DOD JOINT BASES

Management Improvements Needed to Achieve Greater Efficiencies
DOD Joint Bases: Management Improvements Needed to Achieve Greater Efficiencies
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Management Improvements Needed to Achieve Greater Efficiencies

Why GAO Did This Study

GAO has designated DOD support infrastructure as an area of high risk and included one key related category—installation support—as an area for potential savings. In 2005, DOD recommended to the Base Realignment and Closure Commission combining 26 installations into 12 joint bases to generate efficiencies and cost savings and, in 2010, completed this consolidation. GAO assessed the extent to which (1) DOD developed and implemented a plan to achieve cost savings and efficiencies at the joint bases, (2) joint base common standards provide a common framework to manage and plan for installation support services, and (3) DOD has a process to consistently identify and address any implementation challenges. GAO reviewed DOD policies and guidance on joint basing, visited 3 joint bases and obtained answers to written questions from the other 9, interviewed OSD and military service officials, and analyzed performance data on joint base support services.

What GAO Found

The Office of the Secretary of Defense (OSD) has not developed or implemented a plan to guide joint bases in achieving cost savings and efficiencies. The Department of Defense (DOD) originally estimated saving $2.3 billion from joint basing over 20 years, but in the absence of a plan to drive savings, that estimate has fallen by almost 90 percent. OSD also does not yet have a fully developed method for accurately collecting information on costs, savings, and efficiencies achieved specifically from joint basing. GAO previously reported that organizational transformations such as merging components and transforming organizational cultures should be driven by top leadership, have implementation goals and a timeline to show progress, and include a communication strategy. Although the joint bases anecdotally reported achieving some savings and efficiencies, without an implementation plan to drive savings and a means to collect reliable information on the specific costs, estimated savings, and efficiencies from joint basing, DOD will not be able to facilitate achievement of the goals of cost savings and efficiencies, track the extent to which these goals have been achieved, or evaluate the continuation or expansion of joint basing.

The joint bases implemented common standards for installation support services developed by OSD, and in fiscal years 2010 and 2011 reported meeting the standards more than 70 percent of the time. However, three factors limited the usefulness of the reported standards as a common tool for managing installation support services: the lack of clarity in some standards, unclear standards that were not reviewed and changed in a timely manner, and data collection and reporting on the standards that in some cases adhered to individual service standards rather than the common standard. DOD guidance states that the purpose of the joint base common standards framework was to provide a common language to serve as a basis for planning and management across the joint bases, and GAO previously reported that performance measures should be clear and follow standard procedures. Without a consistent interpretation and reported use of the standards, OSD and the joint bases will not have reliable or comparable data with which to assess their service support levels.

OSD and the joint bases have various mechanisms in place to address challenges in achieving joint basing goals, such as a joint management oversight structure and annual OSD-joint base review meetings, but none of these routinely facilitates communication among the joint bases to identify solutions to common challenges. The reported challenges cover a wide range of issues, from different expectations among military services as to how base support services should be provided to incompatible information technology networks. However, the absence of a formal method to routinely share information on common challenges and possible solutions, or guidance on developing and providing training for new personnel on how joint bases provide installation support, means DOD is likely to miss opportunities to develop common solutions to common challenges. Federal internal control standards state that for an entity to control its organizational cultures should be driven by top leadership, have implementation goals and a timeline to show progress, and include a communication strategy. Although the joint bases anecdotally reported achieving some savings and efficiencies, without an implementation plan to drive savings and a means to collect reliable information on the specific costs, estimated savings, and efficiencies from joint basing, DOD will not be able to facilitate achievement of the goals of cost savings and efficiencies, track the extent to which these goals have been achieved, or evaluate the continuation or expansion of joint basing.

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What GAO Recommends

GAO recommends that DOD take six actions, such as developing a plan to achieve cost savings, prioritizing review and revision of unclear common standards, and developing a strategy to share solutions to common challenges. DOD partially agreed with five recommendations and did not concur with the recommendation to develop a plan to achieve cost savings, because it stated that such goals are not appropriate at this time. GAO continues to believe that the recommendations are valid as discussed further in the report.

View GAO-13-134. For more information, contact Brian J. Lepore at (202) 512-4523 or leporeb@gao.gov.
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Abbreviations

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<tr>
<td>BRAC</td>
<td>Base Realignment and Closure</td>
</tr>
<tr>
<td>DOD</td>
<td>Department of Defense</td>
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<tr>
<td>OSD</td>
<td>Office of the Secretary of Defense</td>
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November 15, 2012

Congressional Addressees

GAO has designated Department of Defense (DOD) support infrastructure as a high-risk area, and identified installation support as one key support infrastructure category where opportunities existed for savings.¹ In originally citing support infrastructure as high risk, we stated that reducing the cost of excess infrastructure activities was critical to making use of scarce resources and maintaining high levels of military capabilities. We reported that DOD believed that greater economies of scale and savings could be achieved by further consolidation and elimination of duplicate support services where military bases were located close to one another or similar functions were performed at multiple locations. However, we also noted that despite the potential for reducing base operating support costs through greater reliance on interservice-type agreements, differing service traditions and cultures and concern over losing direct control of support assets had caused commanders to resist such measures. In a subsequent recommendation submitted to the 2005 Base Realignment and Closure (BRAC) Commission, DOD proposed that the department consolidate 26 military installations into 12 joint bases to take advantage of opportunities for efficiencies arising from such consolidation and elimination of duplicate support services on bases located close to one another. DOD estimated that by taking this action it could save about $2.3 billion over a 20-year period.² In its justification for the recommendation, DOD noted, among other things, that because the installations either shared a common boundary or were in proximity to at least one other installation, and performed common support functions, there was a significant opportunity to reduce duplication of similar support services, which could produce savings. The BRAC Commission approved a modified version of DOD’s recommendation, which the commission found more fully reflected

statutory selection criteria and DOD’s force structure plan. Through updates to our high-risk series reports, we have continued to monitor DOD’s ability to achieve economies of scale and savings by consolidating and eliminating duplicate installation support services. Our most recent high-risk report, issued in February 2011, continued to designate DOD’s management of its support infrastructure as an area of high risk. One of the reasons for this designation was DOD’s lack of progress in achieving the anticipated efficiencies and cost savings objectives associated with consolidating installation services through the joint basing initiative.

DOD’s joint basing initiative—implemented in two phases, with 5 joint bases established in October 2009 and the remaining 7 bases established in October 2010—created 12 joint bases from the 26 installations that were originally operated by the Army, Navy, Air Force, or Marine Corps, combining installation support services such as airfield operations, grounds maintenance, and custodial services. The 2005 BRAC recommendation on joint basing established which military bases would receive installation management functions from one or more other bases. On the basis of these realignments, the Office of the Secretary of Defense (OSD) designated the receiving military service as the lead for delivering installation support at each joint base, and in 2008, OSD issued further guidance for joint basing implementation. According to this guidance, the lead service is referred to as the supporting component and the military services receiving the installation support are referred to as the supported components. OSD also established a set of joint base common standards for providing consistent delivery of installation support services to the 12 joint bases. According to the latest DOD information, there are 280 joint base common standards grouped into 48 functional areas. The standards cover a wide range of installation support services,

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3 The full text of the BRAC joint basing recommendation and elements of DOD’s recommendation to the BRAC Commission (as reproduced in the commission’s report) appear in app. II of this report. The BRAC Commission assessed all of DOD’s recommendations against eight statutory selection criteria and DOD’s force structure plan.

4 GAO, High-Risk Series: An Update, GAO-11-278 (Washington, D.C.: February 2011). The High-Risk Series focuses on government operations that GAO identified as high risk because of their greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.

5 These functional areas include a diverse range of functions such as airfield operations, child and youth services, and morale, welfare, and recreation. See app. III for a full list of these functional areas.
from establishing the acceptable waiting time for ensuring that 100 percent of eligible children are placed within the base-run child development program to conducting a minimum of two daily airfield checks.

In 2009, we reviewed DOD’s progress to date toward meeting the joint basing goals of increased efficiencies and cost savings.6 We reported that the cost of installation support was expected to increase rather than decrease due in part to the adoption of the new common standards, which required higher levels of funding in some cases than the previous standards, and because the services’ approach to implementing joint basing would result in additional administrative costs and the loss of some existing installation support efficiencies. As a result, in 2009 DOD significantly reduced its estimated 20-year cost savings projection from $2.3 billion to about $273 million. More recently, we reported in June 2012 that our analysis based on updated DOD estimates of the one-time and recurring costs and savings from joint basing based on DOD’s fiscal year 2011 BRAC budget submission to Congress showed that this 20-year savings estimate had fallen to $249 million.7

We are conducting this follow-on review under the Comptroller General’s authority to conduct evaluations on his own initiative in order to provide updated information on DOD’s progress in achieving its joint basing objectives. For this report, we evaluated the extent to which (1) DOD developed and implemented a plan to achieve cost savings and efficiencies at the joint bases and has tracked the costs, estimated savings, and efficiencies from joint basing; (2) joint base common standards provide a common framework to manage and plan for installation support services at the joint bases; and (3) the joint bases or DOD have a process in place to consistently identify and address any implementation challenges to facilitate achievement of joint basing goals.

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To address these objectives overall, we analyzed DOD guidance and data relating to joint basing. We also selected a nonprobability sample of 3 of the 12 joint bases to visit based on several criteria. Among these criteria, we ensured that we would visit one base where each of the three military departments was the supporting component and therefore had the lead for ensuring that the joint base common standards were met, and that we visited at least one joint base implemented in each of the two implementation phases. We interviewed OSD officials in addition to officials at the 3 joint bases we visited. For the remaining 9 joint bases, we obtained written answers to our questions pertaining to these objectives.

To assess the extent to which DOD developed and implemented a plan to achieve cost savings and efficiencies at the joint bases and tracked the cost effects of joint basing, we analyzed relevant DOD guidance as well as our prior findings on key practices and steps used by organizations to successfully implement organizational mergers and transformations. We also interviewed OSD and joint base officials, and obtained answers to written questions, to determine the extent to which there was a plan in place to achieve cost savings and efficiencies, and the extent to which OSD or the joint bases measured and tracked costs, estimated savings, and efficiencies achieved as a result of joint basing.

To evaluate the extent to which joint base common standards have provided a common framework for defining installation support services and are used to manage and plan for those services at the joint bases, we reviewed DOD’s policy and guidance on the joint base common standards as well as federal internal controls and data reliability standards. We obtained joint base performance reporting on the common standards from fiscal years 2010 through 2011 and conducted a content analysis of these data to determine the degree of achievement of the standards and to identify reported challenges to the joint bases’ ability to meet the standards. We analyzed OSD’s processes for reviewing and changing the standards by reviewing OSD guidance, and interviewed or obtained written answers to our questions from OSD and joint base officials about how they addressed reported problems with the standards. Although we identified some problems with the joint base common standards, which we discuss in this report, we found the data on the joint base common standards to be sufficiently reliable for the purposes of reporting on the number of standards the joint bases reported as having met or not met and the content of the comments accompanying the standards reporting.
To assess OSD’s process for identifying and addressing implementation challenges, we reviewed DOD policy and guidance for joint base oversight and management, as well as federal internal control standards. We then identified how OSD uses its formal joint base management structure, joint base common standards reporting, and formal review meetings between joint base commanders and OSD to obtain information on challenges faced at the joint bases. We analyzed performance reporting comments, DOD documentation that identified and demonstrated how OSD addressed these challenges, and DOD guidance on established procedures to resolve issues. We also interviewed or obtained written answers to questions from OSD, military service, and joint base officials in order to determine how OSD and the military services resolved issues with the joint bases through informal methods, such as newsletters and direct communications.

