Summary of Selection Process

Introduction

The Defense Logistics Agency (DLA) 1995 Base Realignment and Closure study process was guided by existing legislation, the DoD Force Structure Plan and by Department of Defense policy. As DLA is not directly identified in the DoD Force Structure Plan, Concepts of Operations were developed to translate the effects of the Force Structure Plan within the Agency's mission planning.

The Director, DLA established a Base Realignment and Closure Executive Group comprised of appropriate senior executives from the Agency's business and staff areas. The Group included both senior level civilian and military personnel, and was chaired by the Principal Deputy Director.

The Executive Group served as senior advisors to direct the 1995 study effort and present activity realignment and closure candidates for the Director's final recommendation to the Secretary of Defense. A BRAC Working Group was also established under the direction of the Executive Group. The Working Group developed analytical tools, collected and analyzed certified data, developed and evaluated alternative scenarios for Executive Group consideration, conducted sensitivity analyses, and compiled documentation to support the final recommendations.

The DLA BRAC analysis process ensured that all of the Agency's activities were evaluated fairly and equitably. Formal charters were developed for the Executive Group and the Working Group, and audit and internal control plans were developed to document the collection and use of accurate certified data.

The Selection Process

The Executive Group aggregated activities into categories and subcategories based on similarity of mission, capabilities, and attributes. From these, the following categories were defined: Distribution Depots, Inventory Control Points, Service/Support, and Command and Control Activities. Subcategories were defined within the categories to ensure that the activities were evaluated in a fair and consistent manner. Where possible, activities were compared to peers of similar function and size. Also, activities identified for closure as a result of previous BRAC decisions were not evaluated.

Collect Data

Comprehensive data calls were designed to support analysis of excess capacity, military value, and economic, environmental and community impacts with certified data. The data call questionnaires were carefully designed to ensure uniform interpretation of questions, level of detail, and documentation requirements. Sources for the data were specified to the greatest extent practical.

Evaluate Excess Capacity

DLA conducted an excess capacity analysis for each of the BRAC activity categories and subcategories. Where significant amounts of excess capacity were found, these sites could be considered as possible receiver sites in potential realignment recommendations.

Analyze Military Value

The purpose of the military value analysis was to determine the relative ranking of each activity with respect to other activities in the same category or subcategory. OSD provided the Military Departments and the Defense Agencies with a list of selection criteria to be used as part of the military value analysis. The Executive Group determined that more distinctive measures should be developed to assess the military value of DLA activities and developed the Measures of Merit shown below:

Mission Scope (DoD Selection Criteria 1 and 3). The mission assigned to the installation/activity plays an essential role within DoD and additionally benefits non-DoD customers. The functions performed in accomplishing the missions(s) may be unique. The strategic location of the facility and span of control are important to effective mission accomplishment.

Mission Suitability (DoD Selection Criteria 1, 2, 3). The installation/activity supports assigned missions. Suitability includes the age and condition of facilities, quality of life, location, and proximity to transportation links.

Operational Efficiencies (DoD Selection Criteria 2 and 4). The installation/activity's mission is performed economically. Installation/activity operation costs include: transportation, mechanical system, (mechanized material handling equipment, etc.), space utilization, and personnel costs, and facility operating costs.

Expandability (DoD Selection Criteria 1, 2, 3). The installation/activity can accommodate new missions and increased workload, including sustained contingencies. Expandability considerations included requirements for space and infrastructure, community encroachment, and increased workload.

Develop Alternatives

The next step in the analysis sequence was to identify potential realignment or closure candidates and eliminate the remaining activities from further consideration. Military value, in conjunction with military judgment, was the primary consideration in determining prospective realignment or closure candidates. Once an alternative was conceived, it was evaluated for reasonableness and then either refined or abandoned. DLA worked closely with each Military Department during this process to identify and consider potential excess space for joint use, to evaluate the impact of Military Department recommendations on its activities and to ensure that the impact of Military Department recommendations was appropriately factored into the Agency's recommendations.

