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FINAL REPORT

IMPACT ANALYSIS OF INSTITUTIONAL  
FACTORS IMPACTING MWR  
ACTIVITIES  
JULY 1987

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## PREFACE

This Syllogistics, Inc., report provides a final report resulting from this *Impact Analysis of Institutional Factors Impacting MWR Activities* sponsored by the Deputy Chief of Staff/Personnel, under Air Force Contract No. F49642-84-D0038, Delivery Order No. 5021. Lieutenant Colonel Dana R. Katnik, Personnel Analysis Center, Office of the Deputy Chief of Staff, Personnel, monitored this effort, together with Colonel Michael Richardson, USAF MWR Study Team.

The views and opinions expressed in this report are those of the authors and should in no way be interpreted as an official position, policy, or decision of any Government agency, unless so designated by other official documentation.

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## SECTION 1

### INTRODUCTION

↖ This study was initiated by the special Air Force study team established by Headquarters, United States Air Force, to review the Morale, Welfare, and Recreation (MWR) program administered worldwide by Air Force commanders. The study team asked the Analysis Division, Directorate of Personnel Plans, Deputy Chief of Staff, Personnel, Headquarters, United States Air Force, to support the study with analyses of the current MWR program, of the environment in which MWR programs operate, and of the operational issues which have focused the current attention of decision-makers, within and external to the United States Air Force, on MWR program.

The MWR program is not a stand-alone program. It represents an institutionally ingrained component of the Air Force's effort to sustain a high degree of readiness and retention. MWR activities are key factors which help to demonstrate Air Force leadership's genuine concern for the welfare of service members and their families. Properly resourced and applied, the MWR program affects the servicemembers aspirations and motivations, sense of pride, and sense of belonging.

The goals of the MWR program are implemented through diverse activities that provide community and family services, support a strong degree of physical fitness through individual and team-oriented functions, foster social gatherings and events, and sponsor recreational activities. (SDW) ↗

To illustrate the range of activities, the MWR recreation function includes physical fitness centers, outdoor leisure and competitive sports, recreation centers, organized youth activities, arts and crafts, child development, libraries, and entertainment. MWR program also provide special activity membership associations such as clubs for individuals interested in flying (acro clubs), hunting and fishing (rod and gun clubs), riding, motorcycling, automobiles, scuba diving, parachuting, and skiing. In addition, open messes provide food and beverages and are the center for installation social, entertainment and protocol events.

MWR programs and activities are funded by a mix of appropriated funds (funds provided through the Congressional process) and non-appropriated funds (funds generated by the sales of goods and services at installation level). In recent years the growth in appropriated support has been under increasingly close scrutiny by the Congress and the Office of the Secretary of Defense. In the view of some policymakers outside of the Air Force, who are either not attuned to or fully appreciative of the institutional values and contributions of the MWR programs, the growth in tax-supported funding of MWR has been excessive. Subsequently, the MWR program has become a target in the public debate over the federal budget deficit. Concerned over the implications of this debate to the MWR program, the Air Force is undertaking a review of MWR program management to strengthen the efficiency by which MWR goods and services are delivered and to help document the need for an effective MWR appropriated fund level in support of the overall Air Force mission.

Syllogistics, Inc., has been tasked to assist in the management improvement project by providing analyses supporting the overall Air Force study plan. The first step in this Syllogistics' support was an assessment of the rationale and programmatic solutions that profit-making corporations and municipalities have

chosen to deliver goods and services which are the same as or similar to those provided to members of the Air Force community through the MWR program. The results of this analysis was a report entitled, "Analysis of Private Sector Delivery of MWR-type Programs," delivered to the Analysis Division on February 9, 1987.

The second step of this review, and the subject of this report, is the identification of issues facing the Air Force as it sets about to address the content and consequences of making key portions of the MWR program self-sustaining. In this effort, it is desirable to identify specifically not only the actual and potential impediments to such action, but also any operational advantages MWR programs may have over their private or other public sector counterparts. Syllogistics, Inc., is conducting this analysis under Contract Number F49642-84-D0038, Delivery Order Number 5021.

## **BACKGROUND**

The leadership within the Armed Forces has always been concerned with the morale, welfare, and recreational opportunities available to servicemembers and servicemember's families. The President's Committee on Religion and Welfare in the Armed Forces noted that, since it must be assumed that military men have always had free time, free-time services must date to the beginnings of the armed forces.<sup>1</sup>

From the 18th century to the present, there has always been a strong relationship between command responsibility and providing for the unit's general morale. The Air Force considers the MWR program to be a significant contributor to enhance recruitment and retention of quality servicemembers thereby improving personnel readiness and the accomplishment of the Air Force mission.

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<sup>1</sup> President's Committee on Religion and Welfare in the Armed Forces, *Free Time in the Armed Forces*, February 1951.

## **CURRENT ORGANIZATION**

Today, the Air Force installation commanders provide MWR programs to eligible members of the military community at each Air Force installation. Those commanders are best attuned to the needs and desires of individual servicemembers and service families to maximize unit readiness. The MWR programs are monitored and directed by the major commands under the policy direction of Headquarters, United States Air Force. Technical oversight and operating support to major command and installation level programs are provided by a variety of specialists at the United States Air Force Military Personnel Command's MWR Division at Randolph Air Force Base, Texas.

The Air Force's MWR program exists to "support the Air Force mission by providing facilities and leisure time activities that stimulate, develop, and maintain personnel mental, physical, and social well-being."<sup>2</sup> The aim of these activities is to:

- a. Enhance force readiness and esprit de corps through a higher state of physical and mental well-being.
- b. Increase mission effectiveness through an improved quality of life for all Air Force people.
- c. Make the Air Force an attractive career, thereby helping recruitment and retention.
- d. Help new service members adjust to military life.

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<sup>2</sup> Air Force Regulations 215-1, 25 March 1985.



- e. Help provide community support for family members, particularly when the military sponsor is on an unaccompanied tour or maneuver, or is involved in armed conflict.

The installation commander is the focal point for local MWR program direction. Day-to-day operations are managed by an MWR division chief who reports directly to the installation commander. Within the MWR division there are generally six branches: the non-appropriated fund financial management branch (NAFFMB), MWR supply branch, recreation services branch, library branch, the officer and non-commissioned officers' open mess branches.

The NAFFMB provides financial management of appropriated funds and non-appropriated funds for installation MWR programs on base. The NAFFMB also provides centralized accounting, bookkeeping, inventory control, and NAF procurement services for all non-appropriated fund instrumentalities (NAFIs).

The MWR supply branch provides a centralized supply point, consolidated warehousing, and recreation equipment issue unit.

The overall on-base recreation program is managed by the recreation services branch. The recreation program usually includes physical fitness center, a recreation center, sports program, arts and crafts program, child care and preschool development, outdoor recreation, youth activities, bowling, and golf. The library branch operates an on-base library containing materials for official as well as recreational needs. The open mess branches manage officer and enlisted clubs on the base. The aero club branch provides safe, low-cost flying opportunities. Finally, other membership associations offer social and recreational outlets for persons with like interests.

In addition to these functions, the MWR division either receives or provides services to many other on-base entities such as base billeting and temporary lodging facilities. As an example of MWR interaction with other installation functions, the civilian personnel office administers all Air Force NAF employee programs (with the exception of those for Army/Air Force Exchange Service [AAFES] employees). A further example is the responsibility that civil engineering has to assist in planning Military Construction Program (MPC) function and monitoring new NAF construction projects as well as maintaining MWR facilities.

## FUNDING

MWR activities now operate with a mix of funding sources. Some MWR activities generate monies, non-appropriated funds, through user fees, membership fees, or sales of authorized goods and services. In consonance with its institutional orientation, these revenues are shared with non-revenue-producing MWR activities. This sharing is of vital importance if the Air Force is to provide a viable quality of life program to its members. In addition, appropriated funds are combined with non-appropriated funds for specific purposes. For example, in Fiscal Year 1986, Air Force MWR expenditures totaled \$941 million. Thirty-eight percent of these expenditures were paid with appropriated funds, the remaining \$583 million with funds generated through the sale of goods and services.<sup>3,4</sup>

## REGULATORY ENVIRONMENT

There are extensive series of directives that set the parameters within which MWR programs must function. This myriad of instructions found in Public Law, (including specific sections of the U.S. Code), DoD directives and instructions,

<sup>3</sup> Appropriated funding policies for MWR are contained in AFR 215-5; policies for non-appropriated MWR funds are in AFR 176-1.

<sup>4</sup> Source: Advance extract from FY1986 DAF Report 7000.12, Appropriated and Non-appropriated Fund Support to Morale, Welfare and Recreation Activities.

directives from the Office of Personnel Management, and Air Force Regulations and Directives. These regulations and directive focus primarily on the areas of MWR construction, MWR contracting and procurement, and MWR personnel management. Appendix E provides a listing of these applicable laws, regulations, and directives.

### **STUDY OBJECTIVE**

Congress reduced appropriated funds for MWR programs in the Fiscal Year 1987 Appropriations Bill. Currently, the use and amount of appropriated funds supporting MWR programs are under further scrutiny by Congress. The Air Force, in response, is undertaking a review of MWR program management in the interest of improving the efficiency by which MWR goods and services are delivered. As a part of this review, Syllogistics, Inc., was asked by the Air Force to investigate the circumstances and conditions under which MWR activities operate and to support the special Air Force Study Team's efforts to produce meaningful and logical recommendations for consideration by senior Air Force leadership as they examine and guide MWR programs.

The objective of this analysis is to assist in identifying the issues facing the Air Force in improving the management of MWR programs -- specifically identifying potential impediments and advantages accruing to MWR-type programs in the effort to make them more efficient. The standard to which Air Force MWR activities were compared was that of similar activities operated in the private sector. These activities in the private sector include two differing elements. The first involves for-profit activities such as health clubs and restaurants. The second involves corporate programs that provide MWR-type facilities/services for their employees.

## STUDY METHODOLOGY

To satisfy study objectives, the project was carried out in three phases:

Phase I -- Impediment/Benefit Identification

Phase II -- Data Collection

Phase III -- Analysis and Documentation

These phases are described in detail below.

### Phase I -- Impediment/Benefit Identification

In the first phase the MWR study team focused on the identification of candidate legal and operational impediments and benefits under which MWR activities conduct their programs. Two separate lists of impediment/benefit factors developed by the Air Force MWR Study Team were reviewed and expanded, and personal interviews were conducted with MWR managers at Andrews AFB. During telephone surveys of seven bases, additional potential impediments and benefits were solicited.<sup>5</sup> The seven bases were chosen for survey by the project team in coordination with AF/DPX and the USAF MWR Study Team. The basis for selection of the bases included the following considerations:

1. Representation of all the major commands.
2. Inclusion of remote sites and urban locations.
3. Geographic diversity.
4. Representation of bases with excellent MWR programs (the winner and nominees for the LeMay Trophy were included).

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<sup>5</sup> The seven bases were Castle, Charleston, MacDill, Minot, Patrick, Sheppard, and Wright-Patterson Air Force Bases.

Three interview guides were developed for the first-stage data collection effort. These were addressed to MWR-specific representatives, civilian personnel office staff and base civil engineers. The guides are presented in Appendix A. Telephone calls were made to representatives and staff members of the civilian personnel office, the NAFFMO, NAF procurement, civil engineers (CE), selected MWR activities, and the chief of MWR at each of these bases.

The information collected during these interviews, together with the lists of factors compiled by the MWR study group, were used to develop the on-site data collection instrument used in Phase II. This instrument, also shown in Appendix A, arrays all the potential impediments and benefits developed in Phase I and asks the respondents to rank each factor in two ways. The first ranking gives the magnitude of the impact on each impediment upon facility/activity operations. The second ranking gives the frequency of occurrence of each factor. The instrument also asks each respondent to give an individual opinion as to the three most important factors in terms of impact on MWR operations.

During the first phase of the project and continuing through the second, research was also conducted to discover the authority (i.e., public law, regulation, etc.) which establishes the basis for each potential impediment or benefit.

#### **Phase II -- Data Collection**

The survey instrument described above was sent to the following eight bases: Altus, Chanute, Hanscom, Langley, Plattsburgh, Scott, Seymour Johnson, and Tinker. These bases were selected in concert with AF/DPX and the USAF Study Team. The criteria for selection included:

1. Inclusion of remote sites and urban locations.

2. Representation of all major commands.
3. Geographic diversity: inclusion of bases west of the Mississippi and representative bases in the Northeast and the South.
4. Practical travel schedules in consideration of the compressed period for conduct of the study.

The surveys were then distributed to representatives of the same functions as were contacted in the telephone survey. Respondents were asked to complete the surveys prior to the arrival of a member of the Syllogistics study team.