We conducted this performance audit from August 2011 to November 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discuss our scope and methodology in more detail in appendix I.

Background

Implementation of the Joint Bases and Management Responsibilities

DOD noted in its recommendation to the 2005 BRAC Commission that all military installations employ personnel to perform common functions in support of installation facilities and personnel and that all installations execute these functions using similar or nearly similar processes. DOD’s justification for the recommendation stated that this, along with the proximity of the bases in question, allowed for significant opportunity to reduce duplication and costs by consolidating the installations. Specifically, DOD stated that savings in personnel and facilities costs could be realized by, among other things

- reducing duplication of efforts,
- paring unnecessary management personnel,
- achieving greater efficiencies through economies of scale,
- consolidating and optimizing existing and future service contract requirements,
• establishing a single space management authority that could achieve greater utilization of facilities, and
• reducing the number of base support vehicles and equipment consistent with the size of the combined facilities.

As a result, the BRAC Commission approved a modified version of DOD’s recommendation, and recommended combining 26 installations that were close to one another into 12 joint bases.

In its January 2008 joint basing implementation guidance, OSD established a schedule dividing the joint bases into two implementation phases and required that the installations complete a memorandum of agreement that would describe how the military components would work together at each joint base.8 Each agreement was required to outline, among other things,

• how the installations were to fully implement the 2005 BRAC joint basing recommendation and
• how the supporting component was to deliver installation support services to the other military components at the base—called supported components—in accordance with the joint base common standards.

Table 1 identifies the location, implementation phase, and supporting military service at each of the joint bases.

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8 Phase I bases had a September 30, 2008 milestone for developing and signing a memorandum of agreement and an October 31, 2009, milestone for full implementation. Phase II bases had a September 30, 2009 milestone for signing a memorandum of agreement and an October 31, 2010, milestone for full implementation. According to DOD, phase I full implementation was achieved on October 1, 2009, and phase II full implementation was achieved on October 1, 2010.
Table 1: Joint Bases’ Details and Implementation Phases

<table>
<thead>
<tr>
<th>Joint base</th>
<th>Location</th>
<th>Phase</th>
<th>Supporting service</th>
<th>Supported service</th>
</tr>
</thead>
<tbody>
<tr>
<td>McGuire-Dix-Lakehurst</td>
<td>New Jersey</td>
<td>I</td>
<td>Air Force</td>
<td>Army, Navy</td>
</tr>
<tr>
<td>Little Creek-Fort Story</td>
<td>Virginia</td>
<td>I</td>
<td>Navy</td>
<td>Army</td>
</tr>
<tr>
<td>Andrews-Naval Air Facility Washington</td>
<td>Maryland</td>
<td>I</td>
<td>Air Force</td>
<td>Navy</td>
</tr>
<tr>
<td>Myer-Henderson Hall</td>
<td>Virginia</td>
<td>I</td>
<td>Army</td>
<td>Marine Corps</td>
</tr>
<tr>
<td>Marianas</td>
<td>Guam</td>
<td>I</td>
<td>Navy</td>
<td>Air Force</td>
</tr>
<tr>
<td>Lewis-McChord</td>
<td>Washington</td>
<td>II</td>
<td>Army</td>
<td>Air Force</td>
</tr>
<tr>
<td>Charleston</td>
<td>South Carolina</td>
<td>II</td>
<td>Air Force</td>
<td>Navy</td>
</tr>
<tr>
<td>Langley-Eustis</td>
<td>Virginia</td>
<td>II</td>
<td>Air Force</td>
<td>Army</td>
</tr>
<tr>
<td>Pearl Harbor-Hickam</td>
<td>Hawaii</td>
<td>II</td>
<td>Navy</td>
<td>Air Force</td>
</tr>
<tr>
<td>Elmendorf-Richardson</td>
<td>Alaska</td>
<td>II</td>
<td>Air Force</td>
<td>Army</td>
</tr>
<tr>
<td>San Antonio</td>
<td>Texas</td>
<td>II</td>
<td>Air Force</td>
<td>Army</td>
</tr>
<tr>
<td>Anacostia-Bolling</td>
<td>District of Columbia</td>
<td>II</td>
<td>Navy</td>
<td>Air Force</td>
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</table>

Source: OSD.

The 2008 joint basing implementation guidance designated the Under Secretary of Defense for Acquisition, Technology, and Logistics as the official within OSD responsible for establishing overarching guidance, procedures, and policy and for providing oversight for implementation of the joint basing guidance. Within the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, the lead office for DOD’s installations and facilities is the Office of the Deputy Under Secretary of Defense (Installations and Environment), which conducts oversight of and provides guidance to the joint bases.

Joint Base Common Standards

OSD’s 2008 guidance on implementing joint basing established a set of installation support functional areas and provided for the creation of a set of joint base common standards to define the level of service expected to be provided at each joint base and in order to ensure consistent delivery of installation support services. As of April 2012, there were 280 joint base common standards grouped into 48 functional areas, such as the standard that 90 percent of law enforcement investigations be completed within 30 days, which falls under the security services functional area (see app. III for a complete list of these functional areas). Each joint base can seek approval to have deviations from the common standards, which would be outlined in its memorandum of agreement. One-third of the joint bases told us they had approved deviations from certain common standards. OSD officials stated that they have changed the joint base
common standards over time to clarify or better align them with how the services are providing installation support services.

**Joint Management Oversight Structure**

The Joint Management Oversight Structure was established as a mechanism to provide for six levels of performance review and dispute resolution as part of managing implementation of the joint bases. Issues raised at the joint bases are first addressed at the lowest level of the structure, the local Joint Base Partnership Council, which includes officials from the supported and supporting services on each joint base. If issues are not resolved there, they are raised to higher levels of command, such as the Senior Installation Management Group, which includes the service installation commands, such as Commander, Navy Installations Command, and the Army Chief of Staff Installation Management Command. If the issues remain unresolved, they can go up through the service Vice Chiefs of Staff and finally on to OSD. See figure 1 for the oversight structure and decision chain.

**Figure 1: Joint Management Oversight Structure Levels and Decision Chain**

| Local Joint Base Partnership Council | Intermediate Command Summit | Senior Installations Management Group | Senior Joint Base Working Group | Vice Chiefs of Staff | Deputy Secretary of Defense |

Source: DOD.

aComprises Commander, Naval Installations Command, Office of the Assistant Chief of Staff for Installation Management (Army), Office of the Air Force Civil Engineer, and Headquarters Marine Corps, Installations Department, Facilities and Services Division.
DOD Has Not Developed a Plan for Achieving Joint Basing Cost Savings and Efficiencies or a Reliable Method for Tracking Costs and Estimated Savings

DOD’s recommendation to the 2005 BRAC Commission noted anticipated cost savings and efficiencies to be gained from joint basing, but OSD has not developed an implementation plan to guide joint bases in their efforts to achieve these cost savings and efficiencies. Furthermore, DOD does not have a reliable method of collecting information on the net costs or estimated savings, and efficiencies, specifically resulting from joint basing and excluding other influences on the bases’ budgets. Without a plan to guide and encourage joint bases to pursue cost savings and efficiencies and without a method to track joint basing-specific costs, savings, and efficiencies, DOD will likely miss opportunities for cost savings and continue to be unaware of the extent to which joint bases have been able to meet the objectives laid out in the 2005 BRAC recommendation on joint basing.

DOD Has Not Developed a Plan to Guide Joint Bases toward Achieving Cost Savings and Efficiencies

Officials in the Office of the Deputy Under Secretary of Defense (Installations and Environment) said they did not have a plan in place to guide the efforts to achieve cost savings and efficiencies at the joint bases because joint basing is a relatively new initiative and they are still resolving implementation issues. DOD’s 2005 joint basing recommendation estimated a 20-year savings of $2.3 billion, with $601 million in savings by the end of the implementation period in fiscal year 2011. However, the 20-year savings estimate has now decreased by nearly 90 percent, to $249 million.¹⁹

We have previously reported that successful organizational transformations—such as merging components and transforming organizational cultures—in both the public and private sector, involve several key practices, including ensuring that top leadership drives the transformation, setting implementation goals and a timeline to show progress from day one, and establishing a communication strategy to create shared expectations and report related progress.¹⁰

¹⁹ These figures are in 2005 dollars to facilitate comparison.

Ensuring top leadership drives the transformation. DOD leadership has not provided clear direction to joint basing officials on achieving the cost savings and efficiency goals of joint basing. Some joint basing officials told us they perceived a lack of direction from OSD about the joint basing initiative and more specifically about whether the purpose of joint basing is to meet the joint base common standards for installation support or to achieve cost savings and efficiencies. These two goals may not always be in harmony since meeting some joint standards requires a higher level of service, which can increase costs rather than save money.

Setting implementation goals and a timeline to show progress. One of DOD’s stated objectives for joint basing was to save money; however, it did not establish quantifiable and measurable objectives for how to achieve cost savings or efficiencies through joint basing, nor did it establish a timeline to achieve such goals. Such methods for achieving cost savings or efficiencies could include, for example, reducing duplication of efforts, paring unnecessary management personnel, consolidating and optimizing service contract requirements, and reducing the number of base support vehicles and equipment, among other things noted in DOD’s recommendation to the 2005 BRAC Commission.

Establish a communication strategy. DOD has not established a communication strategy that provides information to meet the needs of joint basing officials on how to achieve the joint basing goals of cost savings and efficiencies. Some joint base officials told us that they desire additional guidance about how to achieve cost savings and efficiencies.

In addition to not having an implementation plan, DOD does not yet have a fully developed method for accurately gathering information on costs, estimated savings, and efficiencies achieved specifically as a consequence of joint basing, and as a result it does not have an estimate of the extent to which joint basing has realized actual cost savings. OSD has developed a data collection tool, called the Cost and Performance Visibility Framework, through which the joint bases report installation support performance data, including annually reporting on funds obligated to provide base support services, and officials involved in management and oversight of the joint bases can use this information to improve joint base management. In addition, OSD can measure these data against the level of funding the military services expect they would have had to obligate for installation support on the joint bases if no savings resulted from joint basing—what DOD refers to as the Cost and Performance Visibility Framework baseline. However, because of inconsistencies in the
way the joint bases reported data through the framework to date, and because the data reported through the framework do not exclude costs and savings that are not specific to joint basing, OSD is not yet able to accurately isolate the effects of joint basing on the cost of providing support services. In addition, comparing support service obligations to the Cost and Performance Visibility Framework baselines does not show whether overall savings were achieved as a result of joint basing since the new support service standards themselves are a part of the joint basing initiative. Measuring against these baselines therefore does not provide a true picture of savings resulting from joint basing.

The Cost Performance and Visibility Framework is a web-based application managed by OSD which allows joint bases to report on their performance against the joint base common standards quarterly and to report on the funds obligated and manpower employed to meet the common standards annually. Various levels of the joint basing Joint Management Oversight Structure use the framework as a management tool to review and assess performance of the joint base common standards by category, service, and base, including comparing performance of the standards to the funds obligated and manpower employed to meet particular categories of standards. For example, officials can compare the funds obligated on housing on a particular joint base with the extent to which that joint base met the common standards related to housing, as well as the baseline, or anticipated cost of meeting those common standards. OSD officials told us that they use these data to identify categories of joint base common standards where the bases are performing especially well or poorly, and can compare this performance to the funds obligated relative to achievement of the standards, as well as to the baseline—the level of funding the military services anticipated they would need to obligate to meet the standards. This information provides an initial insight and a basis for further discussion at the working level with officials involved in joint base management and oversight. Through further discussion, the officials said they were able to identify the reasons why joint bases may be performing In a June 2012 report on military base realignments and closures, we reported that DOD projects net annual recurring savings of $32 million from joint basing based on a methodology that was used during the development of the original recommendations to the BRAC Commission. See GAO-12-709R. As noted previously, this report examined the extent which DOD has tracked the actual costs, estimated savings, and efficiencies achieved from joint basing.
well or underperforming in particular areas relative to the funds obligated and the baseline. In turn, this allows the officials to make adjustments in funding, learn from the experiences of particular joint bases in providing support services, and improve joint base management going forward.

