2005 BRAC DLR
PROCUREMENT
MANAGEMENT
CONSOLIDATION UPDATE

PRINCIPAL ASSISTANT RESPONSIBLE FOR CONTRACTING
(PARC) CONFERENCE, 31 OCT 05

MS. SUE BAKER
PRINCIPAL DEPUTY
HQ, AMC G-3

Date: 09/05/16

Need to be faster, more agile, less bureaucratic - Need to fight this everyday!
AGENDA

• Bottom Line Up Front
• BRAC Supply and Services Management Organization
• DLR Procurement Management Consolidation
• Commodity Management Privatization
• The Way Ahead
Scope of discussion: Activities associated with the Supply and Services Joint Cross-Service Workgroup (S&S JCSG)

S&S JCSG recommendations will change the way we do business:
- Consumable item management will transfer to DLA
- DLR procurement management will transfer to DLA

AMC will establish a virtual inventory control point at Redstone Arsenal

Rock Island LCMC will relocate to Detroit

Ft. Huachuca COMSEC commodity management will realign with Fort Monmouth LCMC at Aberdeen Proving Grounds
• **Goal is to establish a mechanism to manage holistically:**
  • Open communications include periodic video teleconferences with an operational focus
  • Synchronize and coordinate plans, actions and schedules
  • Key objectives: mission fulfillment and people

• **There are known issues to address:**
  • Ensure we understand and implement BRAC strategic intent
  • Define specific items that will transfer (consumables, field-level reparables)
  • Define specifics regarding functions that will transfer
  • Assess/manage secondary impacts such as competition in contracting and long-term contract implication

• **Want LCMC collaboration and input:**
  • Business Plan
  • Concept of Operations Plan
  • Implementation Plan
SUPPLY & SERVICES (S&S) JOINT CROSS-SERVICE WORKGROUP (JCSG)

- Chaired by Director, DLA
- GO & SES representatives from services and DLA
- Developed BRAC recommendations
- Operational through implementation

MATERIEL READINESS COMPONENT ADVISORY GROUP (MRCAG)

- Chaired by Vice Director, DLA
- GO & SES Joint DOD membership
- Provides BRAC change oversight

MATERIEL READINESS PROJECT OFFICE (MRPO)

- DLA leadership
- 0-6 joint-service membership
- Implements BRAC changes
• Joint structure hosted by the DLA
• Details are still emerging and evolving
• LCMC representation, input and implementation
MATERIEL READINESS
COMPONENT
ADVISORY GROUP (MRCAG)

- Considers larger implications of BRAC changes
- Advises MRPO on strategy development
- Assesses MRPO plans and schedules
- Oversees MRPO resource and priority management
- Provides forum for issue vetting and resolution
- Joint-service technical expert representation
  - Provides voice for service-unique issues
  - Provides communications conduit back to home service
  - Facilitates exposure of new constructs within home service
- Provides direct support to DLA Vice Director
MATERIEL READINESS PROJECT OFFICE (MRPO)

• Joint project office created to integrate efforts; translate larger picture to execution of S&S recommendations

• Staffed with component personnel
• Will interact with components
• Seek to build visible partnerships
• Provide exposure to evolving mechanisms
• Lead BRAC S&S implementation efforts

Established 20 Sep 05
Disbands when BRAC decisions are implemented
JOINT MRPO REPRESENTATION

DLA BRAC 2005 Enterprise Implementation Plan

Army GS-15

Navy GS-15

Air Force GS-15

Marines GS-15

Supply, Storage, and Distribution Reconfiguration

Commodity Management

Privatization

DLR Procurement Management/CIT

Discretionary-Location Moves

Materiel Readiness Project Office
Lead GS-15
DLR PROCUREMENT MANAGEMENT CONSOLIDATION
S&S JCSG DLR PROCUREMENT MANAGEMENT CONSOLIDATION RECOMMENDATION

• CONSUMABLE MANAGEMENT:
  Relocate the budget/funding, contracting, cataloging, requisition processing, customer services, item management, stock control, weapon system secondary item support, requirements determination, and integrated materiel management technical support inventory control point functions for consumable items to the DLA.

