

**As of 8 March 2005 (COBRA Screen Notes: Eight locations use static data; and remainder use fully burdened rates to determine space cost/savings.**

### **SCREEN ONE**

**Candidate Recommendation:** Close the Defense Finance and Accounting Service (DFAS) sites at Rock Island IL; Pensacola Saufley Field, FL; Norfolk Naval Station, VA; Lawton, OK; Pensacola Naval Air Station, FL; Omaha, NE; Dayton, OH; St. Louis, MO; San Antonio, TX; San Diego, CA; Pacific Ford Island, HI; Patuxent River, MD; Limestone, ME; Charleston, SC; Orlando, FL; Rome, NY; Lexington, KY; Kansas City, MO; Seaside, CA; San Bernardino, CA; and Oakland, CA; by relocating and consolidating business, corporate and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN.

Realign the DFAS Arlington, VA, site by relocating and consolidating business, corporate and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN. Retain a minimum essential DFAS liaison staff to support the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Military Service Chief Financial Officers, and Congressional requirements.

Realign the DFAS Cleveland, OH, site by relocating and consolidating business, corporate and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN. Retain an enclave for the Military Retired and Annuitant Pay Services contract function and government oversight.

Realign Columbus, OH, by relocating up to 50% of the Accounting Operation functions and associated corporate and administrative functions to Denver, CO, or Indianapolis, IN, and up to 25% of the Commercial Pay function and associated corporate and administrative functions to Indianapolis, IN, for strategic redundancy.

Realign Denver, CO, by relocating up to 25% of the Accounting Operation functions and associated corporate and administrative functions to Columbus, OH, or Indianapolis, IN, and up to 30% of the Military Pay function and associated corporate and administrative functions to Indianapolis, IN, for strategic redundancy.

Realign Indianapolis, IN, by relocating up to 10% of the Accounting Operation functions and associated corporate and administrative functions to Columbus, OH or Denver, CO, and up to 20% of the Commercial Pay function and associated corporate and administrative functions to Columbus, OH, for strategic redundancy.

The twenty-six locations involved in this recommendation are listed below:

1. Arlington, VA
2. Charleston, SC
3. Cleveland, OH
4. Columbus, OH
5. Dayton, OH
6. Denver, CO
7. Indianapolis, IN

8. Kansas City, MO
9. Lawton, OK
10. Lexington, KY
11. Limestone, ME
12. Norfolk Naval Station, VA
13. Oakland, CA
14. Omaha, NE
15. Orlando, FL
16. Pacific Ford Island, HI
17. Patuxent River, MD
18. Pensacola Naval Air Station, FL
19. Pensacola Saufley Field, FL
20. Rock Island, IL
21. Rome, NY
22. San Antonio, TX
23. San Bernardino, CA
24. San Diego, CA
25. Seaside, CA
26. St. Louis, MO

There is no recommended change to the following four (4) DFAS locations which have been identified as special purpose in nature, in that they do not perform business, corporate or administrative functions that would benefit from merger or collocation to Columbus, Denver or Indianapolis:

1. Cleveland Bratenahl, OH - Network/server host site, no financial/accounting workload accomplished.
2. Red River, TX - Only mission is Army Non-appropriated (NAF) Fund accounting.
3. Mechanicsburg, PA - One technical support/customer service position.
4. Southbridge, MA - DoD shared conference/training center.

**Justification:** This action accomplishes a major facilities reduction and business mission realignment, transforming the current DFAS organization into an optimum facilities configuration, which includes strategic redundancy to minimize risks associated with man-made or natural disasters/challenges. All three of the gaining sites meet DoD Antiterrorism/Force Protection (AT/FP) Standards. The current number of locations, 30, inhibits the organization's ability to reduce redundancy and leverage benefits from economies of scale and synergistic efficiencies. Overall excess facilities capacity includes approximately 51% or 2.084M Gross Square Feet (GSF) in administrative space and 75% or .568M GSF in warehouse space with many locations lacking adequate threat protection as defined in DoD AT/FP Standards. Finally, the three locations have potential to become Business Line Centers of Excellence and further enhance "unit cost" reductions beyond the BRAC facilities/personnel savings aspect.

The three gaining locations were identified through a process that used Capacity Analysis, Military Value, Optimization Modeling, and knowledge of the DFAS organization and mission functions. The Military Value analysis, of 30 locations, ranked the Defense Supply Center-Columbus, OH, the Buckley AF Base Annex, CO, and the MG

Emmett J. Bean Federal Center, Indianapolis, IN, as 3, 9, and 12 respectively. The Optimization analysis which was based on available capacity and expansion capability at all 30 locations identified the three-location combination as providing the optimal facilities approach to hosting DFAS mission/functions. Subject matter knowledge validated that the optimization results will support DFAS by reducing the number of locations while retaining organizational integrity at each of the three locations.