For fiscal year 2011, the first year all of the joint bases had completed implementation, the joint bases reported through the Cost and Performance Visibility Framework obligating a total of about $4.3 billion on support services. The military services also created baselines against which to measure these funding levels. According to these service-developed baselines the 12 joint bases’ installation services were expected to cost $5.1 billion in fiscal year 2011, as compared with the framework-reported actual cost of about $4.3 billion, for a reported savings of $800 million less than the baseline. However, this difference between the reported baselines and the installation support funding levels on the joint bases does not accurately reflect savings arising from joint basing for several reasons. First, these baselines were calculated using actual obligations in fiscal year 2008, when the joint bases were standalone bases, and were adjusted to include increases in personnel needed to meet the new joint base common standards and other expected changes, such as utility rate changes. This effectively inflated the baselines beyond what was actually obligated prior to joint basing. Therefore, while the adjusted baselines are meant to represent the projected costs to operate the newly established joint bases, they overstate the actual cost to operate the bases as compared to when they were standalone bases. As a result, these are not true baselines against which a valid comparison can be made of the cost to operate joint bases compared with standalone bases. Moreover, DOD officials noted that the adjusted baselines and the reported obligations did not always exclude one-time expenditures unrelated to the cost of providing support services, such as military construction projects, which impairs the reliability of comparisons using the obligations data. Finally, the framework does not identify when costs, savings, or efficiencies occurred specifically as a result of joint basing, as opposed to other actions such as military service-wide budget cuts. Therefore, the absence of a comparison with the funds obligated for support services on the installations prior to becoming joint bases, reliability problems in the data, and the inability to isolate joint-basing specific costs, savings, and efficiencies, limits the use of the framework as a definitive tool to identify the overall effects on cost of the joint basing initiative.

OSD officials said that they expect to correct the data reliability problems by the end of fiscal year 2012, and as joint basing continues these
officials believe it will be possible to compare each year’s obligations at the joint bases against prior years’ obligations and therefore gain insight into the extent that savings and efficiencies are achieved. However, DOD officials also acknowledged that other factors have affected and will continue to affect funding levels at the joint bases, including budget-driven reductions by the military services that do not necessarily represent savings or efficiencies specifically from joint basing, and as a result, OSD may not be able to determine joint basing-specific costs and estimated savings even with its improved data collection.

We found that the individual joint bases do not systematically track cost savings and efficiencies achieved as a result of joint basing. However, some joint bases have achieved efficiencies through consolidating service contracts, combining departments, and reducing administrative overhead, and identified anecdotal examples of such efficiencies, including the following.

- **Joint Base McGuire-Dix-Lakehurst.** Base officials told us that by combining telephone services under the existing Air Force contract, call rates were substantially reduced, and that they have saved about $100,000 annually as a result. Additionally, the officials said that consolidating nine maintenance support contracts into one has produced $1.3 million in annual savings.
- **Joint Base Charleston.** Base officials stated that information technology network upgrades resulted in improved high-speed access and annual savings of $747,000. Additionally, these officials told us that they consolidated multiple contracts for chaplains, resulting in $55,000 in annual savings.
- **Joint Base Pearl Harbor-Hickam.** Base officials told us that they have realized efficiencies and cost savings through consolidating some offices in their Morale, Welfare & Recreation Departments. Through this effort, they saved about $400,000 in fiscal year 2011 and expect those savings to increase in subsequent years.

Conversely, some joint basing officials have told us that the joint basing initiative may be increasing rather than cutting costs because in some cases the new joint base common standards require a higher level of support than was previously provided by service-specific standards. As previously noted, we reported in 2009 that the new joint base common
standards required the services to fund installation support at higher-than-
previous levels.\textsuperscript{12}

Even with the achievement of some efficiencies, the joint bases lack clear
direction and impetus to identify and execute cost-saving measures
because OSD has not established an implementation plan with
measurable goals to track progress toward meeting the cost savings and
efficiencies goals that it recommended to the 2005 BRAC Commission. In
the absence of such a plan, opportunities for savings and efficiencies are
likely to be missed. In addition, without a reliable method to collect data
on costs or estimated savings resulting specifically from joint basing,
DOD cannot identify the net savings, if any, associated with joint basing.
As a result, DOD will likely remain unable to quantify the effects of the
joint basing initiative and unable to evaluate whether to continue or
expand joint basing.

In fiscal years 2010 and 2011 the joint bases reported meeting the
common standards more than 70 percent of the time. However, the lack
of clarity in some standards, the fact that unclear standards are not
always reviewed and changed in a timely manner, and the fact that the
data collection and reporting on the standards in some cases adhere to
individual service standards rather than the common standard hinders the
effectiveness of the standards as a common framework for managing
installation support services. Without a consistent interpretation and
reported use of the standards, the joint bases will not have reliable and
comparable data with which to assess their service support levels, and
OSD cannot be assured of receiving reliable and comparable data on the
level of support services the joint bases are providing.

According to OSD guidance, DOD developed the standards to provide
common output or performance-level standards for installation support,
and to establish a common language for each base support function on
the joint bases.\textsuperscript{13} These common standards provide a common

\textsuperscript{12} GAO-09-336.

\textsuperscript{13} Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics,
\textit{Modification to the Joint Basing Implementation Guidance} (July 1, 2010).
framework to manage and plan for installation support services. In quarterly reporting from 2010 and 2011 using the joint basing Cost and Performance Visibility Framework, the joint bases and various offices within the joint bases reported on whether they met the established common standards or whether the standard was either not applicable to them or not reported by them. In eight quarters of reporting, the 12 joint bases and various offices within the joint bases submitted over 53,000 reports on standards. Our analysis showed that 74 percent of these reports stated that the joint base or office met the standard, and 10 percent of the time the joint base or office did not meet standard. The other 16 percent of the time the joint bases or office reported that the standard was either not applicable to the particular joint base or office, or that the joint base or office did not report on the standard.

The functional areas of standards the joint bases most frequently reported not meeting, according to our analysis of the joint base performance reporting data, included the following.

- **Information technology services and management.** This includes such areas as telephone services and video teleconference.
- **Facilities sustainment.** This includes certain building restoration, modernization, and maintenance.
- **Command management.** This includes such areas as postal services and records administration services.
- **Emergency management.** This includes such areas as emergency notification and emergency training.
- **Base support vehicles and equipment.** This includes shuttle bus services, and vehicle and equipment maintenance.

Based on our analysis of the reasons joint base officials reported to OSD for not meeting standards, we found that the joint bases reported a range of reasons for not meeting a given standard, such as a lack of personnel or resources, as well as the inability to meet the standard because of contract-related resourcing issues. For example, the joint base may have

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14 For most of this period, joint bases and offices within the joint bases had the option of reporting on a given standard as “not reported.” This option ended with the June 2011 update to OSD’s handbook for joint base common standards reporting, which stated that the option was made available only for the implementation phase of the joint bases. As a result, the joint bases must now report on all of the standards. Various offices within the joint bases also report on standards, although each of these offices only reports on certain standards relating to that office’s activities.
a contract in place for providing multimedia services, but the contract does not provide for video production, and therefore the base chooses not to meet the common standard because it would be too costly to modify the contract or let an additional contract. The most common reasons joint bases reported as to why the standard was not met, as determined by our analysis, are shown in figure 2.

Figure 2: Joint Bases’ Top Reported Reasons for Not Meeting Common Standards

Usefulness of the Standards

In addition to the ability of the joint bases to meet the standards, joint base officials and our analysis of the comments in the common standard reporting system identified three main issues affecting the joint bases’ ability to interpret and report on base support services, regardless of
whether the standards are met. These are (1) the standards are in some cases unclear, (2) the standards are not reviewed and changed in a timely manner when clarity issues arise, and (3) data in some cases are still collected in a service-specific manner that does not correspond to the common standard, or the bases are reporting according to a service-specific rather than a joint standard.

According to joint base officials, the joint base common standards in some cases are not measurable or clear. We have previously reported that key attributes of successful performance measures include a measurable target and clarity.\textsuperscript{15} Having a measurable target in a performance measure ensures the ability to determine if performance is meeting expectations. Clarity of a performance measure means that the measure is clearly stated and the name and definition are consistent with the methodology used to calculate it, so that data are not confusing and misleading to the users of the data. Joint basing officials provided many examples of standards that lack clarity and therefore cause uncertainty in how the standards should be reported, including the following:

- One common standard requires that 100 percent of installations meet a DOD requirement for at least annual exercise testing of mass warning and notification systems. However, according to officials at Joint Base Andrews-Naval Air Facility Washington (in Maryland), there are many modes of emergency management notification and many ways to test these modes. As a result, they are unsure about how to adequately answer this common standard and therefore report it as not met.

- One common standard relating to awards and decorations to recognize individual and unit achievements states that 90 percent of awards should be posted to personnel records in accordance with service-specific timeliness standards. However, the standard is not clear because, according to joint base officials, not all of the services have applicable timeliness standards. According to comments accompanying common standard reporting from officials at Joint Base San Antonio and Joint Region Marianas, no service standard defines

\textsuperscript{15} Key attributes of successful performance measures were applied in GAO, \textit{Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures}, GAO-03-143 (Washington, D.C.: Nov. 22, 2002), and according to this report, these attributes were based largely on previously established criteria found in prior GAO reports, review of the Government Performance and Results Act of 1993, and other performance literature.
when a posting is late, and therefore they consider this standard to always be met, regardless of when awards are posted.

- One common standard requires that 60 percent of certain service vehicles be repaired within 24 hours. However, officials at Joint Base McGuire-Dix-Lakehurst said the standard was unclear because it does not take into account the priority of the vehicle. Therefore, for the purposes of the standard, a vehicle that is essential to accomplishing the base’s mission would need to be fixed within the same time frame as a non-mission-essential shuttle bus that transports personnel around the base.

- One common standard related to investigations and crime prevention requires joint bases to maintain 7 days’ processing time for law enforcement information to meet legal and command requirements for adjudication and action. However, according to officials at Joint Base McGuire-Dix-Lakehurst, this standard does not specify whether the timeline is in calendar or business days. In the absence of clarification, the joint base has marked the standard as met.

According to GAO’s Standards for Internal Control in the Federal Government, information should be recorded and communicated to management and others within a time frame that enables them to carry out their responsibilities. However, according to officials at several joint bases, the OSD process to review and clarify standards does not update standards in a time frame to allow joint bases to accurately report each quarter on those standards that are unclear. OSD conducts a review of selected functional areas each year. As an example, for its most recent review for fiscal year 2012, conducted in February 2012, OSD selected the facility operations, facility investment, and information technology services management as the functional areas for review. Changes made to these standards took effect in April 2012. Joint base officials stated that since OSD selects certain functional areas to review each year and does not review standards outside those particular functional areas, standards in those functional areas that are not selected are not reviewed and clarified even though clarification in those areas may be necessary. OSD officials told us that in their most recent review, they used input from the joint bases, military services, and functional area experts within OSD to determine which functional areas of standards to review, among other inputs, such as which of the standards bases were most frequently not

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meeting. However, since OSD does not necessarily select all those standards to which joint bases have requested clarification and only reviews standards for possible updating once a year, changes to the standards are not implemented in time for the next quarterly reporting cycle and joint base officials in some cases are required to continue collecting data on and reporting on standards that they have difficulty interpreting.