Interviews were held on-site with MWR representatives by members of the study team. The purpose of the interviews was to review the data collection instruments to clarify and explain any factors as necessary. Study team members also requested any data surrounding the factors and/or corresponding impacts and frequencies. Finally, several documents were collected from each base for use in subsequent impact analysis. These documents were the USAF MWR Facilities Programming List (MPC-MPCS 7705), USAF 7503 Report (which shows the amount of appropriated funds used by MWR), Fiscal Year 1987 Operating Budget (for both appropriated and non-appropriated funds); and the Fourth Quarter Fiscal Year 1986 NAF Financial Statement. A total of sixty-nine interviews were conducted: twenty were with MWR managers (MWR chiefs, recreation division heads, etc.), nine with financial managers, twenty with activity managers, eight with civil engineers, seven with NAF personnel officers, and five with base procurement officers.

### Phase III -- Analysis and Documentation

The analysis portion of the project had both a quantitative and qualitative dimension. Quantitative analyses consisted first of determining the impact and frequency for each impediment/benefit factor within function. The numerical measures are given in Appendix C. Specific impediments and benefits are discussed in Sections 2 and 3, respectively. Each section is organized into three parts. First, there is an overview of the section; second, there is a table indicating those factors with an impact of  $\geq 3.5$  (on a scale of 1-5); finally, there is a conclusion containing general comments.

The  $\geq 3.5$  cut-off was chosen to highlight those factors which affect the NAFI's ability to operate in a businesslike manner to a degree at least between "some" and "substantial." Factors were also assessed by type of respondent to check for the degree of intergroup consensus (see Appendix C). The correlation coefficients between impact and frequency for each factor were also calculated to assess the strength of the relationship between impact and frequency of occurrence. These coefficients are given in Appendix C along with an explanation of the correlation coefficient statistic. Although these coefficients are provided, the primary focus for analysis was on the impact rating since it is very possible for a factor to occur infrequently but impact very heavily on NAFI operations.

One of the original objectives of the concept was to place a specific cost for each impediment. However, the Study Team found that while data existed at installation level, such data was not aggregated to MAJCOM and HQ USAF levels. As a result, the Study Team would have had to conduct a much more pervasive and time-consuming research effort to obtain relevant and credible quantification than allowed by the time constraints associated with the study tasking. Where adequate data was available, however, we attempted to make estimates of the dollar impact

of each factor. However, given the limitations in centralized data sources, caution must be exercised in the interpretation of these figures. We believe they should be viewed as illustrative of the issue vice a statistically-derived source of reference. Qualitative analyses consisted of preparing descriptive statements synthesized from regulatory guidance and on the on-base interviews followed by broad trend analysis within function.

Since some factors were included during or even subsequent to the base visits, all factors described in the narrative sections could not be evaluated for impact and frequency ratings. In addition, for purposes of report organization, some factors were moved from one function to another or combined (or deleted) in the report as opposed to their original placement in the data collection instrument. Table C-1 in Appendix C gives a crosswalk from the questionnaire items to the descriptions found in Section 2.

It must be pointed out that the impact rating is based on the percentage of local installation managers. As will be pointed out in the Personnel Impediments portion of Section 2, issues concerning effective communications and management information systems have most probably affected the local MWR manager's judgment.

## **ORGANIZATION OF THE REPORT**

The observations and results of the Syllogistics study team effort are described in detail in the following sections. As stated in the Phase II areas, Section 2 provides an in-depth discussion and assessment of the impediments confronting the various MWR functional operations. When possible, concrete examples are given of potential cost savings, revenue potential, or opportunities for improved or expanded service. Section 3 covers the benefits accruing to MWR



programs. Section 4 reviews the MWR-type programs offered by various quasi-public organizations. Section 5 summarizes the study team's findings and draws conclusions and implications for directions in MWR policy.

Appendices A through E provide copies of the survey instruments, details of the questionnaire, telephone interview responses, and analyses of the results.

## **SECTION 2**

### **IMPEDIMENTS TO EFFICIENT MWR OPERATIONS**

#### **INTRODUCTION**

Descriptions of perceived and actual impediments identified through telephone and personal interviews with base level MWR activity managers and functional personnel are given in this section. The impediments are discussed within function with general explanatory text first, followed by information concerning the establishing authority, a description of each impediment, and the impact of the impediment on MWR operations.

Within time and data limitations, the project team attempted to put dollar costs on the impact of the impediments to MWR operations. Quantitative impacts were derived either from direct data supplied to us during the interview process, or were constructed to reflect illustrative examples reported or implied by interviewees. Certain data, for example, number of people in specific NAF occupations, average pay steps, numbers within employment categories such as intermittent and part-time personnel are not centrally available. In an attempt to address this lack of data, the project team extrapolated individual site population data to try to project Air Force-wide data.

#### **IMPEDIMENTS IN PERSONNEL MANAGEMENT**

The personnel function represents the largest category of impediments. As stated in the FY86 DAF Report on Appropriated and Non-appropriated Fund Support to MWR Activities, ninety percent of the 50,000 persons employed in MWR activities were non-appropriated funded employees. A large percentage of these employees are part-time employees (working less than 35 hours per week). A

review of the reported impediments indicates three problem areas. The first is personnel related, and focuses on selection and placement, compensation, and general management elements of personnel. The second and third areas, communications and management information, can be applied to all of the "Impediment" areas.

From a macro-perspective, a major impediment was created when a personnel system designed to manage a full-time, career civil service program, was utilized to manage a predominantly part-time work force. In the private sector, part-time work forces are associated with lower graded, unskilled and semi-skilled jobs that pay minimum wages with limited benefits. Given the highly transitory nature of this work force, a lower level compensation system with relatively few bureaucratic rules is quite often sufficient and appropriate. Managers in such a system have a high degree of flexibility in managing their workers.

On the other hand, OPM, DoD, and the Congress, by placing the MWR employees into the life cycle-oriented civil service system, with all the career track benefits, rules, and regulations that apply to career force management, have burdened the Air force and the other services with an unnecessary, time-consuming and very expensive personnel system relative to the type of specific services delivered.

Akin to the personnel management problem, is one dealing with effective communications. On the basis of their reported concerns, many MWR managers do not have a firm understanding of the directives and procedures associated with the civil service personnel management system. As a result, the reported impediments indicate that some MWR managers have a limited and very narrow focus concerning their authorities and responsibilities within the personnel system. There appears to be a demurring of decisions to other authorities and the

development of a seemingly adversarial atmosphere. The net result is that managers appear to take a time-consuming, bureaucratic, reactive approach rather than taking a proactive stance in managing human resources. While specific dollar costs attributable to such actions are not measurable per se, the decline in managerial productivity through focus on events vice results does detract from overall productivity.

The third area, which again can be applied to all impediment areas, involves the lack of a comprehensive Air Force-wide MWR management information system that includes much more than just financial information. The lack of MWR comparable data with which to measure performance detracts from any programs which attempt to measure and improve efficiency. The present situation enforces a laissez faire atmosphere in that it precludes senior managers from setting standards and subsequently measuring and taking action on performance. An example of a results-oriented approach within the personnel area would be to measure the relationship of salary levels per personnel category per activity to assure a base is obtaining a reasonable employee cost per services rendered. However, the lack of aggregate level data and an Air Force-wide standard precludes such a measure.

Table 2.1 shows the impediments with an impact rating of 3.5 or greater out of a 5 point scale. The 3.5 rating means the impediment has between "some effect" and "a substantial effect" on MWR operations. The rating reflects the combined impact score assigned by the interviewees on the field visits.

**TABLE 2.1**  
**RANKING OF IMPEDIMENTS WITH IMPACT RATINGS  $\geq 3.5$**

**FUNCTION: PERSONNEL**

<u>IMPACT</u>	<u>FREQUENCY</u>	<u>ITEM NO.</u>	<u>IMPEDIMENT</u>
4.5	4.2	4.	Rules governing the hiring of employees are cumbersome, complex.
4.4	4.2	3.	Personnel rules reduce the flexibility that could come from using part-time and intermittent employees.
4.2	3.7	5.	The rules governing disciplining and release of employees are overly bureaucratic, weighted toward the status quo.
4.1	3.7	11.	MWR activities are not receiving their fair share of authorized base appropriated fund supported positions.
4.0	4.0	8.	There are too many personnel categories with different pay rates, benefits, and job entitlements.
4.0	3.8	9.	MWR is required to pay shift differential and/or premium pay.
3.9	3.6	12.	Requirements for National Agency Checks (NAC) and Local Agency Checks (LAC) are costly.
3.9	4.1	1.	NAF employees must be paid wage rates prevailing for local employees.
3.6	3.2	7.	Managers lack a responsive incentive award or progressive pay scale system by which to motivate employees.

**KEY:**

<u>IMPACT</u>	<u>FREQUENCY</u>
1. No Effect	1. Never
2. Minimal Effect	2. Rarely (Once or Twice per yr)
3. Some Effect	3. Occasionally (Once or Twice per mo)
4. Substantial Effect	4. Frequently (Weekly)
5. Very Significant Effect	5. Constantly (Daily)

The specific impediments within the personnel function which explain these comments are given on the following pages.

## IMPEDIMENTS

### FUNCTION: PERSONNEL

No: 1

Title: Prevailing Pay Rates

Authority: 5 U.S.C. 5550, PL 92-392, implemented by the Federal Personnel Manual Supplement 532-2, DoDD 5120.39 and DoDD 5120.42, DoDM 1401.1 and AFR 40-7.

Description: NAF employees in other than professional, technical, managerial, and executive positions, are paid prevailing rates as established through locality wage surveys. This requirement is fixed in law for crafts and trades employees and has been administratively extended to patron services and administrative support (AS) employees.

Impact on MWR: The practice of paying NAF employees "prevailing rates" is perceived to cause NAFs to overpay their employees in relation to their private sector counterparts. While the dollar savings on a national basis may not be substantial, the impact upon specific base-level services, particularly in fund reallocations to non-revenue generating activities, can be substantial. Some examples are given below. We must point out that the NAF costs are understated as they do not include fringe benefits required by regulation. The degree and level of benefits allocated to NAF employees are generally not provided by the private sector.

Examples: NAF vs Private Sector

	<u>\$/hr NAF<sup>1</sup></u>	<u>\$/hr PRIVATE SECTOR</u>
Child Care Attendants		
Grade 2	4.32	3.35 <sup>2</sup>
Grade 3	4.69	4.00 <sup>2</sup>
Accounting Technicians		
Grade 1	4.20	
Grade 7	6.37	7.15 <sup>3</sup>
Waiters/Waitresses		
Grade 3	3.40	
Grade 4	3.80	2.26 - 2.97 <sup>4</sup>

<sup>1</sup> NAF child care, accounting technician, waiters, waitresses, rates taken from restricted, consolidated wage schedule from Salary Wage Fixing Authority (SWFA-NAF) surveys from 1984, 85.

<sup>2</sup> Private sector child care rates given by Carol Anne Randolph, project manager, Parents at Work and K. Fuller, Assistant Director of Maryland Department of Health (Prelicensing).

<sup>3</sup> Accounting Technicians private sector taken from BLS area wage surveys, \$7.15/hr rate is an average of all accounting clerk levels and rates from manufacturing, nonmanufacturing, transportation.

<sup>4</sup> NAF data reflects tip offset. Private sector waiter/waitress wage rates used for Table, full course restaurants, mid-range of area averages, Industry Wage Survey: Hotels and Motels, July-September 1983.

No: 2

**Title:** NAF Universal Annual (UA) Employees

**Authority:** DoDD 4120.42, DoDM 1401.1

**Description:** DoD established the UA category of positions that is reserved for managerial, executive, technical, and professional employees. DoD has extended the compensation system applicable to general schedule civil service employees to NAF/UA employees.

**Impact on MWR:** These UA employees are expensive and bound by classification standards which are geared to civil service activities not NAF activities, again reducing any flexibility in personnel management and reassignment.

No: 3

**Title:** Part-time/Intermittent Employees

**Authority:** DoDM 1401.1, AFR 40-7, para 1-8, 1-9

**Description:** With an impact rating of 4.4, this is one of the most significant problems reported by those interviewed. Managers establish a basic workweek for each regular, temporary, and intermittent other part-time (IOPT) employee, within the minimum and maximum hours of the employee's employment category, as shown below:

- a) Regular full-time and temporary full-time: no less than 35 hours.
- b) Regular part-time and temporary part-time: no less than 20 hours but less than 35 hours.
- c) Intermittent other part-time (IOPT): no less than 1 hour, but less than 20 hours.

Any regular, temporary, or IOPT employee is allowed to work on-call hours that are over and above the basic workweek, subject to some confusing conditions and limitations.

