



Candidate # HSA0018 – Defense Finance & Accounting Service (DFAS)

Candidate Recommendation (Summary): Close 21 DFAS locations by relocating and consolidating all functions to the Defense Supply Center-Columbus, OH, the Buckley AF Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN. Realign DFAS Arlington, VA, by relocating/consolidating functions same as above, and retain minimum essential liaison staff. Realign DFAS Cleveland, OH, by relocating/consolidating functions same as above, and retain an enclave for Military Retired and Annuitant Pay Services contract function. Realign DFAS Columbus, OH; Denver, CO, and Indianapolis, IN by relocating portions of the Accounting Operation, Military, and Commercial Pay functions and supporting functions among the three locations to implement strategic redundancy.

Justification

- ✓ Supports DFAS Transformation Plan.
- ✓ Mission consolidation - “Unit Cost” reduction.
- ✓ DFAS out of NCR (399); retains small liaison staff (6).
- ✓ Gaining sites meet DoD AT/FP standards.
- ✓ Maximizes facility/business operation efficiencies, mitigates man-made & natural disasters/challenges.
- ✓ Eliminates excess capacity, Admin 51% or 2.084M GSF and Warehouse 75% or .568M GSF.

Military Value

- ✓ Military Value among 30: Denver 3; Columbus 9; Indianapolis 12
- ✓ Prior Avg. MV: = .621; Resultant Avg. MV: = .689
- ✓ Military Judgment and Business Process Review analysis results: optimizes economies of scale/synergistic efficiencies to maximize potential for unit cost reductions and improve service, and minimizes risk of man-made and natural disasters/ challenges.

Payback

- ✓ One Time Cost: \$293M
- ✓ Net Implementation savings: \$141M
- ✓ Annual Recurring savings: \$120M
- ✓ Payback period: Immediate
- ✓ NPV savings: \$1,242.0M

Impacts

- ✓ Criterion 6: -72 to -1888 jobs; less than 0.1% to 1.08%.
- ✓ Criterion 7: No issues.
- ✓ Criterion 8: No issues.
- ✓ Other risks associated with implementation: Workforce, space availability, operating costs.

- ✓ 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