Analyze Return on Investment

The DLA BRAC Working Group evaluated potential realignment and closure scenarios using the Cost of Base Realignment Actions (COBRA) model. Data for the model consists of DoD standard factors, DLA standard factors, static base data, and scenario-specific data which describes the actions and costs involved in a realignment or closure scenario. DoD standard factors used in the model were developed by a DoD Joint Process Action Team. Agency-wide standard factors were developed from field-certified data and data collected and certified by Headquarters organizations. Activity static information was gathered from field-certified data and OSD policy memo guidance.

Develop Recommendations

After base realignment and closure scenarios were evaluated with the COBRA model, the analysis results were reviewed by the BRAC Working Group and presented to the Executive Group for further consideration.

Each scenario was considered in terms of its overall risk, benefit, and cost to the strategic direction of DLA and the interests of DoD. Based on its review and best military judgment, the Executive Group made individual recommendations to the Director. After the approval of the Director, the recommendations were then returned to the Working Group for economic, community infrastructure, and environmental impact assessments. The Working Group reported its findings to the Executive Group for further consideration as appropriate.

Role of Internal Controls and External Audits

An Internal Control Plan for the collection and analysis of data was developed for the BRAC 95 process. The plan, issued 23 May 1994, was reviewed and approved by the DoD Inspector General (IG) and the General Accounting Office (GAO).

DoDIG personnel were responsible for data validation, and fully participated in the Executive and Working Group meetings and observed the Working Group analysis process.

GAO representatives also participated in the DLA BRAC 95 process and attended Executive Group meetings, observed the Working Group analysis process, and visited selected field activities to observe the data collection and data validation process.

Finalize Recommendations

Upon completion of the impact assessments, recommendations were returned to the Executive Group. The Working Group presented the results of the impact analyses and supported additional Executive Group deliberations. The Executive Group discussed the impact assessments, conducted an extensive review of each recommendation, and approved selected recommendations.

The final approved recommendations were then prepared for inclusion in this report. Preparation included gathering supporting documentation, writing narrative descriptions of the analysis process, and submission to OSD.

Recommendations and Justificiations

Defense Distribution Depot Memphis, Tennessee (DDMT)

Recommendation: Close Defense Distribution Depot Memphis, Tennessee. Material remaining at DDMT at the time of closure will be relocated to optimum storage space within the DoD Distribution System. As a result of the closure of DDMT, all DLA activity will cease at this location and DDMT will be excess to DLA needs.

Justification: Defense Distribution Depot Memphis, is a Stand-Alone Depot that supports the two large east and west coast depots and is used primarily for storage capability and local area demand. It is also the host for the Memphis complex. The decision to close the Memphis depot was based on declining storage requirements and capacity estimates for FY 01 and on the need to reduce infrastructure within the Agency.

Memphis tied for third place out of the six Stand-Alone Depots in the military value analysis. The higher scores for the Susquehanna and San Joaquin distribution depots in this analysis removed them from further consideration for closure. The variance of only 37 points out of a possible 1,000 between the third and sixth place depots in the military value analysis for this category reinforced the importance of military judgment and compliance with the DLA BRAC 95 Decision Rules in the decision-making process.

A further consideration was the Agency's desire to minimize distribution infrastructure costs. Closure of an entire installation will allow DLA to reduce infrastructure significantly more than disestablishment of a tenant depot (DDCO at Columbus, OH, and DDRV at Richmond, VA). Memphis was rated six out of six in the Installation Military Value analysis. The Columbus installation ranked the highest. The facilities at Richmond are the best maintained of any in DLA. Both Columbus and Richmond take advantage of the synergy of a collocated Inventory Control Point. This closure action conforms to the Decision Rules to maximize the use of shared overhead and make optimum use of retained DLA-operated facilities, while closing an installation.

In addition, the Strategic Analysis of Integrated Logistics Systems (SAILS) model optimized system-wide costs for distribution when the Ogden and Memphis depots were the two Stand-Alone Depots chosen for closure. Sufficient throughput and storage capacity are available in the remaining depots to accommodate projected workload and storage requirements. Closing DDMT is consistent with the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Therefore, military judgment determined that it is in the best interest of DLA and DoD to close DDMT.

