- No personnel cuts were used for this COBRA run, based on previous TJCSG discussions regarding this scenario, i.e. the activities would be co-located without changing their organizational reporting relationship. The TJCSG stated that personnel cuts for facility support positions would be justified and that they could further increase the savings associated with this scenario.

Decision

- The TJCSG approved TECH-0040 as a valid recommendation to include in the final report. However, the TJCSG directed the Innovative Systems Subgroup to re-run COBRA using a 15% reduction in facility support personnel and bring it back to the TJCSG for review.

TECH-0019, Relocate W&A Energetic Capability from Crane, Yorktown and Fallbrook to Indian Head – Dr. Higgins

Key Points

- The Return on Investment is approximately 2024.
- One time costs are in excess of \$17M.
- Other Costs are in excess of \$14M [includes decontamination costs for explosive facilities].
- No MILCON was required.

Decision

- The TJCSG recommended that the W&A Subgroup further scrub the costs and re-run COBRA using a 15% reduction in administrative personnel.

TECH-0043, Relocate W&A Energetic Capability from Crane, Yorktown, Fallbrook and Indian head to Dahlgren – Dr. Higgins

Key Points

- The Return on Investment is approximately 100+ years.
- One time costs are in excess of \$524M.
- Other Costs are in excess of \$356M[includes decontamination costs for explosive facilities; facility replication /set-up].
- MILCON costs are in excess of \$155M.

Decision

- The TJCSG recommended that the W&A Subgroup further scrub the costs and re-run COBRA using a 15% reduction in administrative personnel.

Military Value & Capacity Report Review - Mr. Shaffer

Key Points

- Mr. Shaffer indicated the CIT Alternates were meeting today to further refine these reports and they will be reviewed for approval by the TJCSG at the Thursday, 13 January 2005, TJCSG Meeting.

Decisions

- None

Historical COBRA Savings - COL DeSalva

Key Points

- COL DeSalva presented data regarding possible BRAC 2005 expectations for efficiency savings based on previous BRAC records.

Decisions

- None

Movement of FFRDCs - Mr. Porth

Key Points

- In response to an OSD BRAC office request, the Air Force is providing a copy of the FFRDC contract for the scenario and information on how FFRDCs were handled in COBRA in BRAC95.

Decisions:

- None

Scenario Incompatibilities/Analytical Refinement/Data Guidelines - Mr. Erb

- Time did not permit discussion of this topic.

Closing Comments

- The TJCSG decided to meet every Thursday from 1400-1600 hrs or as long as necessary in the Pentagon. Rm 4600 in PT-1 will be available as a back-up.
- The IG recommended the justification for the decision to use a 15% reduction in administrative personnel be documented.
- The IG recommended that the subgroup leads document decisions being made for scenarios as they work with the Service BRAC offices' responses to the scenario data call.

Action Items:

1. The Enabling Technologies Subgroup will further scrub the costs for TECH-0020. If any additive assumptions are necessary, these will be proposed to the TJCSG for approval. Also, a 15% reduction in administrative personnel will be used. COBRA will be re-run for any new assumptions.
2. BG Castle and his support team will determine if a standard for square footage for lab space, office space, special equipment and facilities, etc. is appropriate to apply across all scenarios or if each scenario should be treated differently. This recommendation will be reviewed for approval by the TJCSG at the Thursday, 13 January 2005, TJCSG Meeting.
3. The TJCSG directed the Innovative Systems Subgroup to re-run COBRA using a 15% reduction in facility support personnel and bring it back to the TJCSG for review.
4. The TJCSG directed the Weapons and Armaments Subgroup to further scrub the costs for TECH-0019 and TECH-0043. A 15% reduction in facility support personnel will be used. If any additional assumptions are necessary, these will be proposed to the TJCSG for approval. COBRA will be re-run for any new assumptions.