**COBRA INPUT SPECIFIC NOTES FOLLOW:**

1. Scenario costing is effect in two COBRA runs, because 26 locations are involved and COBRA only accepts a maximum of 20.
2. Static data was used for the following DoD Installations:
  - a. Offutt AFB, NE (SGBP) – DFAS Omaha
  - b. Defense Supply Center – Columbus, OH (39225) – DFAS Columbus
  - c. NAS Pensacola, FL (N00204) – DFAS Pensacola NAS and DFAS Pensacola Saufley Field.
  - d. NAVSTA Norfolk, VA (N62688) – DFAS Norfolk
  - e. NAVSTA Pearl Harbor, HI (N62813) – DFAS Pacific (Ford Island)
  - f. Sill, OK (40801) – DFAS Lawton
  - g. Rock Island, IL (17755) – DFAS Rock Island
  - h. Air Reserve Personnel, CO (FEQM) – DFAS Denver
3. Two DFAS entities located at Pensacola NAS and Pensacola Saufley Field are included as part of Pensacola NAS, because Pensacola Saufley Field is a sub-location of Pensacola NAS and information is combined in for static data.
4. The cost (fully burdened rate) per square foot was used develop space cost and savings for DFAS entities not located on a DoD installation. The DFAS FY03 costs were converted to 2005 dollars using a factor of 1.044, per OSD Policy Memo #3.
5. Facilities/administrative space requirements based on DFAS FY2011 POM personnel numbers, Customer Liaison personnel numbers, Management Initiative Decision (MID) 914 personnel numbers, and special space requirements, i.e. vaults, safes, central files, etc.
  - a. A “one” personnel count for space equaled “one” POM Work Year or manpower authorization.
  - b. Contractors were not included in space consideration – in that any contractor space required in government space would be equal to POM Work Year numbers/manpower authorization numbers, as defined in a above.
  - c. Customer Liaison personnel movement. Liaison personnel numbers were added to DFAS POM number in year of move. Liaison personnel are non-DFAS personnel. Liaison personnel were determined to be required for accomplishment of the DFAS mission and thus must realign with specific function.
  - d. Management Initiative Decision (MID) 914 personnel movement – MID 914 realigned workload and personnel to DFAS. Relocation is as follows: former WHS personnel positions (10) to Columbus and former DoDEA/DTRA personnel positions (37) to Indianapolis. The MID directs 26 of the 47 positions move in FY05. Thus the movement of the 26 positions were not included as their move is considered outside of the BRAC window. However, all 47 positions were included in space requirements at the respective gaining locations.

- e. Other personnel/organizations who may need access to DFAS records, etc. to accomplish that organization's mission (not DFAS's mission) were not included/costed with DFAS personnel moves.
- 6. Personnel space requirement developed using 160 Useable Square Feet per HSA JCSG guidance.
- 7. MILCON requirements based on or converted to 200 Gross Square Feet per HSA JCSG guidance.

## **SCREEN TWO**

- 1. The source for all distances is the DoD Table of Official Distances, found at web-site <https://dtod.sddc.army.mil/default.aspx>

## **SCREEN THREE**

- 1. Personnel movement:
  - a. Is based on POM personnel numbers in year of move.
  - b. Departure of personnel from the three gaining sites is probably overstated to some degree. DFAS will probably re-train or cross-train many individuals, which will reduce the number of personnel to move. However, numbers of personnel that might be retrained are unknown and can not be estimated at this time. Thus costing approach taken was most conservative in that all personnel were identified to relocate.
- 2. DFAS NCR Liaison staff. Six positions will relocate within the NCR based on scenarios developed by the Major Admin & Headquarters (HSA JCSG) Sub-group.