Return on Investment: The total estimated one-time cost to implement this recommendation is $85.7 million. The net of all costs and savings during the implementation period is a savings of $14.8 million. Annual recurring savings after implementation are $23.8 million with a return on investment expected in three years. The net present value of the costs and savings over 20 years is a savings of $244.3 million.

Impacts: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 3,349 jobs (1,300 direct jobs and 2,049 indirect jobs) over the 1996-to-2001 period in the Memphis, Tennessee-Arkansas-Mississippi Metropolitan Statistical Area, which is 0.6 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 1.5 percent of employment in the area.

The Executive Group determined that receiving communities could absorb the additional forces, missions, and personnel proposed, and concluded that environmental considerations do not prohibit this recommendation from being implemented.

Defense Distribution Depot Ogden, Utah (DDOU)

Recommendation: Close Defense Distribution Depot Ogden, Utah, except for a 36,000 square foot cantonment for Army Reserve personnel. Material remaining at DDOU at the time of closure will be relocated to optimum storage space within the DoD Distribution System. As a result of the closure of DDOU, all DLA activity will cease at this location and DDOU will be excess to DLA needs.

Justification: The Defense Distribution Depot Ogden is a Stand-Alone Depot that supports the two large east and west coast depots and is used primarily for storage capability and local area demand. It is also the host for the Ogden complex. The decision to close the Ogden depot was based on declining storage requirements and capacity estimates for FY 01 and on the need to reduce infrastructure within the Agency.

Ogden tied for third place out of the six Stand-Alone Depots in the military value analysis. The higher scores for the Susquehanna and San Joaquin distribution depots in this analysis removed them from further consideration for closure. The variance of only 37 points out of a possible 1,000 between the third and sixth place depots in military value ranking for this category reinforced the importance of compliance with the DLA BRAC 95 Decision Rules and military judgment in the decision-making process.

A further consideration was DLA's desire to minimize distribution infrastructure costs. Closure of an entire installation will allow DLA to reduce infrastructure significantly more than disestablishment of a tenant depot (DDCO at Columbus, OH, and DDRV at Richmond, VA). The Ogden depot was rated five of six in the Military Value Installation analysis. The Columbus installation ranked the highest. The facilities at Richmond are the best maintained of any in DLA. Both Columbus and Richmond take advantage of the synergy of a collocated Inventory Control Point. This action conforms to the DLA Decision Rules to maximize the use of shared overhead and make optimum use of retained DLA-operated facilities while closing an installation.

In addition, the Strategic Analysis of Integrated Logistics Systems (SAILS) model optimized system-wide costs for Distribution when Ogden and Memphis were the two Stand-Alone Depots chosen for closure. Sufficient throughput and storage capacity are available in the remaining depots to accommodate projected workload. Closing the Ogden depot is consistent with the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Military judgment determined that it is in the best interest of DLA and DoD to close DDOU.

Return on Investment: The total estimated one-time cost to implement this recommendation is $110.8 million. The net of all costs and savings during the implementation period is a cost of $27.8 million. Annual recurring savings after implementation are $21.3 million with a return on investment expected in four years. The net present value of the costs and savings over 20 years is a savings of $180.9 million.

Impacts: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 2,947 jobs (1,113 direct jobs and 1,834 indirect jobs) over the 1996-to-2001 period in the Salt Lake City-Ogden, Utah Metropolitan Statistical Area, which is 0.4 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.3 percent of the employment in the area.

The Executive Group determined that the receiving community could absorb the additional forces, missions, and personnel proposed and that environmental considerations do not prohibit this recommendation from being implemented.

Defense Contract Management District South (DCMDS) Marietta, Georgia

Recommendation: Disestablish DCMD South and relocate missions to DCMD Northeast and DCMD West.