The work schedule is established at least one administrative workweek in advance of the scheduled tour of duty. If possible, the tour of duty is established for the same days of each week, for the same hours of each day. (Regular, temporary, and IOPT employees must be given at least one week's advance notice when a work schedule changes, except in an emergency. In an emergency, a change may be made at the beginning of a workday, if affected employees are notified of the change no later than the end of the previous workday.) These requirements altogether reduce flexibility in using part-time and intermittent employees.

Many of the scheduling problems arise from the strict bounds placed on temporary and intermittent part-time work schedules. We understand that an initiative is being undertaken to replace these categories with a new grouping designating anything other than full-time employees as "variable schedule part-time employees".

By adding scheduling flexibility for activity managers, this change would be very useful, demonstrating another evidence of leadership sensitivity to local management's problems.

**Impact on MWR:** Unless such bounds are removed, and the program simplified to full-time and part-time employees, managers will lack needed flexibility to respond efficiently to program requirements.

By way of illustration, because of the requirement to adhere to rigid work schedules, the entire Officers Club staff at Scott AFB was required to work during a New Year's Eve party, for which they received overtime pay. On the following day labor costing \$599.77 was used to support an official reception. By judicious management of full-time and part-time resources a significant cost could have been avoided.

No: 4

Title: Recruiting

Authority: AFR 40-7, para 4-3

**Description:** This is the most significant impediment at 4.5 reported by base level MWR personnel. The personnel recruiting process is exceedingly slow and ineffective. It is the primary example of the civil service career structure being laid upon the non-appropriated fund function. Because of the adherence to USAF, DoD and OPM directives and policies, the civilian personnel office follows the same step-by-step structure to fill MWR positions as it does for career civil servants. Within this system, the civilian personnel office does the initial recruiting and screening; it decides who the most viable candidates are, using OPM rules; it provides the MWR manager its list of candidates for interview.

**Impact on MWR:** The recruiting process results in reduced service to MWR patrons and increased overtime costs for MWR managers. Length of actual time to process could not be obtained from AF sources. We recognize that many of the screening procedures were developed as solutions to problems of abuse of the system in hiring civil service appropriated fund employees.

No: 5

Title: Discipline and Release of NAF Personnel

Authority: DoDM 1401.1, AFR 40-7, para 9-14 and Chapter 10

**Description:** Disciplinary and release procedures are cumbersome and require excessive time and often excessive documentation. Although the adverse action procedures for NAF personnel are simpler than for general civil service personnel, they are still time-consuming and cumbersome in their basic requirement of documentation and adherence to rigid procedures. An illustration of the inefficiency caused by these procedures involve the procedure to terminate an "on-call" employee. The "on-call employees" must have been called three times and have refused three times before the MWR manager informs the Civilian Personnel Office, which in turn sends a letter of termination to the unresponsive "on-call employee". On some bases, where the union has exclusive representation rights, the



union representative is informed. Only then can the hiring process for a new on-call employee be initiated.

**Impact on MWR:** It usually takes approximately two days to process an uncontested MWR adverse action; six days if a hearing is involved. The action directly involves from four to six individuals [MWR activity manager, manager's administrative clerk, the affected employee, civilian personnel staff members, and, where applicable, the union representative]. Although the local managers interviewed stated that such action occurred approximately twice a month, there is no information system available to obtain objective figures. While the adverse actions procedures are applied to all categories of MWR personnel as defined on page 2-6, the lack of a database precludes affixing a dollar value.

No: 6

**Title:** Benefits Package for NAF Employees

**Authority:** AFR 40-7, Chapter 12

**Description:** NAF managers must pay for a benefits package for NAF employees who work at least 35 hours per week. These workers could include Air Force service members who are employed by MWR managers in an "off-duty" capacity. This package includes such benefits as retirement plan, annual leave, sick leave, group health and life insurance, social security, and worker's compensation. All benefits other than retirement are provided to regular part-time employees. While some of these are required by law (Social Security, and Worker's Compensation), benefits such as annual and sick leave and group health and life insurance are not typically provided to comparable private sector part-time employees.

**Impact on MWR:** Providing career track benefits to workers inflates the costs of operations for activities using part-time help. The clubs are a good example. Regular part-time waiters and waitresses receive fringe benefits as described above. Private sector part-time waiters and waitresses rarely receive such benefits.<sup>5</sup> We estimate that there are 687 regular part-time waiters and waitresses<sup>6</sup> employed by the NAF clubs. The cost of providing them with group insurance and paid leave is probably \$817,000 - \$1,004,000 and may be as high as \$1,240,000.<sup>7</sup>

<sup>5</sup> No such benefits are reported in the BLS Hotel & Motel Industry Survey, Sept 1983 for part-time. Further discussion with BLS confirmed that their omission of data on benefits for part-time employees reflected the fact that part-time employees rarely receive these benefits.

<sup>6</sup> We estimate there are 687 regular part-time waiters and waitresses in Air Force clubs. Total number of tipped waiters/waitresses by grade is from SWFA-NAF (1984-85) survey inventories. Proportion of AF waiters/waitresses (tipped) taken from Report of the Work Group on Tipped Employee Pay Practices in the Federal Government and the Private Sector to the Federal Prevailing Rate Advisory Committee. Proportion of Full-time to Part-time NAF employees taken from the USAF MWR Financial Summary FY86. The proportion of regular part-time to full-time at Randolph AFB was used to estimate regular part-time totals.

<sup>7</sup> The exact amount of benefits received will vary depending on the type of insurance coverage selected, the employee's hourly wage rate, and on the annual hours worked by the employee. Regular part-time employees may work from 20-35 hours per week and earn hourly wages that range between \$4.07 - \$6.36 (before subtracting any tip-offset).

**No: 7**

**Title: Incentive Awards System**

**Authority: AFR 40-7, para 6-4**

**Description:** The incentive awards program is totally lacking of financial flexibility and timeliness. Annual honors ceremony or the small cash awards are not useful in the NAF arena.

**Impact on MWR:** The type and worth of awards permitted within the current personnel system do not permit sufficient recognition. As a result, the more ambitious NAF employees will seek other employment.

**No: 8**

**Title: Personnel Categories**

**Authority: DoDM 1401.1, AFR 70-4, para 1-8**

**Description:** There are too many personnel categories -- regular part-time, regular full-time, temporary part-time, temporary full-time, intermittent other part-time, intermittent on-call -- each controlled by a different set of personnel rules, confusing both employees and MWR managers.

**Impact on MWR:** Personnel rules, pay scales, and classification standards vary enough between categories that workstation changes are forbidden -- hence encumbering the MWR manager's flexibility in assigning and scheduling the workforce. This situation has an impact on productivity and subsequent dollar costs, and the administrative burden carried by the NAFI as well as the Civilian Personnel Office is expensive. This is another example of applying a personnel system designed for career track employees to a structure oriented toward part-time employees.

**No: 9**

**Title: Pay Shift Differential and Premium Pay**

**Authority: PL 92-392, 5 U.S.C. 5550, AFR 40-7, para 14-17, 14-18, 14-19**

**Description:** Pay for shift differential and premium pay for Sundays and holidays are required by law.

**Impact on MWR:** This requirement is extremely expensive for MWR managers. Nowhere is the problem of a permanent system laid upon a part-time structure more evident. Even though the part-time employees workhours may be just during the weekend or during evening hours, their pay is based on a system for employees who work over and above their normal 9 to 5, 40-hour week in the same job. Commercial institutions performing similar activities do not have to adhere to such requirements and therefore can provide the same service with lower labor costs.

At Andrews Air Force Base, the 26 bartenders (Officers and NCO Clubs) are paid an average of \$5.12 per hour, to include night differential pay, and they work an average of 27.5 hours in a two-week period. Civilian bartenders in the area get the

minimum wage, \$3.35 per hour, for an hourly wage differential of \$1.77. Over a year's period of time, the excess pay to a single Andrews bartender owing to the night differential pay requirement would be  $(\$1.77) * (27.5) * (26) = \$1,265.55$ . The additional cost for all Andrews bartenders would be  $(\$1,265.55) * (23) = \$29,107.65$ . While Andrews AFB uses 26 bartenders, we recognize that many USAF installations do not have club utilization rates that support 26 bartenders. In follow-on conversations with club managers and other MWR managers, we derived a conservative average of 10 bartenders per installation. On this assumption of an average Air Force installation having 10 bartenders working the kind of schedule worked at Andrews, the savings that could be realized from eliminating the night differential for the 150 major bases would be  $(\$1,265.55) * (10) * (150) = \$1,898,325.20$ .<sup>8</sup>

No: 10

Title: Employment Applications

Authority: AFR 40-7, para 2-5

Description: Applicants for NAF positions are required to fill out Standard Form 171, Personal Qualifications Statement, which is very complicated and which has little applicability to NAF positions.

Impact on MWR: The SF 171 is a form designed for civil service positions and not for hourly-rate, part-time service positions. The form is particularly irrelevant in the part-time arena. For example, of what benefit is it to a club manager looking for a bartender to have to review an SF 171 on someone who has been an aircraft mechanic in seven locations over the last 14 years. The MWR manager needs a form that shows work experience relevant to the job at hand. Further, given that a number of permanent NAF positions are at the unskilled level, the form is unnecessarily complicated and confusing for the applicant.

No: 11

Title: Conversion of Appropriated Fund (APF) Positions

Authority: Air Force Policy

Description: Each MWR division is authorized a certain number of APF manpower positions based on criteria related to workload, demography or other published standards. However, instances were reported wherein, due to other priorities, installation commanders do not authorize filling of manpower positions or divert positions to other functional areas on the base.

Impact on MWR: Such positions should not be considered as "benefits" to MWR management, i.e., a type of free labor. As with corporation-sponsored MWR-type programs, the APF billets represent a cost of providing a service. Further, the appropriated fund positions are based upon Air Force manpower standards. Unless standards for APF positions are adhered to and unless base commanders only take a fair share of MWR APF billets during directed manpower reduction programs, MWR activities could either spend additional NAF funds for the required

<sup>8</sup> 108 installations in the U.S. plus 43 principal bases overseas = 151. Source: Air Force Magazine, May 1982, pages 189-83.

personnel support or curtail level of service. In either case, the loss of APF positions reduces the net NAF revenue generated by the affected MWR activities. An effective management information system would reveal where such adverse actions are occurring and provide insight on the full impact of such actions.

**No: 12**

**Title: Personnel Clearance Checks**

**Authority: AFR 40-7**

**Description:** Applicants require a National Agency Check for many positions (examples of positions which may be considered positions of trust are managers, funds custodians, general cashiers and positions involving large amounts of cash or high-value merchandise). In addition, local agency checks and health examinations are required for child care and youth activities positions.

**Impact on MWR:** Applicants cannot start employment until their clearances are completed. Local checks may take up to eight weeks, the National Agency Check may take up to a year. Many applicants are no longer available after this lapse of time, which could cause MWR managers to either pay increased overtime, or curtail service until a new employee is hired.

The Andrews Air Force Base Child Development Center reported \$36,000 in overtime wages in 1986 due to requirements of Local Agency Checks and National Agency Checks. Approximately 20% of the people who had applied for job openings subsequently found employment elsewhere because of the lengthy process of completing the background checks.

Extrapolating from Andrews' experience, the Air Force could be paying large amounts in overtime payments due to the Local and National Agency Checks. (\$36,000 at Andrews may be more than double the average; therefore at 40% of that amount would exceed one-and-one-half million dollars across all 125 Air Force Child Development Centers.)

We recognize that a certain level of cost is necessary based on the real need to verify the background of applicants to sensitive positions. We also recognize that some other positions may not need the NAC. AFMPC MWR managers should consider a review to determine which billets should and should not require a NAC.

**No: 13**

**Title: Automatic Step Increases for NAF Employees**

**Authority: PL 92-392**

**Description:** Step increases are basically automatic. While a manager must sign off on such increases, a refusal to sign off must be accommodated by an extensive justification. Increases are tied to the length of time in service rather than merit. The MWR manager cannot then discriminate in rewarding an excellent performer over a mediocre or poor performer. In addition, step increases, automatic or not, are not found in the private sector for many NAF-type jobs such as waiter and waitress. BLS reported that automatic step increases are not usual for hotel/motel

employees. The agreement between the Hotel/Restaurant Employees Local 25 AFL-CIO of Washington, D.C. and the Hotel Association which expired September 1986 did not include automatic wage increases due to longevity.<sup>9</sup>

**Impact on MWR:** The automatic nature of step increases does not foster productivity and can cause morale problems among the better employees.

The practice of paying step increases over the going rate to workers who would not receive such entitlements in the private sector is, of course, expensive to NAF managers. Data was not available to project average step increases and associated costs. However, one installation advised that, due to longevity, a number of their waiters earned approximately \$7.00 per hour (with an additional 30 percent allocated to cover benefits) vice the usual \$3.40 - \$3.80 level reported on page 2-5. This longevity-created \$10.00 per hour of total compensation is significantly higher than the private sector rate range of \$2.26 - \$2.97 per hour.

