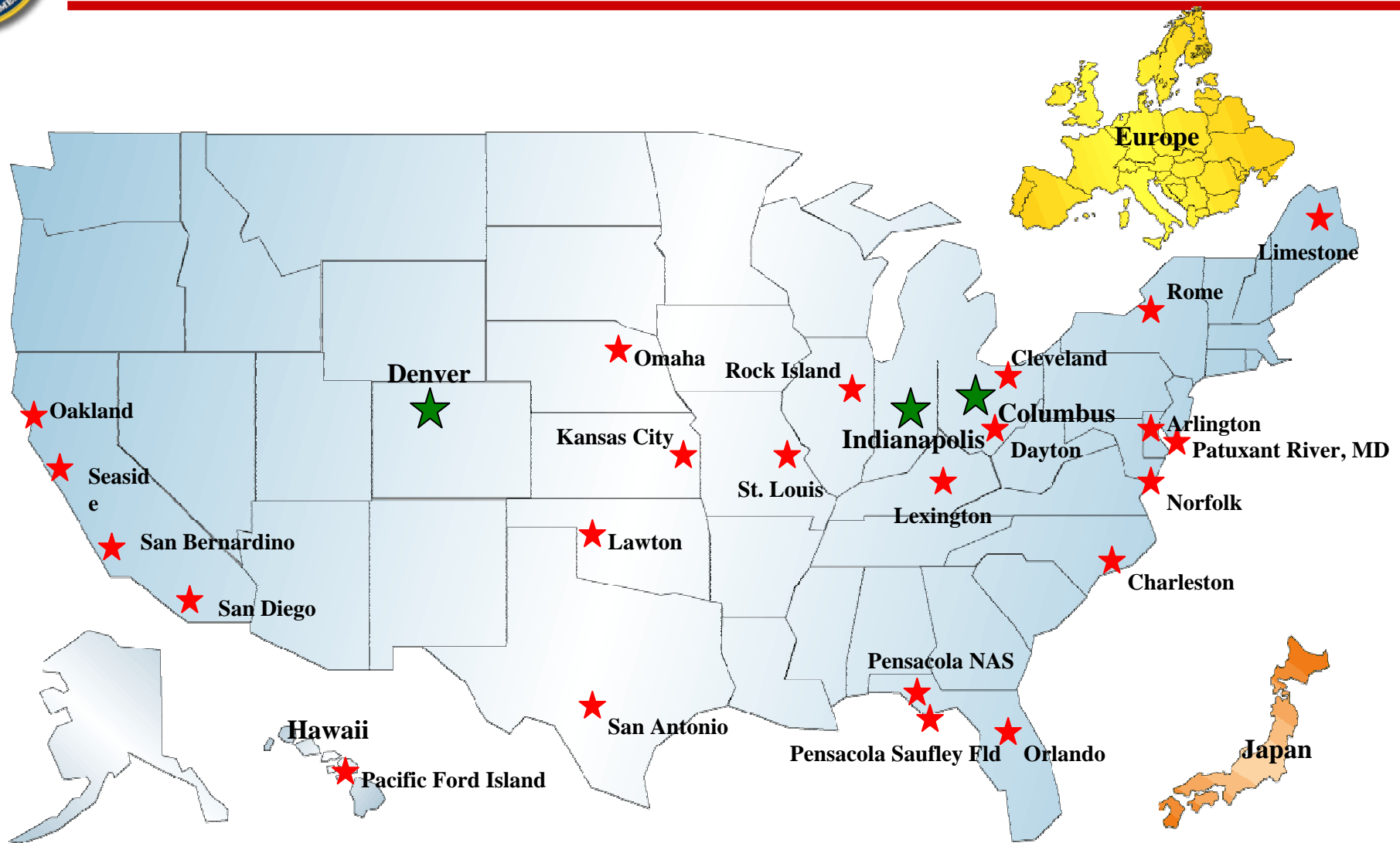




DFAS -- 26 Locations to 3 Locations



Green – Retained Sites
Red – Closed Sites



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

- ✓ Strategy: Reduce number of locations to maximum extent possible, while balancing mission (business lines), workforce, and security considerations.
- ✓ Site selections based on a balance of : business line anchors/strategic redundancy, area workforce, AT/FP standards, and facility capacity/availability.
- ✓ Results: Maximizes facility/business operation efficiencies, mitigates man-made & natural disasters/challenges.
- ✓ Eliminates excess capacity, Admin 43% or 1.776M GSF and Warehouse 69% or .526M GSF.

Military Value

- ✓ Military Value among 26: Denver 3; Columbus 7; Indianapolis 9;
- ✓ Prior Avg. MV: = .594; Resultant Avg. MV: = .714
- ✓ 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: \$281M
- ✓ Net Implementation savings: \$158M
- ✓ Annual Recurring savings: \$117M
- ✓ Payback period: Immediate
- ✓ NPV savings: \$1,283.0M

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