January 11, 2004

BRAC FOUO

Approved: _____



Mr. Al Shaffer
Chairman, Capabilities Integration Team

Attachments:

1. Outline -Agenda
2. List of Attendees
3. Read Ahead Materials

TJCSG Agenda

11 Jan 05, 1100-1300 hrs EST

Crystal City, PT-1, Rm 4600

- **TECH-0020, Battlespace Environments, COBRA Review - Mr. Shaffer**
- **TECH-0040, DRL (Anacostia) - Dr. Schuette**
- **Military Value & Capacity Report Review - Mr. Shaffer**
- **Historical COBRA Savings - COL DeSalva**
- **Movement of FFRDCs - Mr. Porth**
- **Scenario Incompatibilities/Analytical Refinement/Data Guidelines - Mr. Erb**

Attachment 2
Technical JCSG Meeting
January 11, 2005
Attendees

Members:

Dr. Ron Segal, Chairman
Dr. Dan Stewart, Air Force Alternate for Mr. Blaise Durante, Air Force
Mr. Brian Simmons, Army
Dr. Barry Dillon, Marines
RADM Jay Cohen
Mr. Jay Erb, JCS

Other:

Mr. Al Shaffer, CIT Chairman
BG Fred Castle, OSD
Mr. George Ryan, Navy
Mr. Gary Strack, OSD
Mr. Roger Florence, DoD IG
Mr. Larry Schuette, Innovative Technologies Subgroup Lead
Dr. Bill Berry, Enabling Technologies Subgroup Lead
Mr. Bob Arnold, Air Force
COL Pete DeSalva, Analytic Team
Mr. Jerry Schiefer, OSD BRAC
COL Walt Hamm, Marines CIT Rep
COL Eileen Walling, Air Force
Mr. Thom Mathes, ALSS Subgroup Lead
Mr. Pete Cahill, Army
Mr. Doug Nation, Air Force
Mr. Don DeYoung, Navy
Mr. Rick Mattson, Navy
Dr. Karen Higgins, Weapons & Armaments Subgroup Lead
Mr. Steve Kratzmeier, Army
Ms. Marie Felix, OSD
Mr. Andy Porth, OSD BRAC
Dr. Jim Short, OSD

COBRA Summary

| Scenario: Tech020 | One Time costs | ROI Years | NPV @ 20 Years | Billets Eliminated | Billets Moved | Total Milcon Costs | Annual Costs beyond 2011 |
|----------------------------------|----------------|-----------|----------------|--------------------|---------------|--------------------|--------------------------|
| Personnel Assumptions | \$54,245 | 100+ | \$49,584 | 25 | 127 | \$24,868 | (\$245) |
| Personnel and MILCON Assumptions | \$29,397 | 100+ | \$27,098 | 25 | 127 | \$0 | (\$245) |

- Personnel Assumptions: Efficiency reduction:
 - Adelphi – 3
 - WSMR – 7 * WSMR Certified data eliminates 3 additional for a total of 10
 - NRL Monterey – 12
- MILCON Assumptions: Assumes NRL Stennis has existing capacity therefore no MILCON required.
- SDD status: 1 unresolved on MILCON at Stennis.
- No locations have outstanding RFCs on capacity and MilVal.

Costs are in \$K
 Savings are bracketed
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One Time Costs

One Time Costs/Savings FY 06-FY11

Scenario: Tech 020

Personnel Assumptions

Personnel and MILCON Assumptions

| | Constr. | Pers | Ovhd | Move | Other |
|--|----------------|-------------|-------------|-------------|--------------|
| | \$24,868.0 | \$746.3 | \$1,125.9 | \$5,853.8 | \$21,651.2 |
| | \$0.0 | \$746.3 | \$1,125.9 | \$5,853.8 | \$21,671.2 |

Totals

Personnel Assumptions

Personnel and MILCON Assumptions

| | Total costs | Savings | Net Costs |
|--|--------------------|----------------|------------------|
| | \$54,245.2 | \$7.3 | \$54,237.9 |
| | \$29,397.2 | \$7.4 | \$29,389.8 |