Justification: The Contract Management Districts provide command and control, operational support, and management oversight for 90 Defense Contract Management Area Operations (DCMAOs) and Defense Plant Representative Offices (DPROs) located throughout the continental United States. Due to the impact of the DoD Force Structure drawdown, budget cuts and the resulting decline in acquisition workload, a number of Area Operations Offices and Plant Representative Offices have been disestablished thereby reducing the span of control responsibility at the Districts. As the drawdown continues, the number of Area Operations Offices and Plant Representative Offices is expected to decline even further. Based on the above, the closure of a district and realignment of assigned Area Operations Offices and Plant Representative Offices to the remaining two districts is feasible with only a moderate risk. Although the difference between second and third place was not sufficiently broad to dictate a clear decision by itself, DCMD South received the lowest military value score.

Military judgment determined that a single contract management district presence on each coast is necessary. A west coast district is required because of the high dollar value of contracts and the significant weapon-systems related workload located on the west coast.

There is a higher concentration of workload in the northeast, in terms of span of control, field personnel provided support services, numbers of contractors, and value of contract dollars obligated, than in the south. In addition, the northeast district supports its Area Operations Offices and Plant Representative Offices with a lower ratio of headquarters to field personnel than DCMD South. On the east coast, due to the higher concentration of workload in DCMD Northeast, as well as its significantly higher military value score, there is a clear indication that DCMD South is the disestablishment candidate. As a result, the BRAC Executive Group recommended to the DLA Director, and he approved, the disestablishment of DCMD South.

Return on Investment: The total estimated one-time cost to implement this recommendation is $3.8 million. The net of all costs and savings during the implementation period is a savings of $17.9 million. Annual recurring savings after implementation are $6.1 million with a return on investment expected immediately. The net present value of the costs and savings over 20 years is a savings of $75.8 million.

Impacts: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 275 jobs (169 direct jobs and 106 indirect jobs) over the 1996-to-2001 period in the Atlanta, Georgia Metropolitan Statistical Area, which is less than 0.1 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential increase equal to less than 0.1 percent of employment in the area.

The Executive Group concluded that the data did not present any evidence or indication that would preclude the recommended receiving communities from absorbing the additional forces, missions, and personnel proposed in the recommended realignment scenarios. The environmental considerations present at these installations do not prohibit this recommendation from being implemented.

Defense Contract Management Command International (DCMCI) Dayton, Ohio

Recommendation: Realign the DCMCI (Gentile AFS), Dayton, Ohio, and merge its mission into the Defense Contract Management Command Headquarters (DCMC HQ), Ft. Belvoir, Virginia.

Justification: The mission of the DCMCI is to provide command and control, including operational and management control and oversight, for 13 overseas Defense Contract Management Area Operations (DCMAO) offices located outside of the continental United States. The Command's mission could be performed from any locality. Military judgment concluded that merging the mission with the headquarters affords the opportunity to capitalize on operational and management oversight and to maximize use of shared overhead with DCMC. It also affords the opportunity to take advantage of the close proximity to the State Department and the international support infrastructure in Washington, DC, and surrounding areas. This decision is consistent with DLA BRAC 95 Decision Rules, the DCMC Concept of Operations and the Force Structure Plan.

Return on Investment: The total estimated one-time cost to implement this recommendation is $3.1 million. The net of all costs and savings during the implementation period is a savings of $8.7 million. Annual recurring savings after implementation are $3.1 million with a return on investment expected in one year. The net present value of the costs and savings over 20 years is a savings of $38.7 million.

Impacts: Since this action affects unexecuted relocations resulting from prior BRAC recommendations, it causes no net change in employment in the Columbus, Ohio Metropolitan Statistical Area. However, the anticipated employment increase of less than 0.1 percent in the employment base in this area will not occur.

The Executive Group concluded that the data did not present any evidence or indication that would preclude the recommended receiving community from absorbing the additional forces, missions, and personnel proposed in the recommended realignment scenarios. The environmental considerations present at the receiving installations do not prohibit this recommendation from being implemented.

