

DOCUMENT RESUME

03990 - [B3074331]

Planned Realignment of Two Army Commands in St. Louis, Missouri. LCD-77-358; B-172707. October 27, 1977. Released November 3, 1977. 11 pp.

Report to Rep. John Young; Sen. William L. Scott; by Robert F. Keller, Acting Comptroller General.

Issue Area: Law Enforcement and Crime Prevention (500).

Contact: Logistics and Communications Div.

Budget Function: National Defense: Defense-related Activities (054).

Organization Concerned: Department of the Army: Army Aviation Systems Command; Department of the Army: Army Troop Support Command.

Congressional Relevance: Rep. John Young; Sen. William L. Scott.

The Department of Defense realignment of the Army Troop Command and the Army Aviation Systems Command could save an estimated \$6.7 million each year and avoid other costs.

Findings/Conclusions: Abolishing the Troop Support Command and the Aviation Systems Command to form two new commands (the U.S. Army Troop Support and Aviation Material Readiness Command and the U.S. Army Aviation Research and Development Command) could cost about \$14.2 million, primarily to renovate facilities. The realignment could reduce staffing requirements by 335 positions and could avoid about \$19.2 million in costs for planned facility renovation which may not be necessary if the move is made. The readiness command will have logistics support and material readiness missions. The research and development command will have research, development, and acquisition missions. Both new commands would be located at the Federal Center, St. Louis, Missouri. The Troop Support Command is already located at the Federal Center, and the Aviation Command is located at the Federal Building in St. Louis. If the realignment does occur, the General Services Administration plans to dispose of this building. If the move does not occur, repairs and alterations to the building, estimated at about \$19.2 million, are planned for fiscal years 1978 through 1981. (Author/SC)

4331  
03990

**RESTRICTED** — Not to be released outside the General Accounting Office except on the basis of specific approval by the Office of Congressional Relations.



**REPORT OF THE  
COMPTROLLER GENERAL  
OF THE UNITED STATES**

---

**Planned Realignment Of Two Army  
Commands In St. Louis, Missouri**

Department of Defense realignment of the Army Troop Support Command and the Army Aviation Systems Command could save an estimated \$6.7 million each year and avoid other costs.



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-172707

The Honorable William L. Scott  
United States Senate  
The Honorable John Young  
House of Representatives

In response to your requests, we have reviewed the planned realignment of the U.S. Army Troop Support Command and U.S. Army Aviation Systems Command. Our review concerned the savings and costs related to the planned realignment.

As requested we have not presented this report to the Department of Defense for official comment. We have, however, discussed our findings with Department representatives.

As agreed, the restriction on general distribution of this report will end 7 days after issuance.

  
Acting Comptroller General  
of the United States

REPORT OF THE  
COMPTROLLER GENERAL  
OF THE UNITED STATES

PLANNED REALIGNMENT OF  
TWO ARMY COMMANDS IN  
ST. LOUIS, MISSOURI

D I G E S T

Abolishing the U.S. Army Troop Support Command and the U.S. Army Aviation Systems Command to form two new ones (the U.S. Army Troop Support and Aviation Materiel Readiness Command and U.S. Army Aviation Research and Development Command) could

--cost about \$14.2 million, primarily to renovate facilities;

--save about \$6.7 million each year, resulting primarily from reduced staffing requirements; and

--avoid about \$19.2 million in costs for planned facility renovation which may not be necessary if the move is made.

The readiness command will have logistics support and materiel readiness missions. The research and development command will have research, development, and acquisition missions. Both would be located at the Federal Center, St. Louis, Missouri.

As requested, GAO has not obtained formal comments on the report from the Department of Defense. However, GAO discussed the report with Defense officials and included their views where appropriate.

C o n t e n t s

Page

DIGEST

i

CHAPTER

1	INTRODUCTION	1
	The Army Troop Support Command	3
	The Army Aviation Systems Command	3
	Federal Center	4
	Federal Building	4
	Scope of review	4
2	SAVINGS AND COSTS RELATED TO THE PLANNED REALIGNMENT	6
	Estimated annual recurring savings	6
	Estimated one-time costs	8
	Estimated cost avoidance	11

## CHAPTER 1

### INTRODUCTION

On November 24, 1976, the Secretary of the Army announced the planned disestablishment of the U.S. Army Aviation Systems Command (Aviation Command) and U.S. Army Troop Support Command (Support Command). The logistics support and materiel readiness missions of the two commands will be assigned to a new Army Troop Support and Aviation Materiel Readiness Command. The research, development, and acquisition missions will be assigned to a new Army Aviation Research and Development Command. The resources of the existing Aviation and Support Commands will be combined to form the new commands.