The joint bases do not always report on the common standards in ways that produce similar results because in some cases they are using service-specific data collection methods that are unable to provide information on whether the joint standard is being met, and in some cases they are reporting on service-specific performance measures rather than the joint standard. We have previously reported that to achieve reliability in performance reporting, measurements must apply standard procedures for collecting data or calculating results so that they are likely to produce the same results if applied repeatedly to the same situation.\(^\text{17}\) The following are instances when joint bases may rely on data that do not support reporting on the joint base common standard or where joint bases are adhering to an individual service standard rather than the common standard.

- One common standard states that joint bases should maintain a clean and healthy environment by cleaning certain restrooms three times a week, and should sweep and mop floors, vacuum carpets, remove trash, and clean walk-off mats once a week; buff floors monthly; and maintain/strip floors and shampoo carpets annually. Officials at Joint Base McGuire-Dix-Lakehurst reported not meeting the common standard because the Air Mobility Command method for data collection differs from the information needed to report on the common standard. Therefore, the joint base could be meeting the standard, but officials do not know because they are not collecting the data required to identify whether they are doing so.

- One common standard related to technical drawings requires that 98 percent of requests for location data result in no incidents of misidentified data. Officials at Joint Base Pearl Harbor-Hickam

\(^{17}\) Key attributes of successful performance measures were applied in GAO-03-143, and according to this report, these attributes were based largely on previously established criteria found in prior GAO reports, review of the Government Performance and Results Act of 1993, and other performance literature.
reported not meeting the common standard, stating that they were not
tracking this metric because the Air Force did not independently
require it and they were therefore unable to know whether they met
the metric.

• One common standard requires that 100 percent of joint bases hold
emergency management working group meetings quarterly. Joint
Base San Antonio officials reported not meeting the common standard
because the base is instead holding semiannual emergency
management working group meetings, which officials said is in
accordance with Air Force policy.

Because some of the standards are not clear and are not reviewed and
changed in a timely fashion and in some cases the joint bases use
service-specific data and standards rather than the joint standard, the
common standards do not provide OSD and the joint bases with a
common tool to ensure that the joint bases are interpreting and reporting
on the standards consistently. As a result, it is not clear to what extent the
joint bases are achieving the intent of the common standards, even
though the joint bases report meeting the standards the majority of the
time. Without a consistent interpretation and reported use of the
standards, the joint bases will not have reliable and comparable data with
which to assess their service support levels, and OSD cannot be assured
of receiving reliable and comparable data on the level of support services
the joint bases are providing.

OSD and Joint Bases
Have Processes to
Identify Joint Basing
Implementation
Challenges, but Lack
of Routine
Communication
Limits Opportunities
for Greater
Efficiencies

OSD and the joint bases have various mechanisms in place to address
challenges in achieving joint basing goals, but these mechanisms do not
routinely facilitate the identification of common challenges among the joint
bases or the development of common solutions to these challenges.
Specifically, we found that the joint bases do not have a formal method of
routinely sharing information among the joint bases on identified
challenges and potential solutions or guidance on developing and
providing training for new joint base personnel on how the joint bases
provide installation support services. Without processes to identify
common challenges and share information across the joint bases, and
guidance on delivering consistent training to new personnel, DOD will
likely miss opportunities to efficiently develop common solutions to
common challenges and to reduce duplicating efforts to provide training
to new personnel.
OSD and the joint bases have several mechanisms in place to address challenges in consolidating installation support services at the joint bases. These include a multi-level management structure for the joint bases, annual review meetings, performance reporting, newsletters, and informal communications, as follows.

- **The Joint Management Oversight Structure.** According to DOD guidance, challenges at the joint bases in consolidating installation support services should be addressed at the lowest possible level of the Joint Management Oversight Structure—the local joint base partnership council. Most problems are addressed between command components at an individual joint base, or by intermediate service commands, such as the Army’s Installation Management Command, according to joint base officials.

- **Annual management review meetings between OSD and the joint bases.** As part of its management of the joint bases, OSD holds an annual meeting each February in which joint base commanders brief OSD on the status of the bases’ consolidation and any challenges that the bases may or may not have been able to address.

- **Joint base common standards performance reporting.** The joint bases report on a quarterly basis on whether they met the common standards. As part of this reporting, the bases can provide comments identifying challenges they faced in meeting particular standards.

- **Joint base newsletters.** OSD publishes a monthly newsletter about and for the joint bases. This newsletter highlights changes to joint basing processes, common challenges, lessons learned, and policy issues affecting joint bases. For example, the March 2011 newsletter noted that Joint Base San Antonio had combined the best practices of the various military services in consolidating motorcycle safety training.

- **Informal communications.** Joint base officials told us that they sometimes communicate implementation challenges directly to OSD officials by e-mail or telephone in order to request assistance or guidance.

**Wide-ranging Implementation Challenges**

In meetings and written responses, joint base officials reported facing a variety of challenges in implementing joint basing as well as implementing the specific common standards. These challenges cover a wide range of issues, from differing expectations among the military services about how particular base support services should be provided to the incompatibility of information technology systems. The following examples illustrate the range of problems joint bases have faced.
• Differences in how the military services conduct snow removal have led to unexpected effort or cost for some supported components. Joint Base McGuire-Dix-Lakehurst officials told us that when the Air Force took over providing the support for the joint base, Army and Navy personnel were surprised when they had to shovel the sidewalk around their buildings because previously this service was provided by the base. By contrast, the officials said that the Air Force removes snow from roads and parking lots on base but not from sidewalks and building paths. The officials told us they had to spend additional money to contract for snow removal on sidewalks or use their own personnel to remove the snow, which diminished productivity of mission functions. While there is no joint base common standard specifically on snow removal, there is one on pavement clearance, which includes snow and ice removal, which states that joint bases should have an installation pavement clearance plan developed in accordance with best practices of the military components to meet safety and mission needs. Notes accompanying the standard state that each joint base defines its own best practices.

• Services had different expectations for maintenance of building components such as alarm systems and fire extinguishers. For example, Navy officials on Joint Base McGuire-Dix-Lakehurst told us that previously, the Navy installed security systems and replaced fire extinguishers as part of base support services. However, following joint basing and the installation becoming part of an Air Force-supported base, the Air Force did not provide these services and expected building occupants to fund these services themselves.

• Some supported components and tenant organizations are experiencing changed expectations and increased costs under the joint base structure, in part because of differences in the way the military services budget and pay for installation support. For example, officials of a Joint Base Pearl Harbor-Hickam tenant told us that their costs rose significantly following the transition to the joint base in order to cover expenses, such as telephone service, not previously required under the tenant’s own budget. In addition, the tenant officials stated that the different service standards under the Navy had raised their expenses.

• The variety of incompatible information technology networks and other systems among the services inhibits communication and requires additional effort. For example, the absence of common information technology and communications networks hampered communications and information sharing between joint base occupants, and the bases expended significant efforts transitioning data from one service system to another.
Officials at a number of joint bases stated that they believe the individual efforts and relationships developed between the components and commands at the joint bases have facilitated consolidation of installation support services and resolution of implementation challenges. However, a number of joint base officials noted that there was no systematic process in place to identify and resolve common challenges and share information with new base personnel.

OSD and the joint bases have some methods to address challenges in consolidating support services, but the absence of a method for routinely communicating among the joint bases limits opportunities to jointly identify common challenges to joint basing implementation and share best practices and lessons learned in order to develop common solutions to those challenges. Because problems are first identified and addressed at the lowest level of the Joint Management Oversight Structure, which only includes officials from a given joint base, other joint bases do not become aware of these problems or the associated solutions. If joint bases are not informed of problems at other joint bases, then they cannot work together and collectively elevate issues to OSD for the purposes of identifying best practices and disseminating them to the joint bases. One joint base official noted that the information contained in the newsletters does not represent formal guidance. In addition, some joint base officials said that the annual program management reviews conducted by OSD are not sufficient to respond to day-to-day challenges faced at the joint bases. Joint base officials told us that in some cases they have obtained needed guidance through informal contacts with OSD. However, they noted that a formal, routine method of sharing information received from these sources would help to ensure consistent performance across the joint bases. Without such guidance and a mechanism to routinely share lessons learned across the joint bases, opportunities will be missed to work together to resolve common challenges and reduce duplication of effort, and the potential that joint bases may be implementing policies inconsistently will increase.

In addition, OSD has not provided guidance to the joint bases on developing training materials to be used to inform incoming personnel about the specifics of how installation services are provided on joint bases. Such guidance is needed since joint base standards may differ from standards and approaches used on standalone bases. Some components, such as the Air Force Wing Command at Joint Base Pearl Harbor-Hickam, developed their own briefings or training courses to provide information on the process of requesting and receiving installation
Some joint base officials stated that educating personnel about joint base-specific processes requires a great deal of effort. Because of the lack of OSD guidance on providing common training materials, the joint bases have in some cases developed their own materials, which can result in duplication of efforts and inconsistencies across the joint bases.

DOD recommended consolidation of installations into joint bases to the 2005 BRAC Commission to, among other things, reduce duplication of management and installation support services, resulting in potential efficiencies and cost savings. GAO’s Standards for Internal Control in the Federal Government states that the policies, procedures, techniques, and mechanisms that enforce management’s directives are an integral part of an entity’s planning, implementing, reviewing, and accountability for stewardship of government resources and achieving effective results. It also states that for an entity to run and control its operations, the entity must have relevant, reliable, and timely communications relating to internal events, and that information is needed throughout the agency to achieve all of its objectives. Without a means of identifying common challenges and sharing best practices and lessons learned in order to identify common solutions, DOD is likely to miss opportunities to efficiently resolve joint base challenges using common methods. In addition, without sharing guidance for new personnel, some joint bases will duplicate efforts to solve problems previously encountered elsewhere and be unable to provide uniform policies across joint bases.

Since 2008, OSD has consolidated installations in proximity into joint bases and established common standards for delivering installation support services at these bases. As DOD stated in its recommendation to the 2005 BRAC Commission, DOD anticipated that this effort represented a significant opportunity to reduce duplication of effort and achieve efficiencies and cost savings across the 12 joint bases. However, to date OSD has not developed and implemented a plan to guide the joint bases in achieving cost savings and efficiencies. OSD has developed and implemented a framework for collecting and reporting data on performance of joint base common standards and the funds spent and

18 GAO/AIMD-00-21.3.1.
manpower used to meet those standards. However, OSD has not yet developed this framework to the point where it can isolate the costs, savings, and efficiencies resulting specifically from joint basing, excluding non-joint basing actions and using reliable data. Without this information, OSD is not in a position to know to what extent DOD has made progress toward achieving the joint basing objectives, and will be unable to evaluate whether to continue or expand joint basing. Additionally, a lack of specificity and clarity within the joint base common standards, the long process to review and adjust the standards, and the absence of consistently reported data hinder the standards' effectiveness as a common framework or tool for managing support services. Without a consistent interpretation and reported use of the standards, OSD and the joint bases cannot ensure that they are receiving reliable and comparable data on the level of support services provided, and as a result will not have information necessary to make informed resource allocation decisions so that joint base services are delivered consistently. While OSD and the joint bases can identify challenges in implementing the joint bases, OSD has no common strategy to ensure that the joint bases routinely share information with each other on best practices and lessons learned in order to resolve common challenges. Finally, OSD has not provided guidance to ensure that bases provide consistent information to new joint base personnel to better inform them as to procedures for obtaining support services on joint bases. Without taking further steps to address these issues, DOD will likely miss opportunities to achieve cost savings and efficiencies, provide consistent levels of support services, and to work together to resolve common challenges and reduce duplication of effort across the joint bases.