Defense Distribution Depot Columbus, Ohio (DDCO)

Recommendation: Realign the Defense Distribution Depot Columbus, Ohio, and designate it as a storage site for slow moving/war reserve material. Active material remaining at DDCO at the time of realignment will be attrited. Stock replenishment will be stored in optimum space within the distribution system.

Justification: Defense Distribution Distribution Depot Columbus, is a Stand-Alone Depot that supports the two large east/west coast depots and is used primarily for storage capability and local area demand. The decision to realign the Columbus depot was based on storage requirements and capacity estimates for FY 01 and the need to comply with BRAC 95 Decision Rules. Columbus ranked sixth of six depots in military value for the Stand-Alone Depot category.

The other Stand-Alone Depots were not considered for realignment for the following reasons. The higher military value of both the Susquehanna (DDSC) and San Joaquin (DDJC) depots removed them from consideration for closure or realignment. The Richmond Depot (DDRV) was not selected for realignment because of the large amount of conforming hazardous material storage space, new construction and mechanization, and collocation with supply center, which has the best maintained facilities of any in DLA. Both the Ogden and Memphis distribution depots were selected for closure.

The decision to realign rather than close the Columbus depot was based on the need for inactive storage capacity in the overall system and with the long-range intent of minimizing use of this site as storage requirements decline. Moving highly active stock to San Joaquin and Susquehanna will allow DLA to take advantage of economies of scale from large distribution operations. The decision was also based on the further consideration that Columbus, the highest ranking DLA location in the Installation Military Value analysis, will remain open and most likely expand its operations, thereby allowing DLA to maximize the use of shared overhead and optimize the use of retained DLA-operated facilities. In addition, the Strategic Analysis of Integrated Logistics Systems (SAILS) model favored the retention of Columbus over either Ogden or Memphis. Realigning the Columbus depot is consistent with the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Military judgment determined that it is in the best interest of DLA and DoD to realign DDCO.

Return on Investment: The total estimated one-time cost to implement this recommendation is $7.9 million. The net of all costs and savings during the implementation period is a savings of $51.2 million. Annual recurring savings after implementation are $11.6 million with a return on investment expected in the first year. The net present value of the costs and savings over 20 years is a savings of $161.0 million.

Impacts: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 997 jobs (365 direct jobs and 632 indirect jobs) over the 1996-to-2001 period in the Columbus, Ohio Metropolitan Statistical Area, which is 0.1 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.1 percent of employment in the area.

The Executive Group determined that the receiving community could absorb the additional forces, missions, and personnel proposed, and concluded that environmental considerations do not prohibit this recommendation from being implemented.

Defense Distribution Depot Letterkenny, Pennsylvania (DDLP)

Recommendation: Disestablish the Defense Distribution Depot Letterkenny, Pennsylvania. Material remaining at DDLP at the time of disestablishment will be relocated to the Defense Distribution Depot Anniston, Alabama (DDAA) and to optimum storage space within the DoD Distribution System.

Justification: The Defense Distribution Depot Letterkenny is collocated with an Army maintenance depot, its largest customer. While Collocated Depots may support other nearby customers and provide limited world-wide distribution support, Letterkenny's primary function is to provide rapid response in support of the maintenance operation. The Distribution Concept of Operations states that DLA's distribution system will support the size and configuration of the Defense Depot Maintenance System. Thus, if depot maintenance activities are disestablished, Collocated Depots will also be disestablished.

The recommendation to disestablish the Letterkenny depot was driven by the Army recommendation to realign Letterkenny Army Depot, Letterkenny's primary customer, and the Agency's need to reduce infrastructure. The Letterkenny depot was rated 3 of 17 in the

Collocated Depot military value matrix. However, that military value ranking was based on support to the maintenance missions. With the realignment of the Army's maintenance mission to the Anniston Army Depot that value decreases significantly. Other customers within the Letterkenny area can be supported from nearby distribution depots. Production and physical space requirements can also be met by fully utilizing other depots in the distribution system.

Disestablishing DDLP is consistent with both the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Military judgment determined that it is in the best interest of DLA and DoD to disestablish DDLP.

