

# Community Briefing to 2005 BRAC Commission



**Rock Island Arsenal  
Quad Cities, USA  
Illinois/Iowa**

June 20, 2005

# COMMUNITY ISSUES

## Basis of Decisions

(Closure of Rock Island Arsenal)



## Deviation from BRAC Selection Criteria

# TACOM – RI Realignment



June 20, 2005

## **Depot Level Reparable Procurement Management Consolidation Recommendation (Summary):**

- Transfer the contracting and various inventory control functions for Consumable Items and the procurement management for Depot Level Reparable items to DLA.
- All other ICP functions remain with the Services.
- Relocates some Army and AF ICP functions to preserve the Army Life Cycle Management Commands and provide for continuation of secure facilities.

### **Recommendation:**

#### **“Realign Rock Island Arsenal, IL, as follows:**

- Relocate the Contracting and . . . Inventory Control Point functions for Consumable Items to Defense Supply Center, Columbus, OH and reestablish them as Defense Logistics Agency Inventory Control Point functions;
- Relocate the procurement management and related support functions for Depot Level Reparables to Detroit Arsenal, MI, and designate them as Defense Supply Center Columbus, OH, Inventory Control point functions; and
- Relocate the remaining integrated materiel management user, and related support functions to Detroit Arsenal, MI.”

### **BRAC 1993 Report to the President on Rock Island Arsenal:**

- “The Army believes the armament/chemical materiel management functions can be fully executed from Rock Island Arsenal without relocating. There is a precedence for geographic dispersion of NICP functions.”

### **Army 2005 BRAC Strategy:**

“Leverage BRAC to establish a streamlined portfolio of installations with a significantly reduced cost of ownership.”

### **BRAC 2005 Selection Criteria:**

- #2 Military Value – The ability and condition of land, facilities . . . . at the receiving location.
- #3 Military Value – The ability to accommodate contingency, mobilization and future total force requirements . . . .
- #4 Military Value – The cost of operations and manpower implication.
- #5 Other Considerations – The extent and timing of potential cost savings . . . .

# TACOM – RI Issues



## PEOPLE

ACQ CTR  
SAFETY OFFICE  
LEGAL  
CHEMICAL SUPPORT  
SMALL BUSINESS  
CONTRACTORS  
WEAPONS SUPPORT

## FACILITIES

“NO BUILDABLE SPACE”  
BUILDING COST - \$45.8M vs. \$21.2M  
PARKING GARAGE - \$15.5M vs. \$3.5M  
UNIQUE FACILITIES NOT AVAILABLE  
MILITARY VALUE - #74 vs. #53  
ENCROACHMENT

## PROCESS

VIRTUAL ORGANIZATION  
OPERATE SAME AT DETROIT ARSENAL  
AS ROCK ISLAND  
LOOKED AT IN BRAC 1993  
NOTHING IN S & S JCSG THAT  
REQUIRES A MOVE

# TACOM – RI Analysis of Costs

|                        | <u>BRAC<br/>RPT</u> | <u>COMPLETE<br/>MOVE</u> | <u>STAY AT<br/>R.I.</u> |
|------------------------|---------------------|--------------------------|-------------------------|
| PEOPLE TO MOVE         | 636                 | 995                      | 1,035                   |
| ONE TIME COSTS         | \$47.1M             | \$113.1M                 | - 0 -                   |
| ANNUAL RECURRING COSTS | \$72.0M             | \$73.1M                  | \$68.9M                 |
| RETURN ON INVESTEMENT  | <b>NEVER</b>        | <b><u>NEVER</u></b>      |                         |

## COBRA DATA

| <u>FACILITIES</u>   | <u>FY'06 – FY'11<br/>NET COST</u> | <u>BEYOND<br/>(PER YEAR)</u> |
|---------------------|-----------------------------------|------------------------------|
| DETROIT ARSENAL     | \$57.1M                           | \$5.8M                       |
| ROCK ISLAND ARSENAL | \$7.7M                            | \$-4.9M                      |

# TACOM – RI Summary

## Decision Looked At Before

- Can operate remotely

## Virtual Organization

- Efficiencies already taken
- More than two sites involved
- No operational benefit to realign

## Costs Grossly Underestimated

- One time cost over \$100M
- No Return on Investment – **CRITERIA #4 & #5**

## Move Counter to Military Value – Overall Guidance

- No Buildable Area – **CRITERIA #2**
- Force Protection Issues
- Encroachment Issues – **CRITERIA #3**



# Regional Personnel Office

**Rated #1 Human Resource Organization in DOD**

**Handles High Priority Missions for Army**

- Southwest Asia Support
- Military Technician Program
- Logistics Assistance Representatives

**Unique Customers / Mission**

- Military District of Washington (Arlington Cemetery)
- Medical Centers / Medical Recruitment
- DA Interns



# Regional Personnel Office

## Early Scenario Justification Statement –

“Enabling Potential to Close Rock Island Arsenal”

## Efficiencies Arbitrarily Applied

- 17.7% for Army
- Translates to Transfer Servicing Ratio of 1:175
- Army Standard is 1:144



# Regional Personnel Office

**Predisposed Decisions do not allow for Rock Island to be Receiver Site**

**Military Value Disregarded –  
CRITERIA #1, #2, #3**

**Savings Unlikely / Degradation of Service Likely**



# Manufacturing Center

## Recommendation:

Move Depot Workload to Depots

Anniston 119 Spaces

Letterkenny 27 Spaces

Efficiencies 35 Spaces

**181 Spaces**



## Work Performed (Reported in COBRA Data):

Combat Vehicles 101 People

Tactical Vehicles 22 People

Other Equipment 12 People

**135 People**

# Manufacturing Center

## GSIE Established . . .

- Oversight of TACOM Depots/Arsenals
- Operate as a Business Unit
- Breakdown Legal & Financial Barriers  
IOUSC: 4,544

## Actual Workload

- **Combat Vehicles**

|   |     |
|---|-----|
| HMMWV Armor Kits                                    | 80% |
| Gun Mount & Recoil<br><i>(New production order)</i> | 18% |
  - **Tactical Vehicles**
    - Flat Racks
  - **Other Equipment**
    - Demil on Ton Containers
- Surge handled with Term/Temp Employees



# Manufacturing Center

## Summary

- Recommendation Counter to Legislative Intent
- Workload Not Typical Depot Workload
- Equipment Needed for Current Production



# CONCLUSIONS

## Recommendations Deviated from BRAC Criteria

- Military Value not utilized as basis of decisions
- Lower cost of operations



**Extremely Sub-Optimal Decisions made by Cross Service Groups. Eliminated Rock Island Arsenal Organizations from Considerations.**