**Recommendations for Executive Action**

To enable DOD to achieve cost savings and efficiencies and to track its progress toward achieving these goals, we recommend that the Secretary of Defense direct the Deputy Under Secretary of Defense (Installations and Environment) to take the following two actions:

- Develop and implement a plan that provides measurable goals linked to achieving savings and efficiencies at the joint bases and provide guidance to the joint bases that directs them to identify opportunities for cost savings and efficiencies. DOD should at a minimum consider the items identified in its recommendation to the 2005 BRAC Commission as areas for possible savings and efficiencies, including
  - paring unnecessary management personnel,
  - consolidating and optimizing contract requirements,
establishing a single space management authority to achieve greater utilization of facilities, and
reducing the number of base support vehicles and equipment.

Continue to develop and refine the Cost Performance and Visibility Framework in order to
eliminate data reliability problems,
facilitate comparisons of joint basing costs with the cost of operating the separate installations prior to implementing joint basing, and
identify and isolate the costs and savings resulting from actions and initiatives specifically resulting from joint basing and excluding DOD- or service-wide actions and initiatives.

To improve DOD’s ability to provide a common framework for the management and planning of support services at the joint bases, we recommend that the Secretary of Defense direct the Deputy Under Secretary of Defense (Installations and Environment) to take the following two actions:

• Direct the joint bases to compile a list of those common standards in all functional areas needing clarification and the reasons why they need to be clarified, including those standards still being provided or reported on according to service-specific standards rather than the common standard.

• Amend the OSD joint standards review process to prioritize review and revision of those standards most in need of clarification within this list.

To increase opportunities for the joint bases to obtain greater efficiencies in developing common solutions to common challenges and reduce duplication of efforts, we recommend that the Secretary of Defense direct the Deputy Under Secretary of Defense (Installations and Environment) to take the following two actions:

• Develop a common strategy to expand routine communication between the joint bases, and between the joint bases and OSD, to encourage joint resolution of common challenges and sharing of best practices and lessons learned.

• Develop guidance to ensure all the joint bases develop and provide training materials to incoming personnel on how installation services are provided on joint bases.
In its comments on a draft of this report, DOD stated that it does not agree that at this point in the joint bases’ development that the department should establish savings targets because they would be premature and arbitrary. DOD partially concurred with the remainder of our recommendations; however, in most instances, DOD did not identify what, if any, actions the department plans to take to implement the recommendations. DOD’s comments are reprinted in their entirety in appendix IV.

DOD did not concur with our first recommendation, to develop and implement a plan to provide measurable goals linked to achieving savings and efficiencies at the joint bases and provide guidance to the joint bases directing them to identify the savings and efficiencies. In its comments, DOD said such targets would restrict the authority of local commanders to manage the merger of the formerly standalone bases into joint bases. DOD also stated that while savings targets may be appropriate in the future, imposing savings goals would restrict the authority of the joint base commanders and burden them while implementing new organizational structures, which would unnecessarily risk negative impacts to mission support when operational effectiveness of the bases is paramount. Moreover, DOD stated that the department should continue its approach of being patient with obtaining savings and efficiencies at joint bases because this approach is working. DOD cited two cost-savings examples through personnel cuts achieved in fiscal years 2012 and 2013: the Air Force reduced civilian positions for all the joint bases for which it is the lead, and the Navy chose to not fill all of its civilian vacancies. Finally, DOD stated that the creation of the joint bases from separate installations is equivalent to the mergers of corporations with very different financial systems, management structures, operating procedures, and cultural differences. DOD has decided it is important to empower each joint base commander to design, implement, and adapt cost efficient and effective approaches to their unique situations while adopting new and cross-cutting business practices, thereby making them incubators of innovation. Therefore, DOD has decided to allow for an extended transition period and defer near-term savings.

We acknowledge that establishing joint basing is a complex undertaking, but DOD’s current position of taking a patient approach and deliberately deferring near-term savings contradicts the position it took when requesting the BRAC Commission to approve its joint basing recommendation. Specifically, in its justification to the Commission
DOD stated that joint basing would produce savings exceeding the cost of implementation immediately. Moreover, as our report clearly points out, DOD projected 20-year net present value savings of over $2.3 billion although the current 20-year net present value savings estimate is now about $249 million—a decrease of about 90 percent. DOD also asserted that it is achieving savings, as shown by the Air Force and Navy manpower reductions at the joint bases. However, these cuts were not the result of a purposeful effort to pare unnecessary management personnel due to the implementation of joint basing. Air Force and Navy documents and interviews with officials from these services indicate that the joint bases’ memoranda of agreement show increases in budget and civilian manpower required as a result of joint basing. Any reductions in civilian positions at the joint bases through attrition or leaving unfilled positions open are attributable to general service-wide initiatives and reductions and not joint basing efficiencies. The Secretary of Defense’s justification to the BRAC Commission requesting approval of the joint basing recommendation stated that “there is a significant opportunity to reduce duplication of efforts with resulting reductions of overall manpower and facilities requirements capable of generating savings.” We continue to believe that DOD’s justification for joint basing—the realization of savings—is attainable by developing guidance and encouraging appropriate practices, goals, and time frames. Therefore, we continue to believe our recommendation is warranted.

DOD partially concurred with our second recommendation, to continue to develop and refine the Cost Performance and Visibility Framework in order to (1) eliminate data reliability problems, (2) facilitate comparisons of joint basing costs with the cost of operating the separate installations prior to implementing joint basing, and (3) identify and isolate the costs and savings resulting from actions and initiatives specifically resulting from joint basing and excluding DOD or service-wide actions and initiatives. DOD stated that its Cost Performance and Visibility Framework already provides a method to collect quarterly data on performance towards the Common Output Level Standards, annual data on personnel

19 For a more detailed discussion of this point, see our comments regarding the second recommendation on DOD’s ability to isolate the effects of joint basing from other DOD initiatives or budget cuts.
assigned, and funds obligated for each joint base. However, DOD also acknowledged that there were inconsistencies in the current data captured in the Framework and that DOD is working through and improving its data reliability. DOD stated that it invested considerable effort to clarify this data and expected to have sufficient data to begin assessing joint base efficiencies by the end of fiscal year 2012. It stated that then it would be able to compare the current fiscal year financial and performance data to the baseline and previous year’s obligations. DOD also stated that it could perform an additional analysis to compare the joint bases’ baseline data with the costs of operating the separate installations prior to implementing joint basing because this information is included in annex U of each joint base’s memorandum of agreement. However, DOD also acknowledged that this comparison still would not be able to identify cost savings resulting solely from joint basing and asserted that it is impractical to isolate and distinguish joint basing cost savings from the savings that result from DOD- or service-wide actions using the data contained in its Framework. Furthermore, DOD pointed out that it did not believe that accounting systems are designed to track savings, rather they are designed to track expenses and disbursements, which DOD stated in its comments is what we concluded in a 1997 report.20

We also see that the Cost Performance and Visibility Framework represents a good start on development of a system to measure joint basing performance. However, as it was being used at the time of our review, and as we clearly state in the report, it was not adequate to reliably identify any savings. First, DOD’s proposed analysis of comparing current operating costs to the baseline would not result in an accurate assessment of savings from the joint bases because DOD has included in the baseline the higher costs of implementing the higher joint basing standards, such as expected increases in personnel and higher utility rates. The baseline would not accurately reflect the cost of the standalone bases prior to the joint basing initiative. Therefore, while this analysis might show some bases spending less than the inflated baseline, it would not show if they are spending less than what they spent as standalone bases. Second, DOD’s proposed analysis to compare the current cost of joint basing documented in its framework to the cost of standalone bases as captured in annex U of the memoranda of

agreement as currently planned would also produce inaccurate results. As DOD stated, this analysis would not be able to isolate any savings specific to joint basing since some savings have been made that are not directly attributable to joint basing such as the general service personnel reductions. Third, the memoranda of agreement annexes U do not consistently and clearly show the costs of operations of each base prior to joint basing and the respective transfers of funds between the services, rendering them unreliable for this analysis. Finally, we agree with DOD’s statement that our 1997 report concluded that the department’s accounting systems are not designed to track savings. However, it is for this reason that we also concluded in our 1997 report that “the absence of efforts to update projected savings indicates the need for additional guidance and emphasis from DOD on accumulating and updating savings data on a comprehensive and consistent basis,” and we so recommended it then. As we believed in 1997 and continue to believe, DOD needs to improve its ability to update savings from BRAC recommendations. Refinements to the Cost Performance and Visibility Framework would position the department to effectively measure savings from joint basing, and therefore the need for our recommendation remains.

DOD partially concurred with our third and fourth recommendations—to compile a comprehensive list of common standards needing clarification and to prioritize the review and potentially revise those standards within that list, respectively—and stated that there is already a quarterly feedback process on the joint base common standards and an annual review process that incorporates input from the joint bases. Specifically, DOD stated that standards may need changing as priorities change and missions evolve, but that the current process strikes an appropriate balance between the analytical burden of repeated reviews with the need for clarity and refinement. DOD also stated that it believes that reviewing all the standards simultaneously does not allow for the depth of analysis required to make sound decisions. DOD suggested that GAO should conduct a qualitative assessment of the standards because our findings on the need to revise its process for reviewing and clarifying its standards appear to be based on an anecdotal assessment.

While we agree with DOD that the standards need to be continually reviewed and adjusted as priorities and missions change, we found ample evidence that the individuals that report on the joint bases’ ability to meet the current standards believe some of the standards need clarification now, and that in many instances, these officials believe it is unclear what some of the standards are measuring. It is important to note that nothing in our recommendation requires DOD to review all the standards
simultaneously. To the contrary, our recommendation specifically states that DOD should compile a list of standards needing clarification. In fact, because DOD has not issued any guidance to prioritize the standards, joint bases continue to report on and provide resources toward reporting on all the standards whether they are problematic or not. Lastly, DOD stated that they believed our evidence was based on an anecdotal assessment. We disagree. We conducted a comprehensive qualitative review of over 59,359 comments entered into the Cost Performance and Visibility Framework from fiscal years 2009 through 2011 and categorized them into broad themes of issues raised by the bases in reference to the Common Output Level Standards. As shown in figure 2 of our report, the need for clarity of the Common Output Level Standards was raised over 200 times by the joint bases during this timeframe. However, because DOD’s data is not adequate to permit us to specifically identify what types of clarification problems were being encountered by the bases, we supplemented our analyses with follow-up interviews to provide anecdotal examples that added some context to our analyses and described a few of the types of problems encountered. Moreover, our data suggested that DOD’s quarterly process had proven ineffective at addressing the need for clarification and review of problematic standards since some standards continue to be problematic despite the quarterly reviews which DOD asserts are working. For these reasons, we continue to believe that improvements are needed in DOD’s current process for reviewing and clarifying the common standards to address the bases reported concerns.

DOD partially concurred with our fifth recommendation, to develop a common strategy that expands routine communication between the joint bases, and between the joint bases and OSD, to encourage joint resolution of common challenges and sharing of best practices and lessons learned. DOD stated that it believed there are already mechanisms in place to facilitate routine communication between the joint bases, as well as between OSD and the joint bases, and that it is increasing those opportunities. DOD listed the various opportunities it has for sharing joint basing information, all of which we are aware:

- The military services have routine communication with the joint bases and are the lead to encourage joint resolution of common challenges and sharing of best practices.
- DOD chairs a working group twice a month where headquarters service representatives offer information and ideas generated during internal service meetings with joint bases.
- Best practices from the bases are shared in a periodic newsletter.
OSD and the military services conduct joint base site visits each year to capture any opportunities for improvement and hosts an annual management review meeting each year with the joint base commanders.