## **SCREEN FOUR**

- 1. Static data used for DoD installations.
- 2. Pensacola NAS encompasses information associated with Pensacola NAS and Pensacola Saufley Field. A separate DFAS entity is located at each location.
- 3. Static data for AF Reserve Personnel Center was incomplete. Only AFRPC personnel data was included and square foot data was not included. Certified FY05 personnel data for DFAS-Denver (which is located in the same building as AFRPC on Buckley AF Base Annex) was added to the AFRPC FY05 static data personnel numbers. Additionally, square foot data was developed and added to the screen four based on combining 160K GSF (AFRPC capacity question #447 and 437K GSF (DFAS-Denver scenario **question #** ).
- 4. Following sources were used to populate information for DFAS entities not located on DoD installation:
  - a. FY05 personnel numbers were obtained from DFAS for each location via Scenario Data Call.
  - b. Officer and Enlisted BAH: <https://secureapp2.hqda.pentagon.mil/perdeim/bah.html>
  - c. Locality Pay Factors: <http://www.opm.gov/oca/04tables/indexGS.asp>
  - d. Area Cost Factors: [http://www.acq.osd.mil/ie/irm/ProgramAnalysis\\_Budget/ToolAndMetrics/FPG/FPG.htm](http://www.acq.osd.mil/ie/irm/ProgramAnalysis_Budget/ToolAndMetrics/FPG/FPG.htm)
  - e. Per Diem Rates: <https://secureapp2.hqda.pentagon.mil/perdiem/perdiemrates.html>

f. Freight and Vehicle Costs: Assumed to be Army Standard of \$0.329 and \$4.84 respectively.

g. Latitude and Longitude: <http://www.census.gov/cgi-bin/gasetteer>

## **SCREEN FIVE**

1. Facilities Cost/Savings associated with DFAS entities located on DoD installations were calculated using COBRA algorithms and static data for each installation.  
2. Facilities Cost/Savings associated with DFAS entities not located on DoD installations were calculated as follows:

a. Cost of additional administrative space requirements at Indianapolis (gaining site).

(1) Lease cost begins to accrue when the required space exceeds the assigned space (as defined in capacity data call), triggered by the movement in of personnel, mission equipment and support equipment.

(2) A half year of the additional lease cost is used in the first year – because it was assumed that personnel, mission equipment, and support equipment would not move until the middle of the FY.

(3) Lease cost per square foot factor was developed based on the FY03 fully burden square foot cost, which was converted to 2005 dollars using a factor of 1.044 per OD Policy Memo # 3.

b. Space Savings at realigning/closing sites – Activity Mission Savings.

(1) No space savings identified for sites moving/closing in FY06 due to uncertainty of ability to execute earlier than end of year.

(2) For all other FY, mid-year calculation was used to begin savings in year of move/closing.

(3) c. Lease cost savings per square foot factor for each of the realigning/closing sites was developed based on the FY03 fully burden square foot cost, which was converted to 2005 dollars using a factor of 1.044 per OD Policy Memo # 3.

c. At the DFAS Cleveland location, savings is NOT taken for space associated with the Military Retired and Annuitant Pay Services, contract function. Approximately 435 contract personnel and 19 GS personnel (providing contract oversight). This space requirement may be eliminated as soon as the contractor and DFAS complete negotiations to realign work and personnel to contractor site. Timing of this negotiations/relocation can not even be estimated at this time.

3. AFRPC (DFAS Denver) includes one time cost of \$50K to cover air quality study required as part of the environmental review.

## **SCREEN SIX**

1. BRAC Personnel Savings. DFAS included BRAC savings of 10% in the overall POM numbers less POM numbers associated with Defense Military Pay Offices (DMPO) and Managerial System Accounts/Mission System Accounts (MSA) provided by DFAS to the FM Team (FY2005 to FY2011).

2. BRAC personnel savings was taken beginning in the year of move, if possible, at the closing and realignment locations. Otherwise savings were taken at the gaining locations.

3. Base operations (BASOPS) personnel reductions (savings) and plus ups (costs) for the eight DoD installations have not been included, as yet. Queries have been forwarded to gather information.

### **SCREEN SEVEN**

1. HSA0018A-P1 – includes 82,469 gross square feet (GSF) of MILCON at Defense Supply Center-Columbus to support additional space requirements at DSC-C.
2. MILCON calculation developed as follows: Personnel space 527,040 Useable Square Feet (USF) (3,294 personnel authorizations \* 160 USF). Additional space requirement 86,851 USF (vaults, safes, SCIF, secure room, file rooms, and training rooms). Total requirement 613,891 USF (527,040 USF +86,851 UFS). Total reported available space 547,916 USF (465,416 USF reported assigned to DFAS in Building 21 and 82,500 USF reported vacant in Building 21). Delta between required USF space of 613,891 and available USF space of 547,916 is 65,975 USF. MILCON requirement of 82,469 GSF is result of 65,975 USF times 1.25.
3. HSA approved per personnel metrics are 160 USF or 200 GSF.