The new commands will be under the Army Materiel Development and Readiness Command, Alexandria, Virginia. They will be located at the Federal Center, St. Louis, Missouri--present site of the Troop Support Command. The Aviation Command will relocate from the Federal Building, St. Louis, Missouri, a distance of about 6 miles. Both facilities are Government-owned and operated by General Services Administration (GSA).

The table below shows the authorized personnel strength of the Aviation Command and Support Command, Headquarters, and subordinate activities.

	Authorized Strength			
	Aviation Command		Support Command	
	<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>
Headquarters	<u>a/231</u>	<u>a/4,025</u>	86	1,894
Subordinate activities outside				
St. Louis area	<u>111</u>	<u>876</u>	<u>4</u>	<u>342</u>
Total	<u>342</u>	<u>4,901</u>	<u>90</u>	<u>2,236</u>

a/Includes 11 military and 314 civilians at St. Louis Area Support Center, Granite City, Illinois.

The realignment action will involve only those elements located in the St. Louis area. Activities located outside this area will remain intact and in place.

Under the realignment the Army planned to abolish the Aviation Command and Support Command and redistribute their permanent personnel authorizations by

- eliminating 424 authorized positions and
- establishing Aviation Research and Development Command and Troop Support and Aviation Materiel Readiness Command with 1,638 and 5,307 military and civilian authorizations, respectively.

However, as a result of changes in the personnel program budget, which reduced the authorizations available for redistribution by 295, the Aviation Research and Development Command and Troop Support and Aviation Materiel Readiness Command will be established with 1,764 and 5,175 authorizations, respectively, and 335 permanent personnel authorizations could be eliminated.

Requirements and constraints considered in the Army's realignment study were to

- assure continued effective logistic support and materiel readiness to the Army in the most economical and efficient manner;
- provide for interface between the developer of equipment and the proposed Troop Support and Aviation Materiel Readiness Command to assure a smooth transition of management;
- reduce duplication of functions, supervision and organizational elements by consolidation, collocation, and reorganization;
- minimize personnel turbulence resulting from relocation;
- minimize program disruption associated with relocation; and
- maximize recurring savings associated with the realignment.

The Army estimated the realignment would result in annual savings of about \$8 million--resulting mostly by eliminating 424 positions--and one-time costs of about \$12.9 million to renovate Federal Center facilities and relocate personnel.

## THE ARMY TROOP SUPPORT COMMAND

Troop Support Command, Headquarters, is located at the Federal Center, 4300 Goodfellow Boulevard, St. Louis, Missouri. The Command is assigned the primary mission for logistics support and materiel readiness, including

- production and maintenance engineering;
- procurement, production, and industrial planning;
- cataloging and standardization;
- wholesale inventory management, stock control, and supply control;
- new equipment training and technical assistance to users of equipment; and
- materiel and industrial mobilization planning, contingency planning, maintenance of mobilization reserves, and production base.

It also directs and controls two Service Item Control Centers: the U.S. Army Support Activity in Philadelphia and the U.S. Army Materiel and Petroleum Activity in New Cumberland, Pennsylvania.

## THE ARMY AVIATION SYSTEMS COMMAND

The Aviation Command, Headquarters, is located at the Federal Building, Twelfth and Spruce Streets, St. Louis, Missouri. Its beginning dates back to 1952 when Army Aviation logistics functions were transferred from the Ordnance Corps to the Transportation Corps Army Aviation Field Service Office. A limited research and development mission was acquired in 1964 and further augmented in 1965 and 1968, with a final augmentation in 1970, constituting its present capability.

Subordinate activities include the Army Air Mobility Research and Development Laboratory, headquartered at Moffett Field, California, consisting of (1) the Ames Directorate, Moffett Field, (2) the Langley Directorate, Hampton, Virginia, (3) the Lewis Directorate, Cleveland, Ohio, and (4) the Eustis Directorate, Fort Eustis, Virginia. Other activities include the Army Aviation Engineering Flight Activity at Edwards Air Force Base, California, and the Army St. Louis Area Support Center, Granite City, Illinois.



It also has cognizance over the four aircraft manufacturing plants at Bell, Fort Worth, Texas; Hughes Culver City, California; Grumman, Sturart, Florida; and Boeing Vertol, Philadelphia, Pennsylvania.

### FEDERAL CENTER

The Federal Center is Government-owned and operated by GSA. GSA provides space, utilities, and facilities management at applicable standard level user charges.

The Federal Center is a 19-building complex on about 63 acres, approximately 8 miles from downtown St. Louis. The buildings were constructed in 1942, and GSA acquired the property in 1966 from the Department of Defense. The 19 buildings contain 1,650,108 gross square feet of space; 1,376,094 square feet is occupiable or available for use by tenants' personnel or furnishings.