While we recognize that DOD has facilitated communication of lessons learned and best practices, as we note in our report, because different services have the lead role in providing support services at different joint bases, best practices are not necessarily shared with all the bases across the services. DOD’s joint basing policy states that problems at the joint bases should be identified and addressed at the lowest possible level, which can include only officials at any given joint base. Thus, the majority of these issues may not be elevated to the working group but may still occur at multiple joint bases leading to duplication of effort in resolving common problems experienced in multiple locations. Moreover, those issues that are not elevated to the working group may never be relayed to other joint bases since there is no explicit policy or process in place to do so. The newsletters, which we discuss in our report, only convey a limited number of best practices, and exclude problems and solutions identified in the course of implementing joint basing. Additionally, contributions to the newsletters are not required and are not always comprehensive. Moreover, the contributions tend to highlight best practices which are good but exclude unsolved challenges, which if shared, could result in the bases jointly resolving problems or elevating them when needed to more senior leadership. As a result, some joint base officials told us that they found the newsletters to be of limited usefulness. For these reasons, we continue to believe that the joint bases could benefit from routine communication that allows them to commonly and routinely share identified challenges and possible solutions, rather than having such communication occur only sporadically or be filtered through the higher levels of the oversight structure put in place by OSD.

DOD partially concurred with our sixth recommendation, to develop guidance that would ensure all joint bases develop and provide training materials to incoming joint base personnel. DOD stated that the department will ensure each of the services is providing training materials to incoming personnel; however, joint base commanders need flexibility to tailor training to the needs of their installation. We agree that the commander of each joint base needs the flexibility to provide joint base-specific training. The intent of our recommendation is that in addition to establishing a requirement that joint bases develop training guidance and ensure training occurs at each base, OSD’s guidance should encourage the sharing of training materials across bases to reduce duplication of effort, promote commonality where appropriate, and provide a means of
potentially sharing best practices. Our recommendation was not intended to require standardized training at each location. Therefore, we continue to believe that OSD-level guidance for joint bases to develop and provide training to incoming personnel is necessary to help the joint bases facilitate the provision of services on the bases and may provide a way to reduce duplication of effort and more effectively share information.

We are sending copies of this report to the appropriate congressional committees; the Secretary of Defense; the Deputy Under Secretary of Defense (Installations and Environment); the Secretaries of the Army, Navy, and Air Force and the Commandant of the Marine Corps; the Director, Office of Management and Budget; and other interested parties. In addition, the report is available at no charge on the GAO website at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-4523 or leporeb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix V.

Brian J. Lepore
Director
Defense Capabilities and Management
List of Addressees

The Honorable Carl Levin
Chairman
The Honorable John McCain
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Joseph I. Lieberman
Chairman
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Claire McCaskill
Chairman
Ad Hoc Subcommittee on Contracting Oversight
Committee on Homeland Security and Government Affairs
United States Senate

The Honorable Howard P. “Buck” McKeon
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives
Appendix I: Scope and Methodology

In order to assess the extent to which the Department of Defense (DOD) developed and implemented a plan to achieve cost savings and efficiencies at the joint bases and tracked the costs, savings, and efficiencies resulting from joint basing, we analyzed DOD guidance related to joint base implementation, specifically looking for any measures or reporting processes on efficiencies and cost savings. We also reviewed our prior findings on key practices and implementation steps for mergers and organizational transformations.\(^1\) We interviewed DOD officials at the service headquarters and the Office of the Secretary of Defense (OSD) to obtain information about cost savings, joint basing budget data, and guidance related to cost savings and efficiencies. We also interviewed joint basing officials at three joint bases and obtained answers to written questions from the remaining nine joint bases that we did not visit in person to obtain information on actual cost savings and efficiencies achieved and guidance and communication related to cost savings and efficiencies. We selected a nonprobability sample of three site visit locations based on the following factors: (1) we chose to visit one base where each military department (Army, Air Force, and Navy) had the lead responsibility for providing installation support, (2) we considered geographic diversity, (3) we chose to visit at least one base that we did not visit for our 2009 joint basing report, (4) we selected at least one joint base from each of the two phases of joint base implementation, and (5) we chose joint bases where the installations that had been combined into the joint base were directly adjacent to each other. Based on these factors, we chose to visit Joint Base McGuire-Dix-Lakehurst, Joint Base Lewis-McChord, and Joint Base Pearl Harbor-Hickam.

To evaluate the extent to which joint base common standards have provided a common framework for defining and reporting installation support services, we reviewed DOD policy and guidance related to the common standards; the standards themselves, including both functional areas and specific standards; and federal internal control standards and

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We obtained and reviewed the joint bases' reporting on the joint base common standards for fiscal years 2010 and 2011. To determine the degree to which the standards were achieved, we analyzed the data to determine how many standards were met, not met, or determined to be not applicable. We conducted a content analysis of the comments accompanying the standards reporting from fiscal years 2010 to 2011 to identifying concerns regarding the various standards. In conducting this content analysis, we reviewed comments accompanying all reported standards, including those reported as met, not met, and not applicable. Using this analysis, we identified the most frequent reasons the joint bases provided for not meeting the standards, as well as challenges the joint bases faced in implementing and reporting on various standards. To conduct the content analysis, two analysts individually coded all comments accompanying the standards reporting into one of the 17 categories listed in table 2. After the comments were coded, a third analyst adjudicated any differences between the coding of the first two analysts.

2 Key attributes of successful performance measures were applied in GAO, Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures, GAO-03-143 (Washington, D.C.: Nov. 22, 2002), and according to this report, these attributes were based largely on previously established criteria found in prior GAO reports, review of the Government Performance and Results Act of 1993, and other performance literature; GAO, Standards for Internal Control in the Federal Government, GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999).
Table 2: Comment Categories and Definitions

<table>
<thead>
<tr>
<th>Comment category</th>
<th>Category definition</th>
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</thead>
<tbody>
<tr>
<td><strong>Subcategory: does not meet</strong></td>
<td></td>
</tr>
<tr>
<td>1. Cannot meet.</td>
<td>The comment stated that the base or office would not be able to meet the common</td>
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<tr>
<td></td>
<td>standard even with additional resources.</td>
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<tr>
<td>2. Does not meet due to personnel.</td>
<td>The comment stated that the base or office did not meet the common standard due to</td>
</tr>
<tr>
<td></td>
<td>lack of availability of military or civilian personnel.</td>
</tr>
<tr>
<td>3. Does not meet due to resources.</td>
<td>The comment stated the base or office did not meet the common standard due to the</td>
</tr>
<tr>
<td></td>
<td>lack of necessary facilities, equipment, or funding.</td>
</tr>
<tr>
<td>4. Does not meet due to failure to report.</td>
<td>The comment stated the base or office did not measure the common standard or did</td>
</tr>
<tr>
<td></td>
<td>not have sufficient data to determine if the standard was met.</td>
</tr>
<tr>
<td>5. Does not meet due to contract-related resourcing issues.</td>
<td>The comment stated the current contract does not include functions necessary to meet</td>
</tr>
<tr>
<td></td>
<td>the common standard or that there was no contract in place to provide the service.</td>
</tr>
<tr>
<td>6. Does not meet, corrective actions being taken.</td>
<td>The comment stated that the standard was not met, but provided information on how</td>
</tr>
<tr>
<td></td>
<td>they would achieve it and an estimated achievement date.</td>
</tr>
<tr>
<td>7. Does not meet, following different standard.</td>
<td>The comment stated the common standard was not met because they were following a</td>
</tr>
<tr>
<td></td>
<td>different service standard or best practice.</td>
</tr>
<tr>
<td>8. Fell short of standard.</td>
<td>A specific reason was not identified in the comment as to why the common standard</td>
</tr>
<tr>
<td></td>
<td>was not met.</td>
</tr>
<tr>
<td><strong>Subcategory: meets</strong></td>
<td></td>
</tr>
<tr>
<td>9. Meets per subject matter expert.</td>
<td>The comment stated that a subject matter expert determined that the standard was</td>
</tr>
<tr>
<td></td>
<td>met.</td>
</tr>
<tr>
<td>10. Meets but with concerns.</td>
<td>The comment stated the base or office met the standard but only as a result of</td>
</tr>
<tr>
<td></td>
<td>additional manpower or resources.</td>
</tr>
<tr>
<td><strong>Subcategory: comments that applied to both meets and does not meet</strong></td>
<td></td>
</tr>
<tr>
<td>11. Function not required/met during time frame.</td>
<td>The comment stated the base was not required to provide the function, could have</td>
</tr>
<tr>
<td></td>
<td>provided the function but it was not requested.</td>
</tr>
<tr>
<td>12. No comment.</td>
<td>No comment was provided.</td>
</tr>
<tr>
<td>13. Need standard clarification.</td>
<td>The comment stated the base or office believed the standard should be changed or</td>
</tr>
<tr>
<td></td>
<td>clarified for better measurement.</td>
</tr>
<tr>
<td><strong>Subcategory: data discrepancies</strong></td>
<td></td>
</tr>
<tr>
<td>14. Should be marked as meets.</td>
<td>The common standard was marked as does not meet; however, the comment indicated the</td>
</tr>
<tr>
<td></td>
<td>standard was met.</td>
</tr>
<tr>
<td>15. Should be marked as does not meet.</td>
<td>The common standard was marked as meets or not applicable when the comment provided</td>
</tr>
<tr>
<td></td>
<td>stated they did not meet the standard.</td>
</tr>
<tr>
<td>16. Should be marked as not applicable.</td>
<td>The common standard was marked as meets or does not meet, but it is not a service</td>
</tr>
<tr>
<td></td>
<td>that the base or office provides.</td>
</tr>
<tr>
<td>17. Comment does not agree with status designation.</td>
<td>Analysts could not determine how the comment should be categorized.</td>
</tr>
</tbody>
</table>

Source: GAO analysis.

*aWe did not include the category “fell short of standard” in our list of the most common reasons joint bases reported for not meeting a common standard (see fig. 2 in this report) because this category of comment did not include an explanation of why the standard was not met.*
To assess the reliability of the common standards reporting, we analyzed the process by which joint bases review the standards and OSD reviews and changes them. To do this, we analyzed the comments accompanying the joint base standards reporting to identify problems raised by joint bases with the clarity of the common standards. We also obtained information on the clarity and usefulness of the joint base common standards and the reporting process through site visits to the three joint bases and answers to written questions from the other nine bases. In addition, we analyzed the reliability of the common standards reporting data for completeness and accuracy. As discussed in this report, we identified problems with the clarity of some standards and the consistency of the way in which the standards are reported. However, we found the data to be sufficiently reliable for the purposes of reporting the number of standards joint bases identified as being met or not met. We also found the data to be sufficiently reliable for the purposes of reporting on the results of our analysis of the comments accompanying the standards reporting.

To evaluate OSD’s process for identifying and addressing implementation challenges, we reviewed DOD policy and guidance for joint base oversight and management as well as federal standards for internal control. Through interviews with OSD officials, select joint base officials, and answers we obtained to our written questions to joint bases, we identified how OSD and joint bases used the formal joint base management structure, joint base common standards reporting, and formal review meetings between joint base commanders and OSD to obtain information on challenges faced at the joint bases. To identify challenges faced by the joint bases, we analyzed comments accompanying the joint bases’ reporting on common standards and interviewed officials at the three joint bases we visited and obtained answers to written questions from the other nine joint bases regarding the types of challenges they faced in implementing joint basing. To determine the extent to which OSD and joint bases were able to address common challenges, we interviewed joint base officials and reviewed their answers to our written questions.