• PROCUREMENT OF DEPOT-LEVEL REPARABLES:
  Relocate, and/or disestablish the procurement management and related support functions for depot-level reparables and designate them as DLA inventory control point functions.

• SERVICES WILL RETAIN:
  A number of inventory control point functions (allowance/initial supply support, list development, configuration management, user engineering support,
SERVICES RETAIN

Logistics Support Processes
Service Logistics Systems
DLR Requirements Determination
Item mgmt responsibility
DLR Repair Management
Title 10 Responsibilities
-- Achieving readiness levels
-- 50/50 compliance
DLR Technical Support
DLR Reliability Engineering
DLR Deficiency Resolution
Airworthiness Responsibility
ECP/TO change/TCTO Execution
Engineering Release
Authority
Service Stockage Policy

DLR Purchasing Responsibility
Service DLR “Buy” Cost Authority
(example: Air Force buy = $1.5B / yr)
Contract Development Responsibility
Service DLR Buy Support Personnel
Commodity Council Leadership
Remaining consumable items

Transfer to
DLA
IMPACT OF DLR PROCUREMENT MANAGEMENT CONSOLIDATION

- Net present value savings*: $1.9B
- One-time costs: $127M
- Positions realigned: 1,315
- Positions eliminated: 227

* Immediate payback period. All figures are DOD-wide.
COMMODITY MANAGEMENT PRIVATIZATION
BRAC COMMODITY MANAGEMENT PRIVATIZATION

- Privatizes supply functions performed at TACOM, Mechanicsburg, Hill Air Logistics Center and at Defense Supply Center Richmond
  - Assigns responsibility for tire contracts to DLA Columbus Inventory Control Point
  - Assigns responsibilities for packaged POL and compressed gases to DLA Richmond Inventory Control Point
- Privatizes storage and distribution functions performed at other distribution depots
- Eliminates 2.2M square feet of covered storage space
  - On-going long-term contracts?
  - OCONUS tire support?

Date: 8/03/2005  Slide: 15
IMPACT OF COMMODITY MANAGEMENT PRIVATIZATION

STARTS: 2006

COMPLETED: 2008

- Net present value savings*: $735.8M
- Positions realigned: 0
- Positions eliminated: 133

* Immediate payback period. All figures are DOD-wide.
05 BRAC: THE WAY AHEAD

- Last BRAC legislative hurdle: 8 Nov 05
- Organizational structure to implement S&S changes has been set
- Joint DOD program documentation is being developed now:
  - Business Plans
  - Concepts of Operations
  - Detailed Implementation Plans
- Keys to AMC’s holistic approach to meeting BRAC 05 challenge:
  - Open communications between HQ and LCMCs, to include periodic VTCs
  - Coordination and synchronization between MRPO, HQ and LCMCs
  - LCMC collaboration on documents, plans and schedules
  - LCMC development of internal BRAC plans
  - Clarify and define BRAC strategic intent and assumptions
  - Accurately and quickly address acquisition and materiel management issues as they arise
We need to work with the DLA and other services to:

- Shape implementation of S&S JCSG recommendation
- Ensure warfighter support
- Take care of people
- Implement BRAC intent
- Build a strong partnership with DLA
BACK-UP SLIDES