Costs are in \$K
Savings are bracketed
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Personnel Summary

Scenario Tech 020

Personnel Assumptions

| | OFF | ENL | CIV | STU | Contractor Total |
|--------------|----------|----------|-----|------------|------------------|
| Eliminate | | | | 25 | 0 |
| Move | 1 | 2 | | 124 | 0 |
| Total | 1 | 2 | | 149 | 0 |

Personnel and Milcon Assumptions

| | | | | | |
|--------------|----------|----------|--|------------|----------|
| Eliminate | | | | 25 | 0 |
| Move | 1 | 2 | | 124 | 0 |
| Total | 1 | 2 | | 149 | 0 |

Costs are in \$K
 Savings are bracketed
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MILCON Summary

| Excursion | Receiving Activity | Total Cost |
|---|--------------------|------------|
| Personnel Assumptions | NRL Stennis | \$24,868 |
| Personnel and Milcon Assumptions | NRL Stennis | \$0 |

Costs are in \$K
Savings are bracketed
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COBRA Summary

| Scenario: Tech040 | One Time costs | ROI Years | NPV @ 20 Years | Billets Eliminated | Billets Moved | Total Milcon Costs | Annual Costs beyond 2011 |
|--------------------------|----------------|-----------|----------------|--------------------|---------------|--------------------|--------------------------|
| Assumptions incorporated | \$128,821 | 2 | (\$498,377) | 0 | 1,104 | \$95,030 | (\$48,542) |

- Assumptions:
 - Added Second Ballston Lease for AF OSR, because they are in the same building as ARO Ballston.
 - Used 275.3 Miles from ARO NC (27709) to Anacostia (22076)
 - Moved all personnel in 2008.
 - Adjusted moved personnel to align with total number of personnel in static data.
 - Estimated Misc. Recurring savings starting in 2008 due to Lease, Security, and Utilities for facilities vacated.
 - Adjusted DARPA One Time Unique Costs.
 - Determined certified “personnel eliminated” numbers duplicated the certified “moved personnel” numbers and zeroed them.
 - Separated SCIF space from General Admin
 - Assumed 160 SqFt per person
 - Assumed 44K SqFt of SCIF space at \$299 per SqFt

Costs are in \$K

Savings are Bracketed

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Note: 20 year savings are over estimated by ~\$10M due to error in Anacostia Static Data

Summary (cont.)

- ✓ 4 Scenario Data Discrepancies (SDD) sent to DARPA still outstanding
- ✓ No outstanding Capacity and MilVal RFCs for Tech 040

Costs are in \$K
Savings are Bracketed
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One Time Costs

One Time Costs/Savings FY 06-FY11

| Scenario: Tech 040 | Constr. | Pers | Ovhd | Move | Other |
|--------------------------|------------|---------|---------|-----------|------------|
| Assumptions incorporated | \$95,030.5 | \$540.8 | \$337.3 | \$8,719.4 | \$24,193.0 |

| Totals | Total costs | Savings | Net Costs |
|--------------------------|-------------|---------|-------------|
| Assumptions incorporated | \$128,821.0 | \$0.0 | \$128,821.0 |

Costs are in \$K
 Savings are Bracketed
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Personnel Summary

Scenario Tech 040

Assumptions Incorporated

| | OFF | ENL | CIV | STU | Contractor Total |
|-----------|-----|-----|-----|-----|------------------|
| Eliminate | | | | 25 | 0 |
| Move | 163 | 8 | 933 | 0 | 1108 |
| | | | | | 2212 |

Costs are in \$K
Savings are Bracketed
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MILCON Summary

| Excursion | Receiving Activity | Total Cost |
|---------------------------------|--------------------|------------|
| Assumptions Incorporated | Anacostia | \$95,030 |

Costs are in \$K

Savings are Bracketed

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SCENARIO ANALYSIS STATUS

WEAPONS AND ARMAMENTS SUBGROUP

JANUARY 11, 2004

W&A DATA COLLECTION PROCESS

PART 1: Donor sites

- Request/ Review inputs from donor sites
- Document anomalies/ request correction