We conducted this performance audit from August 2011 to November 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for
our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
Appendix II: BRAC Commission Recommendation on Joint Basing (Including Elements of DOD’s Recommendation to the Commission)

<table>
<thead>
<tr>
<th>JOINT BASING</th>
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<tbody>
<tr>
<td>RECOMMENDATION # 146 (H&amp;SA.41)</td>
</tr>
<tr>
<td><strong>One-time Cost:</strong></td>
</tr>
<tr>
<td><strong>Annual Recurring Costs/(Savings):</strong></td>
</tr>
<tr>
<td><strong>20-Year Net Present Value:</strong></td>
</tr>
<tr>
<td><strong>Payback Period:</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>SECRETARY OF DEFENSE RECOMMENDATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realign McChord Air Force Base (AFB), WA, by relocating the installation management functions to Fort Lewis, WA, establishing Joint Base Lewis-McChord.</td>
</tr>
<tr>
<td>Realign Naval Air Facility Washington, MD, by relocating the installation management functions to Andrews AFB, MD, establishing Joint Base Andrews-Naval Air Facility Washington, MD.</td>
</tr>
<tr>
<td>Realign Bolling AFB, Washington, DC, by relocating the installation management functions to Naval District Washington at the Washington Navy Yard, Washington, DC, establishing Joint Base Anacostia-Bolling-Naval Research Laboratory (NRL), Washington, DC.</td>
</tr>
<tr>
<td>Realign Henderson Hall, VA, by relocating the installation management functions to Fort Myer, VA, establishing Joint Base Myer-Henderson Hall, VA.</td>
</tr>
<tr>
<td>Realign Fort Richardson, AK, by relocating the installation management functions to Elmendorf AFB, AK, establishing Joint Base Elmendorf-Richardson, AK.</td>
</tr>
<tr>
<td>Realign Hickam AFB, HI, by relocating the installation management functions to Naval Station Pearl Harbor, HI, establishing Joint Base Pearl Harbor-Hickam, HI.</td>
</tr>
<tr>
<td>Realign Fort Sam Houston, TX, and Randolph AFB, TX, by relocating the installation management functions to Lackland AFB, TX.</td>
</tr>
<tr>
<td>Realign Naval Weapons Station Charleston, SC, by relocating the installation management functions to Charleston AFB, SC.</td>
</tr>
</tbody>
</table>
Realignment of Fort Eustis, VA, by relocating the installation management functions to Langley AFB, VA.

Realignment of Fort Story, VA, by relocating the installation management functions to Commander Navy Mid-Atlantic Region at Naval Station Norfolk, VA.

Realignment of Andersen AFB, Guam, by relocating the installation management functions to Commander, US Naval Forces, Marianas Islands, Guam.

**SECRETARY OF DEFENSE JUSTIFICATION**

All installations employ military, civilian, and contractor personnel to perform common functions in support of installation facilities and personnel. All installations execute these functions using similar or near similar processes. Because these installations share a common boundary with minimal distance between the major facilities or are in near proximity, there is significant opportunity to reduce duplication of efforts with resulting reduction of overall manpower and facilities requirements capable of generating savings, which will be realized by paring unnecessary management personnel and achieving greater efficiencies through economies of scale. Intangible savings are expected to result from opportunities to consolidate and optimize existing and future service contract requirements. Additional opportunities for savings are also expected to result from establishment of a single space management authority capable of generating greater overall utilization of facilities and infrastructure. Further savings are expected to result from opportunities to reduce and correctly size both owned and contracted commercial fleets of base support vehicles and equipment consistent with the size of the combined facilities and supported populations. Regional efficiencies achieved as a result of Service regionalization of installation management will provide additional opportunities for overall savings as the designated installations are consolidated under regional management structures.

Specific exceptions not included in the functions to relocate are Health and Military Personnel Services. In general, the Department anticipates transferring responsibility for all other Base Operating Support (BOS) functions and the Operations and Maintenance (O&M) portion of Sustainment, Restoration and Modernization (SRM), to the designated receiving location. However, because of the variety of circumstances at each location, the Department requires flexibility to tailor implementation to the unique requirements at each location.

In all but three realignments, discussed below, the quantitative military value score validated by military judgment was the primary basis for determining which installation was designated as the receiving location. McGuire’s quantitative military value compared to the Fort Dix quantitative military value score was too close to be the sole factor for determining the receiving installation for installation management functions. Military judgment favored McGuire AFB as the receiving installation for the installation management functions because its mission supports operational forces, in contrast to Fort Dix, which has a primary mission of support for Reserve Component training.

As an installation accustomed to supporting operational forces, it was the military judgment of the JCSG that McGuire was better able to perform those functions for both locations.

Similarly, the quantitative military value score of Charleston AFB compared to that of Naval Weapons Station Charleston was too close to be the sole factor for determining the receiving installation for installation management functions. Military judgment favored Charleston AFB as the receiving installation for the installation management functions because of its mission in support of operational forces compared to Naval Weapons Station Charleston, which has a primary mission to support training and industrial activities. It was the military judgment of the JCSG that Charleston AFB, as an installation accustomed to supporting operational forces, was better able to perform those functions for both locations.

Langley AFB’s quantitative military value score compared to the Fort Eustis quantitative military value score was a clear margin for Fort Eustis. However, pending changes to Fort Eustis resulting from other BRAC recommendations causes military judgment to favor Langley AFB as the receiving installation for the installation management functions. Relocations of organizations currently based at Fort Eustis will cause a significant population decline and overall reduction in the scope of the installation’s supporting mission. Based on these changes, it was the military judgment of the JCSG that Langley AFB was better able to perform these functions for both locations.

**COMMUNITY CONCERNS**

Although affected communities supported the concept of Joint Basing, several communities expressed concerns about the effect of personnel cuts on the mission, questioned DoD’s process used to determine the proposed number of personnel
COMMISSION FINDINGS

While the Commission supports the concept of Joint Basing strongly, it is concerned, as is GAO, that DoD must assess and remedy several issues before implementation will be successful. For instance, common terminology is lacking to define Base Operating Support (BOS) functions among the military services and OSD. The Commission concurs with the Government Accountability Office (GAO) that DoD needs an analytic process for developing BOS requirements. Also, while each military service has standards, there are no DoD-wide standards for common support functions.

Additionally, the Commission learned that DoD determined the manpower reductions through application of a formula and not deliberations among commanders of the affected installations. In other words, the manpower savings were directed rather than derived from functional analyses and manpower studies.

Finally, the Commission found that currently Naval District Washington provides non-mission related services to the Naval Research Laboratory because the Navy has centralized its installation management functions. Naval Research Laboratory (NRL) is a Secretary of the Navy Working Capital Fund Activity, so it must maintain control of laboratory buildings, structures, and other physical assets that are essential to the NRL research mission.

COMMISSION RECOMMENDATIONS

The Commission found that the Secretary of Defense deviated substantially from final selection criteria 1 and 4 and from the Force Structure Plan. Therefore, the Commission recommends the following:

- Realign McChord Air Force Base (AFB), WA, by relocating the installation management functions to Fort Lewis, WA, establishing Joint Base Lewis-McChord, WA.
- Realign Fort Dix, NJ, and Naval Air Engineering Station Lakehurst, NJ, by relocating the installation management functions to McGuire AFB, NJ, establishing Joint Base McGuire-Dix-Lakehurst, NJ.
- Realign Naval Air Facility Washington, MD, by relocating the installation management functions to Andrews AFB, MD, establishing Joint Base Andrews-National Air Facility Washington, MD.
- Realign Bolling AFB, DC, by relocating the installation management functions to Naval District Washington at the Washington Navy Yard, DC, establishing Joint Base Anacostia-Bolling, DC.
- Realign Henderson Hall, VA, by relocating the installation management functions to Fort Myer, VA, establishing Joint Base Myer-Henderson Hall, VA.
- Realign Fort Richardson, AK, by relocating the installation management functions to Elmendorf AFB, AK, establishing Joint Base Elmendorf-Richardson, AK.
- Realign Hickam AFB, HI, by relocating the installation management functions to Naval Station Pearl Harbor, HI, establishing Joint Base Pearl Harbor-Hickam, HI.
- Realign Fort Sam Houston, TX, and Randolph AFB, TX, by relocating the installation management functions to Lackland AFB, TX.
- Realign Naval Weapons Station Charleston, SC, by relocating the installation management functions to Charleston AFB, SC.
- Realign Fort Eustis, VA, by relocating the installation management functions to Langley AFB, VA.
- Realign Fort Story, VA, by relocating the installation management functions to Commander Naval Mid-Atlantic Region at Naval Station Norfolk, VA.
- Realign Andersen AFB, Guam, by relocating the installation management functions to Commander, US Naval Forces, Marianas Islands, Guam.
The Commission found this change and the recommendation as amended are consistent with the final selection criteria and the Force Structure Plan. The full text of this and all Commission recommendations can be found in Appendix Q.
The joint base common standards developed by the DOD for use by the joint bases in managing and reporting on installation support services are grouped into 48 functional areas of installation support. Table 3 shows the 48 functional areas.

Table 3: Functional Areas of Installation Support

<table>
<thead>
<tr>
<th>Functional Area</th>
<th>Sub-Functional Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airfield operations</td>
<td>Child and youth programs</td>
</tr>
<tr>
<td>Command management</td>
<td>Installation public affairs</td>
</tr>
<tr>
<td>Legal support</td>
<td>Financial management</td>
</tr>
<tr>
<td>Management analysis</td>
<td>Procurement operations</td>
</tr>
<tr>
<td>Installation safety</td>
<td>Installation chaplain ministries</td>
</tr>
<tr>
<td>Installation history and museums</td>
<td>Laundry and dry cleaning</td>
</tr>
<tr>
<td>Food services</td>
<td>Custodial services</td>
</tr>
<tr>
<td>Emergency management</td>
<td>Environmental compliance</td>
</tr>
<tr>
<td>Environmental conservation</td>
<td>Environmental pollution prevention</td>
</tr>
<tr>
<td>Environmental restoration</td>
<td>Facilities demolition</td>
</tr>
<tr>
<td>Facilities new footprint</td>
<td>Facilities restoration and modernization</td>
</tr>
<tr>
<td>Facilities sustainment</td>
<td>Family housing services</td>
</tr>
<tr>
<td>Fire protection and emergency services</td>
<td>Grounds maintenance and landscaping</td>
</tr>
<tr>
<td>Information technology services management</td>
<td>Lodging</td>
</tr>
<tr>
<td>Military and family support programs</td>
<td>Military personnel services</td>
</tr>
<tr>
<td>Morale, welfare, and recreation</td>
<td>Pavement clearance services</td>
</tr>
<tr>
<td>Pest control services</td>
<td>Port services</td>
</tr>
<tr>
<td>Readiness engineering services</td>
<td>Real property management and engineering services</td>
</tr>
<tr>
<td>Real property leases</td>
<td>Refuse collection and disposal</td>
</tr>
<tr>
<td>Installation law enforcement operations</td>
<td>Installation physical security protection and services</td>
</tr>
<tr>
<td>Installation protection support</td>
<td>Small arms range management</td>
</tr>
<tr>
<td>Supply storage and distribution (SSD-munitions)</td>
<td>Supply storage and distribution (non-munitions)/logistics services</td>
</tr>
<tr>
<td>Base support vehicles and equipment</td>
<td>Installation movement</td>
</tr>
<tr>
<td>Unaccompanied personnel housing services</td>
<td>Utilities</td>
</tr>
</tbody>
</table>

Source: DOD.
Appendix IV: Comments from the Department of Defense

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

SEP 25 2012

Mr. Brian Lepore
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Lepore:

This is the Department of Defense (DoD) response to the GAO Draft Report, GAO-12-678, “DOD JOINT BASES: Management Improvements Needed to Achieve Greater Efficiencies,” dated September 10, 2012 (GAO Code 351654). Detailed comments on the report recommendations are enclosed.