Under the planned realignment, building 103 and a portion of building 105 would be renovated by GSA for Army use.

### FEDERAL BUILDING

The Federal Building, consisting of 20 stories plus basement, is about 3 blocks south of downtown St. Louis. The building was constructed in 1933. The Army acquired the land and building in 1941 and transferred the property to GSA in 1961. The building contains a total of 1,162,915 gross square feet. of which 784,007 square feet is occupiable space.

In September 1975, GSA reported that the Federal Building was deteriorated and functionally and economically obsolete. The report showed that GSA planned to dispose of the Federal Building if the Aviation Command were to merge with the Support Command at the Federal Center. Other tenant activities would be relocated to leased space and to the Federal Center. GSA estimated the fair market value of the Federal Building at \$625,000 in November 1974.

### SCOPE OF REVIEW

Our review was limited to reviewing the Army estimates of recurring savings and one-time costs. We reviewed pertinent documents and interviewed officials at the

- St. Louis Area Support Center, Granite City, Illinois;
- U.S. Army Troop Support Command, St. Louis, Missouri;
- U.S. Army Aviation Systems Command, St. Louis,  
Missouri;
- General Services Administration, Region 6, Kansas City,  
Missouri;
- General Services Administration, Headquarters,  
Washington, D.C.;
- U.S. Army Materiel Development and Readiness Command;  
and
- Department of the Army.

CHAPTER 2

SAVINGS AND COSTS RELATED

TO THE PLANNED REALIGNMENT

The Army estimated that the proposed realignment would result in annual recurring savings of about \$8 million and one-time costs of about \$12.9 million.

We estimate the planned action could result in annual recurring savings of about \$6.7 million, one-time costs of about \$14.2 million, and a cost avoidance of about \$19.2 million.

The Army's estimates are based primarily on costs and savings to the Department of Defense. Generally, our estimates are based on costs and savings to the Government.

The sections below compare the Army's estimates and our estimates of annual recurring savings, one-time costs, and cost avoidance.

ESTIMATED ANNUAL RECURRING SAVINGS

	<u>Army</u>	<u>GAO</u>	<u>GAO over or under (-)</u>
	----- (000 omitted) -----		
<u>Savings from</u>			
Reduced staffing requirements:			
Military	\$ 233	\$ -	\$ -233
Civilian	6,779	5,541	-1,238
Reduced operating costs:			
Temporary duty travel	192	-	-192
Supplies	99	109	19
GSA standard level user charge	748	-	-748
Facility operating cost	<u>-</u>	<u>1,319</u>	<u>1,319</u>
Total recurring savings	<u>\$8,042</u>	<u>\$6,969</u>	<u>\$-1,073</u>
<u>Less</u>			
Increased lease cost for Federal Building tenants relocated	<u>-</u>	<u>307</u>	<u>307</u>
Net annual recurring savings	<u>\$8,042</u>	<u>\$6,662</u>	<u>\$-1,380</u>

## Staffing requirements

Our estimate for savings from reduced staffing requirements differs from the Army estimate primarily because:

- The Army planned to eliminate 10 military personnel authorizations; however, information available during our review indicated these authorizations would not be eliminated.
- The Army planned to eliminate 414 permanent civilian authorizations estimated at 400 staff-years as a result of realignment. However, changes in the personnel program budget subsequent to their calculation have apparently precluded the Army from realizing savings of 414 permanent authorizations. Information available during our review indicated that 335 permanent authorizations estimated at 324 staff-years could be eliminated. Our estimate is based on eliminating 335 permanent authorizations estimated at 324 staff-years.

## Temporary duty travel

Under the planned action, Support Command and Aviation Command missions are realigned within the newly formed Commands. We did not agree with the reduced duty travel estimate because the realignment does not appear to change or reduce the Commands' workloads. Temporary duty travel requirements would not change greatly as a result of the planned realignment.

## Supplies

The Army's estimate of reduced supplies is based on fiscal year 1976 budgeted costs and a reduction of 400 staff-years. Our estimate is based on fiscal year 1976 actual costs and the estimated 324 staff-years that could be eliminated.

## Reimbursement to GSA

The Army included in its estimate of annual recurring savings the difference between its current reimbursement to GSA for assigned GSA-operated space and the reimbursement that would be necessary if the planned realignment is made. These reimbursements represent interagency transfer of funds. While such transfers may affect the budgets of GSA and the Army, no savings to the Government could occur unless, for example, the space vacated is disposed of by the Government.