No: 14

**Title:** Pay of Tip Offset Employees

**Authority:** AFR 40-7, Para 14-35

**Description:** The tip offset provision that applies to other categories of workers who receive tips (primarily waiters/waitresses) is not applied to bartenders.

**Impact on MWR:** This condition may cause overly generous pay to bartenders and is a source of friction among those who are affected by the offset.

OPM reported that the offset is not applied to NAF bartenders because in a study conducted of private sector practices, no predominant trend in tipping or not tipping bartenders was found. Review of the study itself showed that bartenders in at least 26 of 29 establishments surveyed do not receive tips.<sup>10</sup> That number is probably even higher, as some number in the 20 establishments that refused to estimate do receive tips.

#### Average Tips - Bartenders

<u>AMOUNT OF TIPS</u>	<u># OF ESTABLISHMENTS</u>
No Tips	3
Unknown (Firm Refused to Estimate)	20
Less than \$1.00/hour	3
\$1.00 to \$1.99/hour	6
\$2.00 to \$3.99/hour	8
\$4.00 and over	9
Total	49

In addition, the BLS Survey showed bartender to be a tipped position.

<sup>9</sup> Source: Norma Carlson, Bureau of Labor Statistics, 523-1667.

<sup>10</sup> Source: Report of the Work Group on Tipped Employee Pay Practices in the Federal Government and the Private Sector to the Federal Prevailing Rate, Advisory Committee, p. 17, December 7, 1981.

An example of the financial effects of the bartender exclusion from the tip offset provision was taken and extrapolated from Andrews AFB.

At Andrews AFB, the 15 Officers' Club bartenders earn an hourly wage of \$4.87, compared with \$4.57 for waiters and waitresses who are affected by the tip offset. The eight NCO Club bartenders earn \$5.59, compared with \$4.65 for waiters and waitresses. The bartenders in the Officers' Club work an average of 26 hours every two weeks, those in the NCO Club an average of 29 hours per two weeks. The potential yearly savings at Andrews from including all employees in the tip offset would not be large, about \$8,700.<sup>11</sup> On the assumption that Andrews is representative of the 150 major Air Force bases, the total savings from including bartenders in the tip offset would be \$1,306,812 per year. Again, this is a small savings, but what is unquantifiable yet nonetheless important is the morale improvement that would result from treating employees who work in close proximity to one another in a more equitable manner.

No: 15

Title: Child Care Center Staffing

Authority: AFR 215-27

Description: Staffing of child care centers as well as wages are not comparable to private sector centers.

Impact on MWR: Staffing and wage requirements in the Air Force lead to a higher operational cost than private sector centers. The example below indicates an almost 3 dollars per hour total higher overall labor cost in the AF child care center. This example center with 65 children would constitute a small center in the AF. The center directors at the AF and private sector earn about the same wage and for the most part handle similar supervisory and administrative matters. Because of the similarities, and the lack of teaching responsibilities, neither were included in the chart.

The two tables below identify the effects of the differing per hour cost of employees for the Air Force and the Private Sector. The examples are based on 65 children, the only difference in staffing ratio is that in private sector, the 2 and 3 year olds are grouped in the same classes. Where as in the Air Force they must be kept separated, and the 2 yr olds in the AF have a teacher-student ratio of 1 to 8 as opposed to 1-to-12 in the Private Sector. The 3 yr olds and all others have a ratio of 1-to-12 in both AF and Private Sector.

<sup>11</sup>  $[15 \times 4.87 \times 26 \times 26] + (8 \times 5.59 \times 29 \times 26) - [15 \times 4.57 \times 26 \times 26] + (8 \times 4.65 \times 29 \times 26) = \$8,712.08.$

### PRIVATE SECTOR STAFFING<sup>12</sup>

<u>NUMBER OF CHILDREN</u>	<u>AGE</u>	<u>EMPLOYEES NEEDED</u>	<u>STAFF COST PER HR.</u>
12	2-3	1 Senior Staff 1 Aid	\$5.00 3.35
40	3-6	1 Senior Staff 1 Group Leader 2 Aids	5.00 4.00 6.70
<u>13</u>	6+	1 Group Leader	<u>4.00</u>
65			\$28.05

### AF STAFFING<sup>13</sup>

<u>NUMBER OF CHILDREN</u>	<u>AGE</u>	<u>EMPLOYEES NEEDED</u>	<u>STAFF COST PER HR.</u>
6	2	Grade 3	\$4.69
6	3	Grade 3	4.69
40	3-6	Grade 3 Grade 2 Grade 2 Grade 2	4.69 4.32 4.32 4.32
<u>13</u>	6+	Grade 3	<u>4.69</u>
65			\$31.32

The difference in wages per hour between the two example centers is \$3.27. If this example is typical of the Air Force as a whole, then salaries paid for care givers in child care centers are about 10.4 percent higher than in the private sector. Information was not available on the wage costs in this category, so an extrapolation to the entire Air Force was not made.

No: 16

Title: Standard Job Descriptions

Authority: DoDM 1401.1-M-1 and AFR 40-7, Para 7-9

Description: Job descriptions are frequently too narrow.

<sup>12</sup> Source: Kathy Fuller, Montgomery County; Carol Ann Randolph, project manager, Parents at Work.

<sup>13</sup> Source: Gerry Gibson (Director, Andrews Child Development Center), Andrews AFB, and SWFA-NAF Survey 1984-1985.

**Impact on MWR:** This item is part of the communications problem. While managers are responsible for preparing job descriptions, the surveyed MWR managers believe that the job descriptions must fit the parameters established by the civilian personnel office, vice the CPO having the flexibility to meet manager's needs. The reactive rather than proactive approach, therefore, results in narrow job descriptions that limit the ability of MWR managers to allocate work assignments in a flexible manner. MWR managers state that tasks are so finely described in position descriptions that, for example, a waiter/waitress cannot be expected to dust the base of a table, or to sweep under it, as the need arises. Rather, a custodial worker must be called, whose job description covers the required tasks. This means reduced service to customers, and additional work to the NAFI.

No: 17

**Title:** Food Handler Certification

**Authority:** AFR 161-26

**Description:** Certain positions in the clubs and child care centers require a health certificate for food handlers.

**Impact on MWR:** The requirement per se is justified for health reasons and the protection of the customer; it is the lengthy certification process that constitutes an impediment to good management. Streamlining of the process would enhance productivity.

No: 18

**Title:** Workers' Compensation

**Authority:** 5 U.S.C. 8171-8173, 33 U.S.C. 901, AFR 40-7, para 12-4

**Description:** Some NAFI employees, but not all, are protected by the workers' compensation program. The MWR chief does not have authority for mandatory placement of workers' compensation employees after their release for return to altered/limited duty. Workers' Compensation employees are able to remain at home and collect full benefits even though they are physically able to return to work in a limited or altered capacity.

**Impact on MWR:** The current rules governing Workers' Compensation recipients keep employees off the job longer than is necessary. This policy wastes manpower and provides workers with little incentive to recover. Workers on altered or limited duty would often strive to return to their former job. If they must work, they would prefer their old job. Workers choosing between working and not working (with full Workers' Compensation benefits) often choose to stay home (and may act to prolong their time away from work). Allowing Air Force bases greater flexibility in managing the Workers' Compensation program would reduce personnel costs and improve service.



**No: 19**

**Title: Mix of Local National and United States Citizen Workforce**

**Authority: Status of Forces Agreements**

**Description:** The local MWR managers interviewed state that MWR activity managers at overseas bases lack the flexibility to substitute U.S. workers (particularly dependents of Air Force personnel) at will for local national workers and vice versa. Many positions in the MWR workforce are reserved for local national workers by the status of forces agreements between the governments of the United States and of each country hosting U.S. Air Bases.

**Impact on MWR:** This is a restriction that prevents MWR managers from reducing labor costs by changing the mix of the workforce between U.S. and local national workers. Opportunities arise for labor cost reduction due to such events as the increase in availability of workers in either category or changes in the exchange rate of dollars for the local currency. At a time when the value of the dollar is declining in relation to the local currency, it might be cheaper to substitute U.S. workers, paid in the devalued dollars, for local nationals. Currently, the local nationals, whose wage scale is fixed in local currency units, are costing the activity more and more each month due to the declining dollar exchange rate. It is recognized that correcting this issue involves other governmental agencies and could involve the Congress.

**No: 20**

**Title: Recruitment - Position Advertising**

**Authority: AFR 40-7, Chapter 4**

**Description:** Certain NAF positions, usually in the UA category, must be formally announced for at least three weeks, Air Force-wide. Even some NAF clerical positions require a five-day advertisement. This time is further stretched in preparation and approval of the proposed announcement.

**Impact on MWR:** Although the "system" encourages advertising career progression positions and should do so, the time and processing elements are impediments to an efficient hiring system. Again, this is costly to the MWR manager and discouraging to the applicant.

**No: 21**

**Title: Special Category Employment**

**Authority: 29 U.S.C. 793, EO 11758, 41 C.F.R., Part 60-741, 38 U.S.C. 2012, EO 11701, 41 C.F.R., Part 60-250, DoDD 4105.67, AFR 176-9, 40 U.S.C. 276a, 41 U.S.C. 351**

**Description:** NAFI contractors must take affirmative action to employ handicapped personnel, employ (and advance in employment) Vietnam-era veterans; and pay prevailing wage rates to their contract employees as determined by the Department of Labor.

**Impact on MWR:** The net result is overall increased costs to MWR. While the need for the affirmative action is recognized, funding these categories from NAF resources does put a strain on local unit budgets.

## ACCOUNTING AND FINANCE IMPEDIMENTS

Within the MWR accounting and finance functions there are a number of areas wherein changes could increase productivity and decrease labor costs. Similar to the personnel impediments, the areas involve an appropriated fund functional area management system being applied to a system (MWR) designed for a different purpose; effective communications and database and management information systems.

In regard to functional area management systems, the issue involves having MWR convert Universal Product Codes (used by all vendors/customers in stock record, stock selection, and inventory systems) to Air Force codes. Since MWR work centers use a much wider range between and among products than do standard USAF work centers, the MWR inventory management systems becomes more complex.

Regarding communications, the interview results imply that local managers are not familiar with how NAFFMB products are used by higher headquarters, and that the NAFFMB functions include more than support to base activities.

Third, the lack of state-of-the-art software for MWR database management and other management information systems has created a type of dichotomy. On the one hand, products are being developed which are supposed to assist local NAFI managers (and there is a manpower and equipment cost associated with providing that service). However, the local manager, due to questions regarding timeliness and appropriateness of data, has seemed to develop a separate paper-and-pencil recordkeeping system. Whether local managers have ever articulated their concerns and recommendations to higher headquarters was not ascertained, and that is an issue that overlaps with the communications issue.

Table 2.2 shows the accounting and finance impediments rated by MWR managers as the most significant. Full impediment detail follows.

**TABLE 2.2**

**RANKING OF IMPEDIMENTS WITH IMPACT RANKINGS  $\geq 3.5$**

**FUNCTION: FINANCE**

<u>IMPACT</u>	<u>FREQUENCY</u>	<u>ITEM NO.</u>	<u>IMPEDIMENT</u>
3.9	3.9	4.	The cost of the NAFFMB operation is high relative to services rendered.
3.7	3.3	1.	Stock numbers used by bases do not correspond to manufacturers' code numbers, causing inventory tracking systems to be overly complicated.
3.7	3.8	3.	No daily management information system is provided by the NAFFMB.

**KEY:**

**IMPACT**

1. No Effect
2. Minimal Effect
3. Some Effect
4. Substantial Effect
5. Very Significant Effect
6. N/A Not Applicable

**FREQUENCY**

1. Never
2. Rarely (Once or Twice per yr)
3. Occasionally (Once or Twice per mo)
4. Frequently (Weekly)
5. Constantly (Daily)

## **IMPEDIMENTS**

### **FUNCTION: ACCOUNTING AND FINANCE**

**No: 1**

**Title: Stock Numbers**

**Authority: AFR 176-10**

**Description:** The stock record system requires use of government stock numbers rather than manufacturer code numbers.

**Impact on MWR:** This causes a large increase in the quantity of internal control numbers; and adds to the complexity of the stock record, stock selection, and inventory systems. All products bought by the Air Force have Universal Product Codes, yet products must be identified with an internal control number for inventory purposes. There can be as many different stock numbers for ground beef as there are vendors. Furthermore, the size of the product introduces inventory complexities. Thus, if a facility sells four different sizes of hamburgers, there will be four different stock numbers; and if there are multiple vendors of the constituent ingredients, the volume of code numbers increases.