PART 2: Receiver sites

- Upon receipt of all donor data [accurate as possible w/in timeframe], send to receiving sites for input
- Review receiver data/ document anomalies and request correction

CONDUCT SCENARIO ANALYSIS

- Use all 8 criteria with COBRA runs as needed

COBRA ANALYSIS PROCESS

- At least 2 COBRA runs/scenario. Other excursion runs possible.
- PART 1: Establish Baseline [12/13 Jan Target date for all]
 - Use best possible data available for ballpark cost/ sanity check and initial analysis support
 - May or may not include Receiver Response and response to RFCs
- PART 2 COBRA ANALYSIS: Higher Fidelity & Efficiency
 - Adjust donor/ receiver data where needed
 - Use expert military judgment for people/ MILCONS, facilities etc and adjudicate potentially inputs from donors and receivers.
 - Examples: facility sq feet/ person [200 sq ft/person or other TJCSG std]; IT std cost, MILCON; FTEs adjusted for specialties such as in-service engr
 - Use efficiency factor to reflect potential savings from not moving support or admin personnel.
 - Government Personnel and Government Office Space
 - 5 % reduction of personnel & office space for movement of <100 FTE
 - 15 % reduction of personnel & office space for movement of ≥100 FTE
 - Contractor Personnel and Contractor Office Space
 - 15 % reduction of personnel & office space for all FTEs that require on-site accommodation

COBRA STATUS: TECH0019 Baseline

TECH 0019: Relocate W&A Energetic Capability from Crane, Yorktown and Fallbrook to Indian Head

- Move Year[s]: 2006-2009
- Payback Year: 2024
- One time costs: \$17,117 K
 - Other Costs: \$14,621 K [includes decontamination costs for explosive facilities]
- Positions Eliminated: 5
- Positions Realigned: 38
- MILCON costs: \$0

COBRA STATUS: TECH 0043 Baseline

TECH 0043: Relocate W&A Energetic Capability from Crane, Yorktown, Fallbrook and Indian Head to Dahlgren

- Move Year[s]: 2006-2009
- Payback Year: 100+ years
- One time costs: \$524,474 K
 - Other Costs: \$356,473 K [includes decontamination costs for explosive facilities; facility replication /set-up]
- Positions Eliminated: 30
- Positions Realigned: 814
- MILCON costs: \$155,080 K

Realistic BRAC 2005 Expectations-Technical Facilities

- DOD BRAC '95 Documents¹ Yield No Insight into '05 Expectations
- '98 DOD Report² on BRAC claims DOD has **23%** excess capacity for all types of installations
- DOD, via Defense Authorizations³, tasked with finding more savings from T&E Centers and Labs
 - July '99 Report concludes it is impossible to identify BRAC '88, '91, '93 and '95 effects on T&E Centers and Labs
 - But Manpower data shows staffing levels declining from 131,000 ('90) to 93,000 ('97); 38,000 person reduction, or 29%
 - Assuming \$62K salary and fringe per person, equates to \$2.4B annual savings
 - Reducing an additional 23% equates to 21.4K personnel reduction, \$1.3B annual savings
- **All of BRAC '95 Resulted in 146 Actions⁴, \$1.8B Annual Savings**
 - Unreasonable to expect BRAC '05 **Tech actions alone** will return \$1.3B when all of BRAC '95 returned \$1.8B
- **DON BRAC '95 Report⁵ claims 4,000 positions eliminated via Navy actions at Technical Centers**
 - If Air Force and Army had similar claims, then 12,000 positions eliminated
 - If BRAC 05 eliminates 12K positions, equates to ~12% reduction
- **BRAC '05 Capacity data yields 143,000 Army, Navy, Air Force FTEs performing T&E, D&A and R&D**
 - 12,000 positions is 8.4% of current Technical workforce