GSA officials informed us that they plan to excess and dispose of the Federal Building if the planned realignment is made. Based on information provided by GSA, annual facility operating costs could be reduced about \$1.3 million if the Federal Building is excessed and disposed of by the Government. The \$1.3 million estimated saving results from comparing the estimated space operating costs of the planned realignment with the estimated space operating costs if the realignment is not made. This saving included labor, utilities, contract, and other costs.

Increased lease costs

If the Army realignment is made, eight tenant activities presently assigned space in the Federal Building would have to be relocated to other space to excess and dispose of the building. GSA plans to relocate four tenant activities to leased space resulting in increased costs to the Government of about \$307,000. The Army did not include these costs in their estimate. The other four tenants will be relocated to other federally-operated space. The effect on space operating cost was considered in the above estimate.

ESTIMATED ONE-TIME COSTS

	<u>Army</u>	<u>GAO</u>	GAO over or <u>under (-)</u>
	—————(000 ommited)—————		
Military relocation	\$ 14	-	\$ -14
Terminal leave	30	-	-30
Transportation of supplies and equipment	586	570	-16
Telephone installa- tion	57	54	-3
Relocation of Fed- eral Center Build- ing tenants	-	36	36
Relocation of Fed- eral Building tenants	-	256	256
Facility renovation	<u>12,226</u>	<u>13,267</u>	<u>1,041</u>
 Total	 <u>\$12,913</u>	 <u>\$14,183</u>	 <u>\$1,270</u>

### Military relocation

The Army's estimate includes \$14,000 for military personnel relocation. Since the 10 military personnel authorizations will not be eliminated, these costs will not be incurred.

### Terminal leave

The Army estimated terminal leave payments to be about \$30,000; however, this is not a cost to the Government as a result of the planned realignment. The affected employees would either use their annual leave, should they remain in the Government, or eventually receive lump-sum payments for it. In either event, the Government's liability for the leave would be accrued as a normal fringe benefit of employment and not due to the realignment. It is possible that a present value analysis of the payments would show a saving or a cost to the Government; the amount, however, would not materially affect the relationship between costs and savings for the planned realignment.

### Transportation of supplies and equipment

The Army's estimate of about \$586,000 for transporting supplies and equipment includes about \$209,000 for relocating and installing automatic data processing equipment and print shop machinery. This \$209,000 estimate was based on information provided by local business firms.

The remaining \$377,000 of the estimate is for relocating office equipment. The Army erroneously included costs to relocate equipment for 215 personnel stationed outside the St. Louis area who will not be relocated and excluded costs to relocate 48 tenant organization personnel. The effect of the above reduces the estimate by about \$16,000.

### Telephone installation

The Army estimated that telephone installation costs would be about \$57,000 for 371 installations. An installation consists of 9 telephones, 3 lines, and 1 intercom line for every 10 personnel. Our estimate is lower than the Army's estimate because we estimate fewer required installations.

## Relocating Federal Center Building tenants

Under the realignment, the Aviation Research and Development Command will occupy a portion of Federal Center building 105 which is being used for a GSA self-service store and storage. GSA estimated that relocating the self-service store and storage items would cost about \$36,000. The Army did not include these costs in its estimates.

## Relocating Federal Building tenants

Since GSA plans to dispose of the Federal Building if the realignment action is made, relocating eight tenant organizations not required to move to the Federal Center under the Army realignment plan would be necessary. As discussed on page 8, four tenant organizations would be relocated to leased space, and four tenants would be relocated to Federal Center space. GSA estimated the cost to relocate the eight tenants at about \$25,000 and the cost to alter space at the Federal Center for four tenants at about \$141,000.

Also, although the Army included the cost to relocate the Health Clinic personnel to the Federal Center in its estimates, the Army's estimates did not include the costs to alter space for the Clinic's use. GSA estimated this cost at about \$90,000.

## Facility renovation

The Army estimated about \$12.2 million for facility renovation necessary to support the planned realignment. We estimate these costs to be about \$13.2 million or about \$1 million more than the Army. The increase includes

- adjusting the Army's estimate by about \$108,000 since we used a more recent GSA renovation estimate and housing plan,
- renovating and providing space for the GSA self-service store and maintenance shop which will be relocated, at a cost of about \$393,000, and
- providing pedestrian overpass repairs and additional on-site parking at a cost of about \$540,000.

ESTIMATED COST AVOIDANCE

GSA officials told us that if the realignment does not occur and the Federal Building remains fully occupied, repairs and alterations to the building estimated at about \$19.2 million would be done if funding could be obtained. GSA records show that the work is planned for fiscal years 1978 through 1981. If the realignment does occur, GSA plans to dispose of the building. Accordingly, the realignment with the relocation of building occupants to other space and disposal of the building would eliminate the need to repair and alter the building.