WE'RE AT WAR

ARE YOU DOING ALL YOU CAN?
<table>
<thead>
<tr>
<th>LOCATION</th>
<th>ACTIVITY</th>
<th>DESTINATION</th>
<th>CIVILIAN PERSONNEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soldier Systems Center, Natick, MA</td>
<td>CIT</td>
<td>Move to DSC Phila.</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>DLR (MILDEP Move to Aberdeen)</td>
<td>TIP (DSC Philadelphia)</td>
<td>1</td>
</tr>
<tr>
<td>Detroit Arsenal, MI *</td>
<td>CIT</td>
<td>Move to DSC Columbus</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>DLR</td>
<td>TIP (DSC Columbus)</td>
<td>53</td>
</tr>
<tr>
<td>Rock Island Arsenal, IL *</td>
<td>CIT</td>
<td>Move to DSC Columbus</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>DLR (MILDEP Move to Detroit)</td>
<td>TIP (DSC Columbus)</td>
<td>MILDEP 972 to Detroit (36 TIP)</td>
</tr>
<tr>
<td>Ft Huachuca, AZ *</td>
<td>CIT</td>
<td>Move to DSC Columbus</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>DLR (MILDEP Move to Aberdeen)</td>
<td>TIP (DSC Columbus)</td>
<td>MILDEP 12 to Aberdeen (1 TIP)</td>
</tr>
<tr>
<td>Redstone Arsenal AL</td>
<td>CIT (Missile)</td>
<td>Move to DSC Columbus</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>DLR (Missile)</td>
<td>TIP DSC</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>CIT (Aviation)</td>
<td>Move to DSC Richmond</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>DLR (Aviation)</td>
<td>TIP DSC Richmond</td>
<td>38</td>
</tr>
<tr>
<td>Monmouth, NJ*</td>
<td>CIT</td>
<td>Move to DSC Columbus</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>DLR</td>
<td>TIP DSC Columbus</td>
<td>MILDEP 1,134 to Aberdeen (35 TIP)</td>
</tr>
</tbody>
</table>

Migration Description: Identify the units, activities, tenants (including billets moved and eliminated) that must be relocated and the location(s) to which they will relocate. Incorporates “Notes For DLRs” addendum to draft plan.

* = As a result of closing Ft. Monmouth

Date: 8/03/2005
## DLR PROCUREMENT MANAGEMENT CONSOLIDATION MOVE SCHEDULE

<table>
<thead>
<tr>
<th>Location</th>
<th>Activity</th>
<th>Destination</th>
<th>Personnel Move Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ft Huachuca, AZ</td>
<td>CIT</td>
<td>DSC Columbus</td>
<td>0 0 9 0 0 0</td>
</tr>
<tr>
<td></td>
<td>DLR</td>
<td>Move to Aberdeen, TIP to DSC Columbus</td>
<td>0 1 0 0 0 0</td>
</tr>
<tr>
<td>Ft Huachuca, AZ</td>
<td>OTHER</td>
<td>Move to Aberdeen and consolidate</td>
<td>0 0 175 0 0 0</td>
</tr>
<tr>
<td>Redstone Arsenal AL (Missile)</td>
<td>CIT</td>
<td>DSC Columbus</td>
<td>0 0 15 0 0 0</td>
</tr>
<tr>
<td></td>
<td>DLR</td>
<td>TIP to DSC Columbus</td>
<td>0 13 0 0 0 0</td>
</tr>
<tr>
<td>Redstone Arsenal AL (Aviation)</td>
<td>CIT</td>
<td>DSC Richmond</td>
<td>0 0 43 0 0 0</td>
</tr>
<tr>
<td></td>
<td>DLR</td>
<td>TIP to DSC Richmond</td>
<td>0 38 0 0 0 0</td>
</tr>
<tr>
<td>Ft Monmouth</td>
<td>CIT</td>
<td>DSC Columbus</td>
<td>0 0 44 0 0 0</td>
</tr>
<tr>
<td></td>
<td>DLR</td>
<td>TIP to DSC Richmond</td>
<td>0 53 0 0 0 0</td>
</tr>
</tbody>
</table>

Date: 8/03/2005
### DLR PROCUREMENT MANAGEMENT CONSOLIDATION MOVE SCHEDULE (PG 2)