**No: 2**

**Title: Financial Statements**

**Authority: DoDI 7000.12, 31 U.S.C. 3513, AFR 176-10 17-4**

**Description:** Must prepare financial statements monthly for all NAFIs.

**Impact on MWR:** Given that many MWR work centers utilize limited resource levels, a monthly, rather than quarterly, financial statement seems excessive in manpower, equipment, and materials costs. There would appear to be measurable productivity gains if the system devised monthly and quarterly reports depending upon dollar levels, inventory turnover, etc., rather than monthly reports for all activities.

**No: 3**

**Title: Management Information System**

**Authority: None**

**Description:** The MWR managers interviewed believe there is no effective standard management information system, nor do they believe that the current systems are effectively automated. Specifically, good and current information on sales, expenses, manpower utilization, and income related to planned or budgeted projections are needed by MWR managers.

**Impact on MWR:** The lack of good management information systems thwarts the application of consistently effective management tools, hinders crossflow among and between installations, and detracts from the MWR chief's ability to set objective, measurable standards.

One NAFFMB representative offered the view that, while the present Accounting/Management Information System equipment is fairly new and up-to-date, the software packages in use are old and inefficient. They are off-the-shelf programs which were jury-rigged to accommodate NAFFMB requirements, and they are only just adequate to the task. Custom-designed programs are needed to handle specific requirements based on input from the system's users. These programs could readily be designed to be user-friendly and to provide meaningful management information to profit centers on a timely (daily) basis, at a modest cost. New programs should allow the individual NAFIs to input data directly into the NCR 9300 NAFFMB computer, or to prepare the data for input. The NAFFMB would then audit the NAFI inputs instead of inputting NAFI data, as is currently being done.

The same respondent noted that several bases have requested changes to the software in the past, and that none have received the necessary approval to proceed with updating the programs. All program changes at this time must be approved or initiated by HQ AFMC/DPMS. Neither approvals of explicit requests nor headquarters initiatives have been forthcoming. The plan suggested above would eliminate redundant tasks and save money while making meaningful and useful daily management information available to MWR managers. The NAFFMB at one base estimates that a reduction of \$75,000 per year in personnel costs could be realized if such a program were installed.

No: 4

Title: Cost of NAFFMB

Authority: DoDI 7000.12

**Description:** The costs for operating the NAFFMB are prorated amongst the NAFIs. However, much of the work done by NAFFMB is in support of higher headquarters requirements. The perception is that NAF work centers must pay to support higher headquarters requirements, rather than higher headquarters allocating resources to base level to support the total mission.

**Impact on MWR:** This appears to be one area where a more centralized approach would reduce costs significantly and provide more relevant and timely information to activity managers.

Most of the NAFFMB personnel interviewed sympathized with the MWR manager's plight. At Chanute Air Force Base, the ratio of NAFFMB costs to income is 13.2 percent (expenses are \$6,032 per month, on total sales and other income of \$45,598 per month). It is unlikely that a civilian business could or would continue to pay such a percentage for financial reports. The question then becomes the system for collecting data, the need for the data, and budget allocations from other than local levels to fund the requirements.

No: 5

Title: Restrictions on Shifting NAF Funds between Activities

Authority: AFR 176-1, AFR 176-10

**Description:** There are separate financial accounts for the NAFIs, and regulatory guidance prohibits shifting funds between accounts.

**Impact on MWR:** The establishment of one financial account for all NAFIs would provide the installation commander with increased flexibility to meet base needs. However, we would caution that such a program should not be implemented until quantifiable parameters and universal standards are developed.

## PROCUREMENT AND CONTRACTING IMPEDIMENTS

Three main procurement offices are available to MWR personnel, one appropriated fund office and two non-appropriated fund offices. The former is the Base Procurement Office where MWR personnel must purchase all appropriated fund supplies and equipment and all NAF purchase requests over specified dollar limits. The primary regulatory guidance used by this office is the Federal Acquisition Regulations (FAR).

Two main impediments exist in this process. The first, in effect another communications issue, is that base procurement personnel do not work very often or regularly with MWR supplies and equipment, and so are not familiar with the types of items needed. In addition, they do not have the day-to-day knowledge of industry sources for what is desired.

The second impediment, in effect the issue of functional management systems, is that the FARs were not written for MWR business operations, where timeliness and brand-name specifications are the norm, just as in the private sector. Items that are ordered through the Base Procurement Office can take up to 12 months for delivery. Additionally, under the FARs, the procurement office must buy the lowest-priced item if it meets given specifications. Since MWR managers, in turn, are not familiar with procurement requirements related to developing appropriate specifications constructs, the result is that MWR activities often receive substitutes for what was originally requested. These substitutes may be of poor quality and last considerably less time than somewhat costlier but much higher quality merchandise.

A second procurement office, and the primary outlet for NAF procurement, is the NAFFMB. This office normally procures items in a timely fashion and,



because of greater flexibility in the NAF procurement regulations, is able to procure items as specified by managers. The area which was frequently mentioned as an impediment, however, was the dollar limitations with which the NAF procurement offices must operate. Most respondents thought these dollar limits could be raised substantially, thereby precluding the need for many NAF requests from having to go through the lengthy appropriated fund procurement process..

The third source is the NAF procurement office at Randolph Air Force Base. This office received special praise from most MWR field personnel. They stated that the office was very responsive, was able to get good price quotes, and most importantly, worked with MWR activities on a full-time basis and knew industry sources very well.

Procurement impediments ranking at least 3.5 in significance are given in Table 2.3 with individual procurement impediments fully described in the pages that follow.

TABLE 2.3

RANKING OF IMPEDIMENTS WITH IMPACT RATINGS  $\geq 3.5$ 

## FUNCTION: PROCUREMENT

<u>IMPACT</u>	<u>FREQUENCY</u>	<u>ITEM NO.</u>	<u>IMPEDIMENT</u>
4.6	3.9	3.	The procurement process for APF and major NAF purchases is too lengthy and cumbersome.
4.3	3.5	5.	The base Procurement Office often buys lowest cost items rather than items requested.
4.2	3.5	4.	NAFIs must award to the lowest bidder unless negative determinations can be documented.
3.9	3.2	2.	The dollar limit on NAF non-competitive procurement is too low.
3.9	3.6	9.	The rules for local NAF procurement authority are too restrictive.

## KEY:

IMPACT

1. No Effect
2. Minimal Effect
3. Some Effect
4. Substantial Effect
5. Very Significant Effect
6. N/A Not Applicable

FREQUENCY

1. Never
2. Rarely (Once or Twice per yr)
3. Occasionally (Once or Twice per mo)
4. Frequently (Weekly)
5. Constantly (Daily)

## **IMPEDIMENTS**

### **FUNCTION: PROCUREMENT**

**No: 1**

**Title: Alcoholic Beverages**

**Authority: PL 99-190 8099**

**Description:** NAFIs are required to procure beer and wine from in-state sources.

**Impact on MWR:** Prior to passage of this law, MWR managers and MWR central procurement made purchases from out-of-state sources as well as from producers when prices warranted such purchases. The public law now prevents the purchase of beer and wine directly from the producer at the lowest possible cost. This, in particular, limits cash savings to large, high-volume clubs. As reported by the Assistant Secretary of Defense, Force Management and personnel, in a 22 December 86 memorandum to the Senate and House Armed Services Committee, the dollar loss to DoD MWR activities was \$22M in the first year and \$46M in the out years.

**No: 2**

**Title: Non-Competitive Procurement**

**Authority: AFR 176-9, para 4-2**

**Description:** Competition is required for those purchases exceeding \$1,000 for all items. Competition is not required for those purchases not exceeding \$1,000, if the price is determined to be fair and reasonable. If price reasonableness cannot be determined based on quotations for items priced under \$1,000, then price competition takes place.

**Impact on MWR:** The current Dollar Level Restriction has an adverse impact on productivity. MWR personnel feel that the dollar limits are too low, causes procurement delays and requires additional, unnecessary paper-work.

**No: 3**

**Title: Appropriated Fund Procurement Process**

**Authority: AR 215-4 and Federal Acquisition Regulations (FAR)**

**Description:** The APF procurement process is complex, very detailed, and results in the need for long lead times. The system is not geared to supporting MWR-type activities. Base procurement personnel are not accustomed to procuring non-standard MWR supplies and equipment, nor are MWR managers familiar with APF procurement procedures.

**Impact on MWR:** Compared to the NAF procurement offices, the APF procurement office represents a formidable barrier to MWR managers. The system is extremely complex and requires advanced strategic planning for goods to arrive when required. Although a database is not yet available, the interviews point to the

possibility that some NAF managers make last-minute NAF purchases at higher costs rather than go through the APF procurement process. This implication was confirmed by a number of MWR managers.

**No: 4**

**Title: MWR Bid Awards**

**Authority: DoDI 4105.67**

**Description:** MWR managers must award contracts to lowest bidders unless negative determinations can be well documented.

**Impact on MWR:** Inferior supplies and equipment are often received by NAFIs as a result of award to the lowest bidder requirement. The process of rejecting the bid award creates a paperwork flow and time lags that appears punitive to MWR managers.

**No: 5**

**Title: APF Procurement Process**

**Authority: Federal Acquisition Regulations (FAR)**

**Description:** Base procurement office must buy lowest-cost items.

**Impact on MWR:** MWR managers claim to often receive inferior products due to the requirement to purchase from the lowest bidder. This may also translate to a failure to meet the desires of patrons. A prime example is in fitness center equipment. The leading manufacturers of such equipment are Nautilus and Universal but many managers state that they are forced to buy off-brand equipment due to excessive emphasis on pricing considerations. Other examples cited were furniture for the clubs, as well as high chairs and playpens for child care. The merchandise received was cheaply constructed and in many cases fell apart within one year of receipt. More specifically, a club purchased chairs through appropriated fund channels, the chairs lasted between 6 and 12 months as compared to NAF-procured commercial-grade chairs that presently are 30 percent more costly per unit, but have been in use for seven years.

**No: 6**

**Title: Commissary Purchases**

**Authority: None**

**Description:** This is a local installation issue item. NAFIs may purchase items from the commissary for use in their activities. Activities are restricted however as to the days and personnel who may pick up orders.

**Impact on MWR:** Normally there are dollar savings involved with purchasing from the commissary. The day and time restrictions affect those activities that have neither sufficient personnel for ordering and pick-up purposes, nor an assigned

vehicle available at the date and time allocated. This item best serves as an illustration of local rules levied upon the MWR function that are perceived as an irritant.

**No: 7**

**Title: Central Procurement**

**Authority: AFR 176-9**

**Description:** While the central procurement office was praised for its responsiveness, there are limitations to utilizing its services. Mandatory central procurement for certain items is purported to limit buying opportunities. Although central procurement normally provides lower prices due to quantity purchases, there are many instances where local managers would lose the opportunity for specials or seasonal sale prices.

**Impact on MWR:** Additional costs to the NAFIs are incurred because the claim is that the system is too inflexible to accommodate short-term seasonal variations or special sale opportunities. NAFIs would benefit from the flexibility to use both central as well as activity-level procurement systems. There is a need then to devise, document and publicize parameters that permit local managers to sustain the opportunity for special sales prices while still utilizing the services of central procurement.

**No: 8**

**Title: Procurement of Items from the Blind and Handicapped**

**Authority: 41 USC 46-54**

**Description:** NAFIs must procure certain items from the blind and severely handicapped.

**Impact on MWR:** Although MWR managers understand the rationale for this requirement, it does restrict NAFIs' ability to purchase high-quality items at the lowest possible cost.

**No: 9**

**Title: NAF Procurement Authority**

**Authority: AFR 176-9**

**Description:** Contracting authority for NAF purchases at the installation level is limited to \$25,000 for resale items, and to \$2,500 for non-resale and Individual-Support Non-appropriated Purchasing (I-SNAP) Program items. For NAF purchases over \$25,000 for resale items and \$2,500 for non-resale and I-SNAP Program items, the procurement is performed by the APF contracting office.

**Impact on MWR:** The lead-time required in the procurement process and transfer of the acquisition process from the MWR manager's control, is of concern to a number of MWR managers as the process delays maximum service to the servicemember and places MWR managers in a reportably embarrassing position when they are unable to predict when the product will be available.

**No:** 10

**Title:** Regulatory Restrictions on Various Commodities

**Authority:** AFR 215-6, AFP 215-32

**Description:** Regulations place complicated compliance restrictions on delivery of certain products and services, i.e., vehicles, data automation, and interior design services.

**Impact on MWR:** Long lead times and receipt of goods and services that do not meet the needs/desires of NAFI managers or customers are common. MWR personnel were highly complimentary toward the AF/NAF Procurement Office at Randolph AFB. They did state however that vehicle procurement was a very weak area which takes an inordinate amount of time, and that the vehicles usually end up being purchased from a local dealer anyway.