While the Department appreciates GAO’s continuing effort to monitor the performance of our joint bases, we do not agree, at this point in their development, with the report’s principal recommendation regarding the establishment of savings goals. Our view reflects a fundamental difference in the way we view prudent management of these installations. Specifically, while every base has achieved “full operating capability” and consolidation actions are already achieving savings (with more to follow) every joint base continues to advance on its own individual learning curve. Therefore, the imposition of savings targets at this point would be premature and arbitrary. Further, doing so would restrict the authority local commanders need to manage the merger of the formerly independent facilities over which they now have responsibility. While savings targets may certainly be appropriate in the future (and should be levied individually by the respective services), burdening our joint base commanders with savings targets while they are working to implement new organizational structures unnecessarily risks negative impacts to mission support. Savings are important and they are already being realized - but the operational effectiveness of our bases is paramount. The record reflects that attainment of support standards by each of the bases is increasing with less funding than budgeted. We intend to stay the course so that our joint base commanders can continue their efforts.

We take the savings issue seriously, but it must be kept in perspective. Establishing 12 joint bases from 26 Service-unique installations required each joint base commander to merge very different financial systems, management structures, operating procedures, and staffs for functions ranging from mail delivery to housing. Considering the size of many of our installations, these consolidations are equivalent to the mergers of corporations. As with corporate mergers, the cultural differences are often the hardest to
bridge. In recognition, we made a conscious decision to allow an extended transition period and to defer near term savings to increase the odds that each will succeed over the long run. Moreover, we view our joint bases as a means to enhance the military value of these previously Service-unique installations into DoD-wide assets. As such, we have empowered each base’s commander to design, implement, and adapt cost efficient and effective approaches to their unique situations. In fact, our joint bases are demonstrating that they are incubators of innovation because their commanders, faced with inconsistent Service rules and requirements, are adopting new and cross cutting business practices that transcend the simple assignment of goals based on old ways of doing business. Exercising prudence in assigning goals at this point is critical. While savings targets may be appropriate in the future, we are not at that point yet.

The Department partially concurs with the report’s recommendation regarding the continued development and refinement of our means to collect reliable information on cost and performance. Every organization should strive to improve its ability to collect this data. However, the Cost and Performance Visibility Framework (CPVF), which we implemented in March 2009, already provides quarterly data on installation support mission performance and annual data on personnel assigned and funds obligated for each joint base. By comparing this data to the detailed baseline cost data in the Memoranda of Agreement, we get a comprehensive picture of cost efficiency and effectiveness. We will continue to work to improve this tool and we appreciate GAO’s review of its efficacy. However, the report’s recommendation would require DoD to isolate and distinguish joint basing cost savings from the savings that result from DoD or Service actions. We maintain this is impractical, especially as these organizations evolve and develop. GAO itself noted previously (GAO/NSIAD-97-151) that DoD’s accounting systems, like all accounting systems, are oriented to tracking expenses and disbursements, not savings. Instead, we are relying on CPVF to track performance and resource expenditures to assess how efficiently our joint bases are meeting standards.

The Department also partially concurs in the report’s recommendation regarding the review and clarification of its Common Output Level Standards (COLS). Indeed, this must be a constant effort as personnel transition, priorities change, and missions evolve. However, our current process relies on bottom-up recommendations for review and clarification so that we focus our resources on those standards the field views are most in need of review. This approach strikes an appropriate balance between the analytical burden of repeated reviews with the need for clarity and refinement. However, we would be interested in GAO’s qualitative assessment of our COLS standards since the findings in the report appear to be based on an anecdotal assessment.

Similarly, we partially concur with GAO’s recommendations for increased communication and training. We are already doing much in this area, as GAO acknowledged. However, we can always improve and we will carefully assess GAO’s recommendations to improve our performance.
Appendix IV: Comments from the Department of Defense

We look forward to continuing to work with the GAO as it examines the performance of our joint bases.

Sincerely,

[Signature]

John Conger
Acting Deputy Under Secretary of Defense (Installations and Environment)
Appendix IV: Comments from the Department of Defense

GAO DRAFT REPORT DATED SEPTEMBER 10, 2012
GAO-12-678 (GAO CODE 351654)

“DOD JOINT BASES: MANAGEMENT IMPROVEMENTS NEEDED TO ACHIEVE GREATER EFFICIENCIES”

DEPARTMENT OF DEFENSE COMMENTS TO THE GAO RECOMMENDATIONS

RECOMMENDATION 1: The GAO recommends that the Secretary of Defense direct the Deputy Under Secretary of Defense (Installations and Environment) to develop and implement a plan that provides measurable goals linked to achieving savings and efficiencies at the joint bases and provide guidance to the joint bases that directs them to identify opportunities for cost savings and efficiencies. DOD should at a minimum consider the items identified in its recommendation to the 2005 BRAC Commission as areas for possible savings and efficiencies, including:

- paring unnecessary management personnel,
- consolidating and optimizing contract requirements,
- establishing a single space management authority to achieve greater utilization of facilities, and
- reducing the number of base support vehicles and equipment.

DoD RESPONSE: Non-concur. At the outset of joint basing, the Senior Joint Base Working Group (SJBWG) purposefully decided against savings targets because of the complexity involved in standing up these bases. This decision took into account the fact that commanders must merge diverse, Service-specific financial systems, management structures, operating procedures and staffs so as to provide all Installation Support functions effectively.

We believe our patient approach should continue - it is working - the joint bases are meeting their Common Output Level Standards (COLS) at an increasing rate, with resources below planned levels and this will continue, particularly as the current budgetary climate further constrains resources. The Services are already executing plans regarding organizational restructuring, budget reductions, civilian manpower reductions, etc. For example, in FY12 and 13 the Air Force reduced civilian positions for all the joint bases for which they are the lead and the Navy chose to not fill all of their civilian vacancies.
RECOMMENDATION 2: The GAO recommends that the Secretary of Defense direct the Deputy Under Secretary of Defense (Installations and Environment) to continue to develop and refine the Cost Performance and Visibility Framework in order to:

- Eliminate data reliability problems
- Facilitate comparisons of joint basing costs with the cost of operating the separate installations prior to implementing joint basing, and
- Identify and isolate the costs and savings resulting from actions and initiatives specifically resulting from joint basing and excluding DOD- or service-wide actions and initiatives.

DoD RESPONSE: Partially-concur. The Cost Performance Visibility Framework (CPVF) web based application, which we developed and instituted in March 2009, is an effective tool the Department uses to collect quarterly performance data and annual actual obligation and personnel assigned data by Joint Base. As with any new large information technology system, we are working through and improving its data reliability. In our FY11 analysis, we realized inconsistencies existed with the baseline data and invested considerable effort to clarify this data to consistently measure efficiencies going forward. At the end of FY12, we will have sufficient data to begin assessing joint base efficiencies. We will compare financial and performance data against the baseline and previous year obligations.

We already have the ability to facilitate comparisons of joint basing costs with the cost of operating the separate installations prior to implementing joint basing. The CPVF discussed above provides annual data on personnel assigned and funds obligated for each joint base. Annex U of each individual joint base details the costs of installation support for each of the separate services prior to merging, and also includes a detailed breakdown of the anticipated contract and personnel plus-up to meet the new Joint Base-Common Output Level Standards. By comparing the data within the CPVF to the detailed baseline cost data in the Memoranda of Agreement, we get a clear picture of cost efficiency and effectiveness.

While any system can be improved, GAO’s critique that “DOD does not have a reliable method of collecting information on the net costs or estimated savings, and efficiencies, specifically resulting from joint basing and excluding other influences on the bases’ budgets” does not reflect the efficacy of our system. The Department is concerned about measuring outputs. We recognize that efficiencies can result from a variety of internal and external influences and therefore do not agree with the report’s assertion that CPVF should exclude costs and savings which are not specific to Joint Basing. By nature of their creation, Joint Bases may be better able to withstand budget cuts due to efficiencies they
could institute. Moreover, if a Joint Base is meeting standards at a lower cost (even if that reduction was driven by an external source), then the base should claim this as efficiency. The GAO itself noted previously (GAO/NSIAD-97-151) that DoD’s accounting systems, like all accounting systems, are oriented to tracking expenses and disbursements, not savings. Instead, we are relying on CPVF to track performance and resource expenditures to assess how efficiently our joint bases are meeting standards.

RECOMMENDATION 3: The GAO recommends that the Secretary of Defense direct the Deputy Under Secretary of Defense (Installations and Environment) to direct the joint bases to compile a list of those common standards in all functional areas needing clarification and reasons why they need to be clarified, including those standards still being provided or reported on according to service-specific standards rather than the common standard.

DoD RESPONSE: Partially-concur. The Department already has a quarterly COLS feedback process and an annual COLS review process (which both include input from the joint bases as well as mission partners residing thereon). Our targeted approach to COLS review is the result of lessons learned previously that reviewing all COLS simultaneously does not allow for the depth of analysis required to make sound decisions. Accordingly, we group the COLS for review by function and perform a targeted review of 4-5 functional areas per year based upon what the field recommends is most deserving of review. In addition, the CPVF handbook provides additional clarification of the joint basing COLS. The CPVF handbook is updated on a routine basis and changes are made based on feedback provided by the CPVF administrators at the joint bases. For example, we recently updated the language on civilian drug testing based on feedback from a Joint Base CPVF administrator.

RECOMMENDATION 4: The GAO recommends that the Secretary of Defense direct the Deputy Under Secretary of Defense (Installations and Environment) to amend the OSD joint standards review process in order to prioritize review and revision of those standards most in need of clarification within this list.

DoD RESPONSE: Partially-concur. See above response to recommendation 3. The annual COLS review process currently in place already incorporates prioritized input from the Joint Base Commanders, Intermediate Command Summit and Service Headquarters.

RECOMMENDATION 5: The GAO recommends that the Secretary of Defense direct the Deputy Under Secretary of Defense (Installations and Environment) to develop a common strategy to expand routine communication between the joint
bases and between the joint bases and OSD, to encourage joint resolution of common challenges and sharing of best practices and lessons learned.

**DoD RESPONSE:** Partially-concur. The Department has already instituted mechanisms to facilitate routine communication between joint bases and between OSD and joint bases, and we are increasing these opportunities. The Services have routine communication with the joint bases where they are the lead to encourage joint resolution of common challenges and sharing of best practices. Above that level, OSD chairs the Joint Base Working Group where two times a month each of the headquarters Service representatives bring forward information and ideas generated during internal Service telecoms with the joint bases. Additionally, best practices from the bases get shared in a periodic newsletter. OSD and the Services also conduct visits directly with joint bases each year to capture any opportunities for improvement. Finally, OSD hosts an annual Program Management Review which includes sessions focusing on joint base commander interaction and sessions addressing common challenges. For 2013, we are planning on adding an additional session for joint base commanders to share best practices.

**RECOMMENDATION 6:** The GAO recommends that the Secretary of Defense direct the Deputy Under Secretary of Defense (Installations and Environment) to develop guidance to ensure all joint bases develop and provide training materials to incoming personnel on how installation services are provided on joint bases.

**DoD RESPONSE:** Partially-concur. The Department will ensure each of the Services are providing training materials to incoming personnel, however training of incoming personnel is the Joint Base Commander’s responsibility, and he needs the flexibility to tailor that training to the needs of his or her installation. The Joint Base Commanders’ Orientation Course provided by OSD stresses the importance of base level training programs.
Appendix V: GAO Contact and Staff Acknowledgments

**GAO Contact**

Brian J. Lepore, (202) 512-4523 or leporeb@gao.gov

**Staff Acknowledgments**

In addition to the contact named above, Laura Durland, Assistant Director; Jameal Addison; Grace Coleman; Chanéé Gaskin; Simon Hirschfeld; Gina Hoffman; Charles Perdue; Michael Silver; and Michael Willems made key contributions to this report.
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