<table>
<thead>
<tr>
<th>Location</th>
<th>Activity</th>
<th>Destination</th>
<th>Personnel Move Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rock Island Arsenal, IL</td>
<td>CIT</td>
<td>DSC Columbus</td>
<td>2006:0 2007:0 2008:52 2009:0 2010:0 2011:0</td>
</tr>
<tr>
<td></td>
<td>DLR</td>
<td>Move to Detroit, TIP to DSCC</td>
<td>2006:36</td>
</tr>
<tr>
<td>Rock Island Arsenal, IL</td>
<td>Other</td>
<td>Move and transfer to TACOM</td>
<td>2006:0 2007:0 2008:1004 2009:0 2010:0 2011:0</td>
</tr>
</tbody>
</table>

**Notes:**
- These are the requirements in the Army recommendation. There are conflicting requirements in COBRA.
- Data call required DLRs to transfer in place in 2007. Cannot move until facility is available. MILCON will not be available until 2008. MILCON funding in COBRA is in 2006 and 2007.
### TOTAL COST SUMMARY ($K)

#### AMC LOCATIONS ONLY

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>TOTAL</th>
<th>BEYOND</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soldier Systems Center, Natick, MA,</td>
<td>26</td>
<td>20</td>
<td>740</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>795</td>
<td>0</td>
</tr>
<tr>
<td>Detroit Arsenal, MI</td>
<td>343</td>
<td>4273</td>
<td>1824</td>
<td>149</td>
<td>137</td>
<td>128</td>
<td>48411</td>
<td>0</td>
</tr>
<tr>
<td>Rock Island</td>
<td>148</td>
<td>1112</td>
<td>3322</td>
<td>727</td>
<td>533</td>
<td>416</td>
<td>37497</td>
<td>0</td>
</tr>
<tr>
<td>Ft Huachuca, AZ</td>
<td>197</td>
<td>148</td>
<td>7521</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7866</td>
<td>0</td>
</tr>
<tr>
<td>Redstone Al, Aberdeen MD</td>
<td>47</td>
<td>1115</td>
<td>1906</td>
<td>100</td>
<td>121</td>
<td>116</td>
<td>75</td>
<td>0</td>
</tr>
</tbody>
</table>

**Financial Plan:** Using COBRA as the basis, provide the costs and savings associated with moving each unit. Explain any deviations from COBRA baseline (OSD) BRAC in conjunction with OSD (COMP) will be issuing guidance to align this information in a format consistent with budget displays.

**Source:** BRAC Cost of Base Realignment Actions (COBRA) Model
## MRCAG MEMBERSHIP

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>REPRESENTATIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLA</td>
<td>MG Loren Reno, Vice Dir., DLA (Chairman)</td>
</tr>
<tr>
<td>OSD</td>
<td>SES Jim Hall, Dir., Studies &amp; Analysis, OUSD (AT&amp;L)</td>
</tr>
<tr>
<td>ARMY</td>
<td>SES Gary Motsek, Dep. Dir., Support Ops., HQ AMC</td>
</tr>
<tr>
<td>NAVY</td>
<td>RDML Mike Roesner, Cdr., Naval ICP</td>
</tr>
<tr>
<td>AIR FORCE</td>
<td>MG Mike Collings, Cdr., Warner-Robins ALC</td>
</tr>
<tr>
<td>MARINES</td>
<td>SES Michel T. Madden, Exec. Dep., MCLC</td>
</tr>
</tbody>
</table>

Date: 8/03/2005
HOW DO WE COMMUNICATE?

S & S JCSG

MRCAG

MRPO

Army Rep

HQ AMC DCG

HQ AMC BRAC EDCG

HQ AMC G3

LCMCs

• Periodic AMC VTCs
• Monthly MRCAG
• CONOPS Plan
• Business Plan
• Implementation Plan

Collaborative Joint Holistic Synchronized & Networked