The AF Interior Design program was singled out for criticism due to the time needed to get on a priority list and the disappointing end product. Managers were disappointed that they have to send purchase orders back through the interior designers to ensure that the right items are being ordered from the proper vendor. The process is extremely cumbersome and time-consuming.

There is still considerable confusion in the field concerning data automation/computer purchases. Although the Air Force has issued instructions for MWR computer purchases, MWR personnel stated that they still had to go through the base data automation office for procurement actions. This requirement causes considerable delays because that office is not always current on MWR policies. Further, there were concerns about the lack of standardized software packages to support their programs.

**No:** 11

**Title:** Foreign Products

**Authority:** 41 U.S.C. 10 a-d, 9 U.S.C. 2501-2582

**Description:** With some exceptions, NAFIs are required to purchase products of U.S. origin.

**Impact on MWR:** This requirement may raise costs and prices, and/or it may contribute to a failure to satisfy the needs of the MWR customers.

## CONSTRUCTION IMPEDIMENTS

The long lead times, project slippages, and approved funding levels lower than the amount requested, result in installations having less than adequate facilities, excessive maintenance costs, and overall, poorer service to military members and their families.

Personnel interviewed readily understood the reason and need for Congressional involvement in MCP projects, but were dismayed with Congressional involvement in NAF funded projects, whether generated either at base level or received through the prioritization process at MAJCOM or USAF level.

MWR managers were particularly concerned with project slippages and the occasional reprioritizing of projects that result in cancellation of previously scheduled projects. The specific impediments discussions again, reflects a communications issue, i.e., there is a lack of understanding of the overall budget process; specifically how original prioritization plans must be reaccomplished when appropriated funding levels are less than the amount requested.

A secondary concern voiced by MWR managers is their perception that NAFI design projects are so low in priority compared with other projects, that the civil engineers require an inordinately long period of time to design the project.

Table 2.4 shows the ranked construction impediments with detail given next.

TABLE 2.4

RANKING OF IMPEDIMENTS WITH IMPACT RATINGS  $\geq 3.5$

FUNCTION: CONSTRUCTION

<u>IMPACT</u>	<u>FREQUENCY</u>	<u>ITEM NO.</u>	<u>IMPEDIMENT</u>
4.3	3.2	7.	NAFIs are subject to the Civil Engineers' design priorities.
3.9	3.0	9.	Restrictions exist against Civil Engineers installing NAF property in APF buildings.
3.8	2.9	1.	MWR construction projects must obtain multiple levels of project approvals.
3.8	2.9	2.	Frequent changes in MAJCOM APF construction priorities hinder scheduled MWR construction.
3.8	2.8	6.	Major NAF construction projects must follow Federal acquisition regulations.
3.8	2.9	4.	NAFI contractors must pay prevailing rates as determined by Secretary of Labor in conjunction with service contracts, construction, alternation, and repair projects.
3.6	2.7	3.	The "Waiver to Fund" (mixing APF and NAF funds (process is too cumbersome).

KEY:

<u>IMPACT</u>	<u>FREQUENCY</u>
1. No Effect	1. Never
2. Minimal Effect	2. Rarely (Once or Twice per yr)
3. Some Effect	3. Occasionally (Once or Twice per mo)
4. Substantial Effect	4. Frequently (Weekly)
5. Very Significant Effect	5. Constantly (Daily)
6. N/A Not Applicable	



## IMPEDIMENTS

### FUNCTION: CONSTRUCTION

No: 1

Title: Project Approval Levels

Authority: DoDI 7700.18

**Description:** MWR must obtain varying levels of project approval depending on project dollar amounts. Project approval can vary from base commander to Congress, depending on project size.

**Impact on MWR:** For projects over \$500,000 approvals must be received from MAJCOM, HQ USAF, and Congress. Projects of this size now take 5-6 years from conception to completion, which causes increased construction costs, and deprives customers of a facility.

For example, in October 1983, Scott Air Force Base requested a design for six racquetball courts. In March 1985, approval was granted for a three court effort with an estimated cost of \$290,000. After a bid of \$508,000 was received, the project was canceled. Then in February 1986, a new bid was solicited, and in March 1986, an additional \$90,000 of NAF monies were used to cover the lowest bid received of \$379,000. By February 1987, the project was only 65 percent completed. The construction is anticipated to be finished at the end of March 1987, for a construction cycle of almost four years. According to a 1986 Army MWR study, construction for similar facilities in private industry takes only 18 months on average.<sup>14</sup>

On the assumption that each of the three courts would be utilized 70% of 10 hours per day, the loss in the number of court hours over the 30 months difference in construction time would be about 19,000.<sup>15</sup> The actual number of player hours lost would be dependent on the average number of players using the courts per court hour.

A consensus of those interviewed is that it takes an average of five years from conception to completion of a MCP or major NAF project. Such a lengthy design-bid-build process not only deprives patrons of an updated facility, but it also significantly raises the cost of construction.

No: 2

Title: Changes in Construction Priority Lists

Authority: None

<sup>14</sup> Management review of the Army's Morale, Welfare and Recreation (MWR) programs and monies, Volume 1 - overview, Dec. 1986, the Orkand Corporation/Syllogistics, Inc.

<sup>15</sup> 3 courts multiplied by 70% use during the 10 operating hours per day, multiplied by the number of days in 30 months, (912) = 19,152. The social welfare loss from the reduction in MWR service attributable to construction delays is consequently "narrower" and "deeper" in its impact than if each would-be participant played only once.

**Description:** This occurs in both the APF and NAF construction programs. In both, base projects have to compete with other MAJCOM bases for fiscal year prioritization, and then compete at the USAF level for funding and prioritization. Due to long programming lead times, Congressional decisions, mission changes, other base priorities and command direction, there is a strong perception of continual project slippage.

**Impact on MWR:** The priority list changes cause difficulties for both the base MWR and engineering staffs, as projects slip to later years, decisions have to be made such as how much maintenance and repair money should be expended to keep an old building serviceable until a new building is constructed. It has been reported that in some instances, maintenance funds were limited to safety features only. The net result is that in a number of instances, the Air Force has marginally acceptable facilities for military members and service families.

**No: 3**

**Title:** Waiver to Fund Process

**Authority:** AF 86-1, Vol 2, para 15

**Description:** If a base wants to use NAF monies to fund a project that should be funded with appropriated funds, it must get approval from higher headquarters. MWR managers believe their base is "being held hostage" in those instances when Congress rejects certain APF-funded projects and at the same time they are refused approval to use NAF to fund the project.

**Impact on MWR:** This deprives MWR and base personnel of the use of facilities which they believe that they need on a priority basis. It also sends the wrong signal to servicemembers who perceive the lack of facilities or marginal facilities, as a symbol of non-support.

**No: 4**

**Title:** Wage Rates

**Authority:** 40 USC, paras 328, 329

**Description:** Construction contractors are required to provide for eight-hour days and overtime for their employees. A safety program is also mandated. The effects of the Davis Bacon Act increase the costs of NAF construction projects compared to private projects.

**Impact on MWR:** GAO estimated that 40% of Federal construction projects were inflated due to wage costs and administration of the Davis Bacon Act by 3.4 percent<sup>16</sup>. Applying these factors to 1986 NAF Construction Figures shows:

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<sup>16</sup> June 14, 1979 Statement of the Comptroller General of the United States before the Subcommittee on Labor Standards, House Committee on Education and Labor on The Davis Bacon Act Should Be Repealed, GAO document HRD-79-18, April 27, 1979.

	<u>CONSTRUCTION FUNDS<sup>17</sup></u>	<u>COST PER HR</u>
APF	65.6M x (40%) x 3.4% =	\$ 892,160
NAF	45.4M x (40%) x 3.4% =	<u>\$ 617,440</u>
TOTAL		\$1,509,600

No: 5

Title: Design Criteria

Authority: DoD 4270.1M

**Description:** NAFIs are required to comply with square footage and space criteria limitations for facilities, according to such variables as installation size, user priorities and active duty member/family populations. These do not always reflect true facility demand.

**Impact on MWR:** Buildings are being constructed that do not always meet the needs/requirements of MWR activity. This is especially true of the installations in the sunbelt which have large populations of retirees which are not included in the determination criteria. This not only leads to insufficient facilities, but it detracts from the services that can be offered to military members and families, as well as causing the loss of revenues within certain NAFIs.

No: 6

Title: Federal Acquisition Regulations

Authority: AFR 176-9, para 1-6(c)

**Description:** NAF construction projects (over \$25,000) must follow Federal Acquisition Regulations (FAR).

**Impact on MWR:** This entails a process whereby MWR loses all control over the project; the process is long and cumbersome and in most cases will increase NAF construction costs due to inflationary factors caused by time delays.

At one of the bases visited, the design conception for a project to repair the gym was begun in 1983; as of September 1986, 95 percent of the design only was completed. This project will not be completed by its scheduled deadline of 1987. Another project for the repair of an NCO club was started in 1983, with plans for completion by 1985. As of September 1986, repairs were only 87 percent completed.

Examples such as these may be replicated at many installations. The cost in terms of the opportunity cost of funds is enormous, even in a low-inflation environment. To such costs must be added the lost revenues from patrons who no longer utilize the facilities, with more time required to regain their patronage back at the installation MWR facilities.

<sup>17</sup> Construction estimates given by AFMPC, MWR staff, Randolph AFB.

**No: 7**

**Title: Civil Engineer Design Priority System**

**Authority: None**

**Description:** NAFIs are subject to the base Civil Engineer's design priority system.

**Impact on MWR:** This affects NAFI design projects from both a time and a money perspective. Due to NAFIs' low priority vis-a-vis other projects, it takes an inordinate amount of time for a project to be designed by base civil engineers. However, if the project is done by a civilian architectural-engineering firm, the design will be done more quickly but the NAFI must pay the cost.

**No: 8**

**Title: Currency of AFR 86-1, Vol 2**

**Authority: None**

**Description:** Civil engineering employees questioned the currency of AFR 86-1, Vol 2, and stated that many of the standards were outdated. However, during the course of the study and visits to bases, a new AFR 86-1 had just been distributed.

**Impact on MWR:** Under the prior system, there were significant questions and concerns as to the applicability of USAF CE standards to MWR projects. Since the engineers visited had not had the opportunity to review the new AFR 86-1, any impact statement must be deferred.

**No: 9**

**Title: Installations of NAF Property in APF Buildings**

**Authority: DoDD 1015.6**

**Description:** Base civil engineers are restricted from installing NAF property in APF buildings.

**Impact of MWR:** In a private corporation, company equipment can be installed in any company building. This is not the case regarding NAF property in appropriated fund buildings. This places a significant burden and expense on MWR. There are many legitimate reasons for using non-appropriated funds to purchase needed/authorized equipment, in particular when no appropriated funds are available.

**No: 10**

**Title: Project Design and Construction**

**Authority: AFR 176-9**

**Description:** An architectural engineering (A&E) firm designing a MWR project may not construct the project without agency head approval.

**Impact on MWR:** This has a significant impact on timeliness because after a project is designed, it then has to go back through the complex appropriated funding process.

## MARKETING IMPEDIMENTS

There are numerous ways in which MWR marketing opportunities could be exploited to improve service, reach new patrons, reduce costs, or increase revenues. However, in reviewing the impediments to realizing these opportunities, there appears to be a dichotomy between the Army Air Force Exchange Service and MWR missions. The perception is the AAFES represents a type of unfair competition and support of its rules and regulations result in lost revenues to MWR, and hence lost service to military members and families. The impediments MWR managers felt affected the MWR operations most significantly are given below. All are described in the detailed impediments section.

TABLE 2.5

### RANKING OF IMPEDIMENTS WITH IMPACT RATINGS $\geq 3.5$

#### FUNCTION: MARKETING

<u>IMPACT</u>	<u>FREQUENCY</u>	<u>ITEM NO.</u>	<u>IMPEDIMENT</u>
3.9	3.2	8.	Restrictions exist which prohibit MWR activities from competing for APF contracts for services.
3.8	3.9	2.	NAFIs are restricted to certain classes of patrons.
3.8	3.6	3.	NAFIs are restricted in advertising.
3.8	3.6	5.	Pricing restrictions are imposed by outside agencies.
3.8	3.3	6.	NAFIs may not solicit commercial sponsorship.

#### KEY:

<u>IMPACT</u>	<u>FREQUENCY</u>
1. No Effect	1. Never
2. Minimal Effect	2. Rarely (Once or Twice per yr)
3. Some Effect	3. Occasionally (Once or Twice per mo)
4. Substantial Effect	4. Frequently (Weekly)
5. Very Significant Effect	5. Constantly (Daily)

## **IMPEDIMENTS**

### **FUNCTION: MARKETING**

**No: 1**

**Title: Limitations in Goods and Services**

**Authority: DoDI 1330.18, AFR 176.1**

**Description:** NAFIs are restricted in the types of goods and services that can be offered to patrons. An example is resale items that MWR managers may wish to offer, but for which AAFES has first option.