Return on Investment: The total estimated one-time cost to implement this recommendation is $44.9 million. The net of all costs and savings during the implementation period is a cost of $21.2 million. Annual recurring savings after implementation are $12.4 million with a return on investment expected in three years. The net present value of costs and savings over 20 years is a savings of $102.1 million.

Impacts: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 748 jobs (378 direct jobs and 370 indirect jobs) over the 1996-to-2001 period in the Franklin County, Pennsylvania economic area, which is 1.2 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 8.5 percent of employment in the area.

The DLA Executive Group determined that receiving communities could absorb the additional forces, missions, and personnel proposed, and concluded that environmental considerations do not prohibit this recommendation from being implemented.

Defense Industrial Supply Center (DISC)
Philadelphia, Pennsylvania

Recommendation: The Defense Industrial Supply Center is disestablished. Distribute the management of Federal Supply Classes (FSC) within the remaining DLA Inventory Control Points (ICP). Create one ICP for the management of troop and general support items at the Defense Personnel Support Center (DPSC) in Philadelphia, PA. Create two ICPs for the management of weapon system-related FSCs at the Defense Construction Supply Center (DCSC), Columbus, OH and the Defense General Supply Center (DGSC), Richmond, VA.

Justification: Four of the five Inventory Control Points manage differing mixes of weapon system, troop support, and general support items. Troop and general support items largely have different industry and customer bases than weapon system items. They are also more conducive to commercial support, and are thus managed differently than weapon system items. Consolidating management of items by the method of management required will improve oversight, streamline the supply management process, increase internal efficiency, and reduce overhead.

DLA manages nearly five times as many weapon system items as troop and general support items. A single troop and general support ICP is adequate, but two weapon system ICPs are necessary. DPSC is almost entirely a troop support ICP. No other ICP currently manages troop support items. The percentage of general support items at other ICPs is relatively small. Singling-up troop and general support items under DPSC management is the most logical course of action.

DISC had the lowest military value of the three hardware ICPs. The Columbus and Richmond centers are host activities of compounds which house a number of DLA and non-DLA activities, conforming to the DLA decision rules concerning maximizing the use of shared overhead and making optimum use of retained DLA-operated facilities. Both the Richmond and Columbus sites have high installation military value, and take advantage of the synergy of a Collocated Depot. Both also have considerable expansion capability. The facilities at Columbus are the best maintained of any in DLA, and Richmond has several new buildings completed or in progress. DISC is a tenant on a Navy compound. Disestablishing DISC allows the Agency to achieve a substantial cost avoidance by back-filling the space already occupied by DISC and substantially reducing the amount of conversion required to existing warehouse space. Based on the above, military judgment concluded that disestablishing DISC is in the best interest of DLA and DoD.

Return on Investment: The total estimated one-time costs to implement the recommendation is $16.9 million. The net of all costs and savings during the implementation period is a savings of $59.3 million. Annual recurring savings after implementation are $18.4 million, with a return on investment expected immediately. The net present value of the costs and savings over 20 years is a savings of $236.5 million.

Impacts: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 1,198 jobs (385 direct jobs and 813 indirect jobs) over the 1996-to-2001 period in the Philadelphia, Pennsylvania-New Jersey Metropolitan Statistical Area, which is less than 0.1 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 1.2 percent of employment in the area.

Assuming no economic recovery, this recommendation could also result in a maximum potential reduction of 981 jobs (358 direct jobs and 623 indirect jobs) over the 1996-to-2001 period in the Columbus, Ohio Metropolitan Statistical Area, which is 0.1 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.1 percent of employment in the area.

The Executive Group concluded that the data did not present any evidence or indication that would preclude the recommended receiving community from absorbing the additional forces, missions, and personnel proposed in the recommended realignment scenario. The environmental considerations present at the receiving installations do not prohibit this recommendation from being implemented.

Defense Distribution Depot Red River, Texas (DDRT)

Recommendation: Disestablish the Defense Distribution Depot Red River, Texas. Material remaining at DDRT at the time of disestablishment will be relocated to the Defense Distribution Depot Anniston, Alabama, (DDAA) and to optimum storage space within the DoD Distribution System.