**Impact on MWR:** MWR often cannot provide the services and resale activities desired by patrons. This results in reduced service and sales, and a loss of potential income, and it conveys an image of MWR that is less than positive. The following is an example of AAFES taking a profitable service away from MWR.

A car rental business was established and operated profitably by the MWR-sponsored auto shop at two bases. Impounded "drug-runner" vehicles were provided by the Department of the Interior. The installation MWR program bought insurance policies, and the auto shop provided mechanical and body work for state inspections. One of the bases visited provided one pickup truck, five passenger cars, and three vans to military personnel, most of whom were flight students on temporary duty. The rates were reasonable, usage was high, and the base MWR program made \$9,390 over eight months.<sup>18</sup> However, the MWR vehicle rental business came to a halt when AAFES decided to enter the field. The car rental business at these two bases has now been completely privatized. AAFES has a concessionary contract with an off-base company. The service is more expensive, usage rates are down considerably.

**No: 2**

**Title: Patron Limitations**

**Authority: DoDI 1015.2, AFR 215-1, para 6**

**Description:** MWR activities are restricted to certain prioritized classes of patrons. The local commander only decides within that priority order where to set a cut-off point.

**Impact on MWR:** Installation commanders and MWR managers lack the flexibility to broaden their markets to potential customers, as private sector firms are able to do. This can contribute to lost revenues and contribute to problems in base-community relation.

<sup>18</sup> Between April 1985 and January 1986, income was \$12,586 and maintenance costs were \$3,195, for a profit of \$9,390.

No: 3

**Title:** Advertising Restrictions

**Authority:** DoDI 1015.2, AFR 215-1, para 5

**Description:** MWR activities are restricted in their advertising program.

**Impact on MWR:** If one visits college or high school campuses, or various sports arenas, you would see items such as scoreboard, refreshment stands, and small amenities bearing the logo of a commercial concern (Coke, Pepsi, STP, as examples). All of these items are purchased and installed by the commercial concern. They are a method of advertising for the concern, provide a needed service to the school or sports arena, and offset costs to the user. MWR activities are precluded from enjoying these offsets. These restrictions deprive revenue sources readily accessible to their private sector competitors. By reaching a wider audience and accepting commercial advertisements, a much higher quality product could be offered without a commensurate price increase.

The study team learned from Scott Air Force Base that DoD instructions prevent the installation of tee information signs that contain advertising. These signs have to be of very high quality to hold up well under heavy wear, and thus they are expensive.

The cost to the NAFI to install signs for one golf course is approximately \$3,600 to \$5,400. There are 107 golf courses in the Air Force. To install signs that are paid for through advertising would save between \$385,200 and \$577,800<sup>19</sup>, on the assumption that all 107 golf courses are 18-hole courses. Those savings could then be allocated to other non-revenue generating activities.

No: 4

**Title:** Acceptance of Gifts

**Authority:** AFR 176-1

**Description:** NAFIs may accept, but may not solicit, gifts from outside the Air Force. The gift may not be publicly acknowledged.

**Impact on MWR:** This entails a loss of revenues, goods and services that are readily available to private sector companies. Examples are support for athletic teams such as team uniforms, scoreboards and financial contributions.

No: 5

**Title:** Pricing Restrictions

**Authority:** DoDD 1015.3-R

**Description:** NAFIs must sell Class VI items at prices within 10 percent of local area prices. AAFES is not faced with such restrictions.

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<sup>19</sup> (107) \* (\$3,800); (107) \* (\$5,400).



**Impact on MWR:** Rigid pricing restrictions prevent NAFIs from establishing pricing levels which would allow them to compete in a free market environment. For example, NAFIs at Patrick Air Force Base sell Bartle and James wine coolers for \$3.25 a six-pack, while the base exchange is able to sell the same item for \$2.75 as a loss leader. If customer demand is very responsive to price differentials, this 50-cent difference could mean substantial lost revenues for the NAFIs as shoppers patronize the exchange. Further, AAFES loss-leader activities where MWR has the same product available only results in customer shifts rather than true overall gains. Since a greater proportion of MWR revenue remains with the installation, as opposed to AAFES, such customer shifts result in lower levels of monies available for MWR services.

**No: 6**

**Title:** Commercial Sponsorship

**Authority:** DoDI 1015.2

**Description:** NAFIs may not solicit goods or services from outside the Air Force.

**Impact on MWR:** There is a potential loss of revenue from commercial vendors/activities. This is especially true in the Recreation Services area, where companies are willing to sponsor all levels of teams, from varsity to intramural to youth programs. These companies often are prepared to buy uniforms and equipment for minimal acknowledgement on the uniforms. For example, a local radio station near one base wished to run a bowling promotion with a value of \$18,180 (to include advertising, daily winners, painting of pins, banners and score sheets) over a five-week period. The station sent a request to the bowling manager as well as to other local bowling centers. The plan was denied as being in violation of Air Force regulations covering endorsements of private organizations. The Air Force regulation was promulgated to comply with DoD direction.

**No: 7**

**Title:** Commercial Credit Cards

**Authority:** AFR 176-10

**Description:** All commercial credit card systems must be approved in advance by HQ AFMPC/MPCSC through the MAJCOM.

**Impact on MWR:** This requirement delays the implementation of credit card service and deprives customers of the opportunity to purchase desired goods and services. Also, revenue is lost in the interim, because customers are more likely to make more and larger purchase at establishments where credit is extended.

**No: 8**

**Title: NAFI Sales to the Government**

**Authority: AFR 176-9**

**Description:** NAFI activities are prohibited from competing for appropriated fund contracts for services, for example, Arts and Crafts making plaques, frames and protocol memorabilia for organizations.

**Impact on MWR:** This restricts NAFIs from a potential revenue source and prevents them from effective marketing of their products and services.

## **OTHER IMPEDIMENTS**

There are numerous impediments having to do with how MWR goods and services are produced, maintained, and marketed; these the study team grouped broadly under the heading "Other." The ranking of these impediments is given in Table 2.6.

A review of the three top ranked impediments demonstrates the communications issue. The problems with communications seems to have created an underlying dysfunctional conflict between MWR managers, local commanders, and functional managers at base level and higher headquarters. That these items rank as high as they do and with the frequency levels listed, indicate that this is a real and pervasive issue that needs to be managed. We use the word "managed" recognizing that conflict per se will never be eliminated (any in many instances is healthy). The communication issue is also demonstrated in the perceived "split personality" of the MWR program. MWR managers believe a fundamental conflict exists between the two primary views of what MWR should be. These managers believe that MWR as a service benefit (exists for the morale and welfare support of the military mission) conflicts with the growing stress on profitability (MWR activities ought to be self-sustaining). While a conflict does exist, there is a need to focus on the concept that the two viewpoints can be, to a degree, merged.

Associated with concerns over outside involvement in MWR affairs is the matter of outside regulation. As noted earlier, Congress oversees and has approval authority over all major construction projects, including those funded with an installation's NAF funds. Congress also wields heavy influence over local pricing decisions, i.e., Class VI stores, golf and bowling. Additionally, HQ USAF issues numerous policy directives/decisions which dictate the manner in which bases will

operate their MWR programs. These instructions cover the entire spectrum of operations, from personnel to procurement to financial management to construction. The major commands then tailor MWR programs under their control to their own particular needs. As a consequence, Air Force MWR programs worldwide are dissimilar; bases in close proximity to one another but under separate commands may lack common amenities and interests. While these differences are based upon legitimate requirements, a failure to understand the reasons for the differences could create misperceptions concerning levels and types of service.

**TABLE 2.6**

**RANKING OF IMPEDIMENTS WITH IMPACT RATINGS  $\geq 3.5$**

**FUNCTION: OTHER**

<u>IMPACT</u>	<u>FREQUENCY</u>	<u>IMPEDIMENT</u>
4.7	4.5	3. Non-MWR personnel are too heavily involved in the MWR decision making process.
4.6	4.5	4. MWR activities must accommodate a basic conflict in mission between operating as a "service" and a "business" organization.
4.6	4.6	2. Too many regulations restrict MWR managers' ability to make routine business decisions.
4.4	3.8	1. Class VI store profits must be shared with higher headquarters.
4.0	3.4	7. Restrictions limit dollar value for bingo prizes and prohibit tab bingo.
3.6	3.1	6. NAFIs may not purchase resale items from GSA distributors.

**KEY:**

<u>IMPACT</u>	<u>FREQUENCY</u>
1. No Effect	1. Never
2. Minimal Effect	2. Rarely (Once or Twice per yr)
3. Some Effect	3. Occasionally (Once or Twice per mo)
4. Substantial Effect	4. Frequently (Weekly)
5. Very Significant Effect	5. Constantly (Daily)

## **IMPEDIMENTS**

### **FUNCTION: OTHER**

**No: 1**

**Title: Class VI Profits**

**Authority: AF Welfare Board**

**Description:** Profits from Class VI stores can be used only for capital expenditure items/projects, not for operational expenses. Profits must also be shared with higher headquarters.

**Impact on MWR:** This limits the amount of funds available to MWR to meet base needs and also restricts the base's authority to use the available funds to support local programs. Currently, four percent of the total sales of Class VI stores go to the Air Force, with each command setting its own assessment policy based on individual needs (there is no Air Force assessment for clubs).

To illustrate the impact of such levies, TAC Headquarters remitted \$1,083,133 to the Air Force in Fiscal Year 1985, representing four percent of total Class VI sales for 18 bases. Another six percent of sales, or \$1,624,699, went to TAC. For Fiscal Year 1985, the total assessment against Class VI store profits was \$8,938,200.<sup>20</sup>

The implication that AFMPC and MAJCOM MWR managers should either reduce the levies or more effectively communicate the rationale for the levies.

**No: 2**

**Title: Regulatory Guidance for MWR Managers**

**Authority: Regulatory Body Including Public Laws, DoDI's, AFR's, etc.**

**Description:** The extensive regulatory guidance that MWR personnel/managers must deal with sharply limits their ability to manage effectively.

**Impact on MWR:** MWR managers believe that program/service quality suffers as MWR managers are so tied down in regulatory guidance that they don't have time to do proper program planning. Every functional area of MWR, be it personnel, procurement, construction or administration, is perceived as so cumbersome and complex that the MWR staff and activity managers stay almost fully occupied dealing in minutiae and don't have the time to do proper program planning.

<sup>20</sup> Source: NAF Financial Facts, Fiscal Year 1985. The Air Force assessment was \$4,259,200; the command assessment, \$4,679,000.

**No: 3**

**Title: MWR Decision Making Process**

**Authority: Implied in Current MWR Structure**

**Description:** Non-MWR personnel are too heavily involved in the decision-making process.

**Impact on MWR:** The MWR managers under pressure (real or perceived) to improve their cost-benefit ratios are concerned with the dilemma of continued action to provide services without offsetting fees. Several instances were cited in which commanders ordered facilities to be opened early in the morning (such as clubs for breakfast, or child development centers for parents with early work schedules) or after duty hours (especially the case for child development centers) although participation rates did not justify the hours from a cost-benefit standpoint. Commanders also influencing the priority system for program planning or construction to accommodate service to military families, rather than according to sound business criteria. Such instances exemplify the real conflict between "service" and "sound business" orientations.

**No: 4**

**Title: Service Organization versus Business Organization**

**Authority: None**

**Description:** There is a fundamental conflict between patrons' perception of MWR activities as a "service" versus a "business" organization which is more financially (bottom-line) oriented.

**Impact on MWR:** Related to the prior impediment, MWR managers perceive that a negative view of many MWR activities arises when efforts are made to make activities self-sufficient or profit-generating. Military personnel and their family members perceive the MWR program as a benefit and are accustomed to activities being subsidized and charging low prices for particular goods and services, so that when an attempt is made to charge a fair market price for goods and services, there are many negative reactions. Those reactions can contribute to a lessening of pride in unit, and eventually be a factor in the re-enlistment decision.

**No: 5**

**Title: Interior Design Program**

**Authority: AFR 215-6, AFR 215-32**

**Description:** MAJCOM and AFMPC interior design programs are not timely, are overly restrictive, and do not meet the needs/desires of local base facilities.

**Impact on MWR:** MWR managers believe there are years-long waits to get on the Interior Design Priority Lists. A number report that they have received plans with which they are not happy. Yet because of the length of time it took to get to that point, they generally accept the design package anyway. They are told what type of furniture, equipment and accessories to order; then, when purchase orders are

prepared they must go back to the Interior Design staff to check that the base is ordering the proper merchandise. The entire process is untimely, cumbersome and does not appear to meet the needs of MWR activities. The implication is to streamline the process with more priority given to local level requirements-generated input.