Justification: The Defense Distribution Depot Red River is collocated with an Army maintenance depot, its largest customer. While Collocated Depots may support other nearby customers and provide limited world-wide distribution support, Red River's primary function is to provide rapid response in support of the maintenance operation. The Distribution Concept of Operations states that DLA's distribution system will support the size and configuration of the Defense Depot Maintenance System. Thus, if depot maintenance activities are disestablished, Collocated Depots will also be disestablished.

The recommendation to disestablish the Red River depot was driven by the Army recommendation to realign its Red River Army Depot, Red River's primary customer, and the Agency's need to reduce infrastructure. DDRT was rated 5 of 17 in the Collocated Depot military value matrix. However, that military value ranking was based on support to the maintenance missions. With the realignment of the Army's maintenance mission to Anniston, Alabama, that value decreases significantly. Other customers within the DDRT area can be supported from nearby distribution depots. Production and physical space requirements can also be met by fully utilizing other depots in the distribution system.

Disestablishing DDRT is consistent with both the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Military judgment determined that it is in the best interest of DLA and DoD to disestablish DDRT.

Return on Investment: The total estimated one-time cost to implement this recommendation is $58.9 million. The net of all costs and savings during the implementation period is a cost of $0.8 million. Annual recurring savings after implementation are $18.9 million with a return on investment expected in two years. The net present value of the costs and savings over 20 years is a savings of $186.1 million.

Impacts: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 1,602 jobs (821 direct jobs and 781 indirect jobs) over the 1996-to-2001 period in the Texarkana, Texas-Arkansas Metropolitan Statistical Area, which is 2.7 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 7.7 percent of the employment in the area.

The DLA Executive Group determined that receiving communities could absorb the additional forces, missions, and personnel proposed, and concluded that environmental considerations do not prohibit this recommendation from being implemented.

Defense Contract Management District West (DCMDW)
El Segundo, California

Recommendation: This is a redirect of the following BRAC 93 Commission recommendation: "Relocate the Defense Contract Management District, El Segundo, California, to Long Beach Naval Shipyard, Los Angeles, California, or space obtained from exchange of land for space between the Navy and the Port Authority/City of Long Beach." The current recommendation is expanded to read: Relocate the DCMD, El Segundo, CA, (a) to Government property in the Los Angeles/Long Beach area, or, (b) to space obtained from exchange of land between the Navy and Port Authority/City of Long Beach, or (c) to a purchased office building, whichever is the most cost-effective for DoD.

Justification: The Defense Contract Management District West is currently located in GSA-leased administrative space in El Segundo, CA. The BRAC 93 Commission found it was cost effective for DCMD West to move from leased space to DoD-owned property. The Navy has been involved in exploratory discussions on behalf of DLA. However, the President's Five-Point Revitalization Plan, which affords communities the opportunity to obtain installations without substantial compensation, has significantly impacted the Navy's ability to consummate a land exchange at Long Beach with the Port Authority/City of Long Beach. The Long Beach Naval Shipyard, another option, has been placed on the BRAC 95 list for closure.

In order to attain the significant savings which will result by moving the organization into DoD space, the BRAC 93 recommendation is revised/expanded. This redirect eliminates the cost of a warehouse and reflects the requirement for reduced administrative space. This recommendation is consistent with the DCMC Concept of Operations and the DLA BRAC 95 Decision Rules.

Return on Investment: This is a redirect of a BRAC 93 recommendation. The total estimated one-time cost to implement this recommendation is $10.3 million. The net of all costs and savings during the implementation period is a savings of $10.9 million. Annual recurring savings after implementation are $4.2 million with a return on investment expected immediately. The net present value of the costs and savings over 20 years is a savings of $51.2 million.

Impacts: This recommendation will not result in a change in employment in the Los Angeles-Long Beach, California Primary Metropolitan Statistical Area because all affected jobs will remain in that area. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in this area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.4 percent of employment in the area.