**No: 6**

**Title:** Purchase from GSA Distributors

**Authority:** AFR 176-9, para 1-7(o)

**Description:** NAFIs are not allowed to purchase from GSA schedule distributors for resale to authorized patrons.

**Impact on MWR:** This unnecessarily prevents NAFIs from buying at discount rates and passing the savings on to the customers.

**No: 7**

**Title:** Bingo

**Authority:** AFR 215-11

**Description:** Tab bingo is prohibited and there is a limit on the dollar amount of bingo prizes.

**Impact on MWR:** This appears to be a local installation issue. The potential income that could be realized from bingo games is restricted. This is especially true in those areas where other organizations sponsor high-dollar bingo prizes. In those areas, base bingo nights are not competitive, attendance is low, and bases are dropping bingo from their schedule.

**No: 8**

**Title:** Child Care for the Very Young

**Authority:** Command Directive

**Description:** Child Development Centers provide specialized infant care for children between six weeks and six months of age.

**Impact on MWR:** When the national decisions were made to transition to the all-volunteer force and to increase the opportunities for women in the military, it was recognized that there would be an increase in military member families (where both husband and wife are in the military). Subsequently, to sustain equity in duties and foster readiness, the decision was made to provide child care facilities. However, these facilities came under the purview of the MWR umbrella rather than as an appropriated fund activity. This service is virtually unavailable in civilian child care centers. Although the service varies from base to base,

depending on space availability, where it is offered it causes a drain on child care income due to the low child-to-attendant ratios and the special equipment needed for this age group. As the infants normally belong to lower-graded personnel, Child Development Centers cannot charge this group a high enough rate to break even.

No: 9

Title: HQ USAF MWR Organizational Structure

Authority: Implied in Current HQ USAF Structure

Description: Major commands are organized by military mission rather than geographic location. Consequently, there are bases in the same regions running MWR programs that differ widely, based upon policy guidance received from their respective major commands.

Impact on MWR: The lack of standardized MWR programs among bases in close proximity but in different commands causes credibility problems for MWR activity managers as personnel travel between bases.



## CONCLUSION

As the examples provided in this section demonstrate, there are many impediments to efficient MWR functioning, extending from the large and substantial to the minuscule and perceptual-only.

Many of the impediments, real and perceived, are contributing to dysfunctional conflict. The lack of an effective communications program, the required utilization of management systems/structures designed for other purposes, the lack of an encompassing management information system are major problems.

The resultant impact upon MWR managers, along with continual pressures to improve efficiency is apparently causing a great deal of stress among MWR managers, as illustrated in the adversarial types of attitude in explaining some of the impediments.

Of more concern, however, is that at the grass roots level, these managers are receiving negative feedback from servicemembers as "efficiency programs," "cost-benefit requirements," and "self-supporting" actions are being implemented. We recognize that the current and forecasted budget deficit precludes "business as usual." However the current external pressure to convert the MWR program to a self-sufficient and/or profit-oriented program is detrimental to readiness and could be far more costly in the long run. The MWR program is an important element in binding the Air Force community together. Cutting into the revenue generating activities (under the flag of self-sufficiency) will result in diminished or lost services in the non-revenue generating areas. It is these non-revenue generating activities, such as child care centers, where the need is most essential and visible to the young servicemember and his/her family. The idea of increasing fees places these young members in a double jeopardy situation as Congress, to hold down

government costs, has already suppressed pay levels of these same servicemembers. The pressure upon the MWR program, when combined with other cost-saving efforts increases the perception of a lack of concern for servicemembers. As this situation continues, these actions will become sufficiently demotivating to cause a drop in retention. The importance of leadership concern publicly announced and sincerely enforced is necessary, otherwise the resultant retention loss could reduce the career force in a way that would be reminiscent of the 1970's hemorrhage of talent and that period's adverse impact on readiness.

## **SECTION 3**

### **THE BENEFITS ACCRUING TO MWR IN THE**

#### **CURRENT OPERATING ENVIRONMENT**

There are benefits that accrue to MWR activities. These include the availability of a level of appropriated fund support, certain categories of labor, bulk-buying provisions, and a dividend from the Army Air Force Exchange System. A number of these benefits were also reported under the "Impediments" section due to constraints on availability, timeliness, and amount. While these constraints detract from optimal contributions, the benefits are still of great value.

Other elements of the operating environment were reviewed as possible benefits. These ranged from tax status and insurance programs to land values. However, given the MWR Program's status as a governmental entity, and the non-applicability of these elements to other federal, state, county and local entities, these features were discounted as contributory benefits to the MWR Program mission.

Table 3-1 shows the ranked order of benefits by MWR managers. Detail descriptions and quantitative impacts follow.

TABLE 3-1

RANKING OF BENEFITS WITH IMPACT RATINGS  $\geq 3.5$

BENEFITS

<u>IMPACT</u>	<u>FREQUENCY</u>	<u>ITEM NO.</u>	<u>BENEFITS</u>
4.7	4.4	2.	Appropriated funds are available to MWR activities under certain conditions.
3.7	3.7	3.	NAFIs can use free military labor under certain conditions.

FUNCTION: BENEFITS

No: 1

Title: Central Purchasing

Authority: AFR 176-9

**Description:** Local MWR managers may procure through a central purchasing program at Randolph AFB. This is very cost effective for certain types of purchases, such as consolidated computer buys, trade show purchases, and expensive, large quantity procurement.

**Impact on MWR:** Central purchasing, when selectively applied results in reduced costs and higher quality. There can also be a potential dollar savings in using pre-negotiated GSA contracts. There are some drawbacks to this process as reported earlier.

No: 2

Title: Appropriated Fund Sourcing

Authority: AFR 215-5

**Description:** Appropriated funds are used to finance MWR activities when authorized and available. There are policies, including Congressional guidance, which indicate which expenses should be financed by APF vs NAF; but there is added flexibility in having two sources of funds. However, continued reductions on the appropriated fund side will significantly detract from the MWR program effort to provide service to the total Air Force community.

**Impact on MWR:** The APF budget for 1988 totaled \$359 million.<sup>1</sup> This appropriated support funds services to MWR such as:

- o Utilities: Non-revenue producing activities do not pay for utilities.
- o The MWR system is supported by APF functions such as personnel management, security, facility maintenance, communications, and motor pool on a no-cost or minimally prorated basis.
- o Direct Labor: Pays for civilian labor for those employees paid from the appropriated fund account and authorized military billets reduce overall labor costs. Approximately \$54.7 million was spent from appropriated funds to pay for approximately 2,000 military personnel who worked in MWR activities in 1985.

**No: 3**

**Title:** Casual Military Labor

**Authority:** AFR 215-1, Para 12

**Description:** Casual military labor under strict guidelines can be used as a free-labor source for MWR, when available. This is likely to occur at a training base, for example, where airmen may be available for duty before, after, or between training sessions.

**Impact on MWR:** Probably minor, Air Force-wide, but of some importance at a few training bases.

**No: 4**

**Title:** Purchases from Commissary

**Authority:** None

**Description:** MWR food service activities such as child care centers, bowling centers, golf courses, snack bars, and so forth, purchase food products through the commissaries.

**Impact on MWR:** MWR is able to pay 1/4 to 1/3 less for products through the commissary than if bought in the private sector. This helps offset overall costs and enhances service to military members.

**No: 5**

**Title:** Credit Rating

**Authority:** Prompt Payment Act

**Description:** Private establishments conducting business with the government are assured of being paid.

**Impact on MWR:** This provides a wider market for MWR purchases, and, hence, greater opportunities for managers to get the best combination of price and quality.

<sup>1</sup> NAF Financial Facts, Fiscal Year 1986, Exhibit 1.

**No: 6**

**Title: Semi-Captive Customers**

**Authority: None**

**Description:** MWR activities/programs are open to military and civilian personnel, retirees, and dependents, with some exceptions. In isolated areas, there may be no competition for MWR activities.

**Impact on MWR:** MWR has a semi-captive customer population. The total, potential market is known, and the degree of MWR usage can be readily estimated so that program planning and budgeting can be firm.

**No: 7**

**Title: AAFES Dividend**

**Authority: Unknown**

**Description:** MWR receives a dividend each year from AAFES profits.

**Impact on MWR:** In 1986 the AAFES dividend to MWR was \$33.9 M.<sup>2</sup>

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<sup>2</sup> Source: USAF MWR Financial Summary for FY 86 published by the Directorate of Morale, Welfare and Recreation.

## **SECTION 4**

### **PRACTICES AND POLICIES OF OTHER GOVERNMENT ACTIVITIES**

As requested in the statement of work for this delivery order, and in keeping with the desirability of culling for MWR the best features of comparable organizations, the project team contacted several quasi-governmental and governmental organizations. These organizations were asked to describe their practices and policies with regard to the MWR-types of services they offer to their employees. The following organizations were contacted: the U.S. Postal Service, the Federal Home Loan Bank Board, the Student Loan Marketing Association, the Army Air/Force Exchange Service, and the Federal National Mortgage Association. The person contacted was typically a representative of the Human Resources or Personnel Department. All interviews were conducted by telephone.

The specific types of services offered by these organizations are described below.

#### **U.S. POSTAL SERVICE**

The Postal Service Headquarters offers its employees two indirect benefits similar to MWR programs: a nonprofit cafeteria, and no-cost provision of space, maintenance, and utilities for an employee fitness center. All other MWR-like programs are sponsored through the Postal Recreation and Benefit Service or the Federal League of Recreation Programs.

The Postal Recreation and Benefit Service sponsors team sports, sells discount tickets, and holds various holiday functions. The funds for these activities are obtained through fundraisers held by the Recreation Service. Meetings of the Recreation Service Board can be held once a month on company

time. The opportunity to purchase discount items is provided through the Federal League of Recreation Programs, an intergovernmental association of distinct agency recreation programs.

At the conclusion of the interview, the Postal Service representative noted that the possibility of substantive additions to or deletions from current benefits, in either scope or intensity, would probably have to be raised during the collective bargaining process.<sup>1</sup>

#### **FEDERAL HOME LOAN BANK BOARD**

The Federal Home Loan Bank Board heavily subsidizes two significant MWR-type programs for its employees. The first is an on-site child care center. For this program the Bank Board funded the startup costs and provides space, utilities, and maintenance on an ongoing basis. The remainder of the center's costs are met through tuition and donations.

The second program is a fitness center which is open to all full time employees upon completion of a physical evaluation. The Bank Board subsidizes the program through the provision of space, equipment, and ongoing maintenance. Plans are also being made to offer aerobics classes and fitness seminars through the center with the provision that employees may pay 25 to 50 percent of the fees.

These programs are available as a result of a survey of employees and because the Bank Board perceives them to be "real morale-builders." However, no cost-benefit studies have been conducted which might demonstrate their effectiveness.<sup>2</sup>

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<sup>1</sup> Conversation with Willie T. Fisher, Program Manager for Retirement and Insurance, U.S. Postal Service, February 25, 1987.

<sup>2</sup> Conversation with Mary Lincoln, Employee Services, Federal Home Loan Bank Board, February 25, 1987.



The Bank Board also has a very active recreation association which organizes ball teams and provides equipment and uniforms. This association also subsidizes an employees' day at a theme park, a Christmas party, and golf, tennis, and swimming outings. The association's funds derive from employee dues of \$3.00 per person, profits from the sale of soft drinks (at 5 cents per bottle), fundraisers, and the sale of parking certificates (at \$2.00 per car per month). The association gives a percentage of the soft drink profits to the child care center. The Bank Board permits the volunteer board of the association to hold bimonthly meetings of about an hour's length on company time. All programs are offered because of the perception that they are very good for morale.<sup>3</sup>

#### FEDERAL NATIONAL MORTGAGE ASSOCIATION

The Federal National Mortgage Association subsidizes two MWR-type programs. The cafeteria at the headquarters location is operated under contract but receives a subsidy of about 30 percent. The organizational representative pointed out that this does not result in a 30 percent reduction in the cost of food for employees, but it certainly represents a price break. In addition, the Mortgage Association funds, upon approval, the budget of the in-house recreation association. The recreation association in turn organizes softball and bowling leagues, in addition to providing uniforms and equipment. The association also funds a Christmas party and summer picnic, and partially funds a lobster bake.

There are no provisions for discount purchasing opportunities or subsidies, although notice of outside vendors offering discounts may be transmitted through the organization on an ad hoc basis.

<sup>3</sup> Conversation with Jeannette Turner, Recreation Association Head, Federal Home Loan Bank Board, February 25, 1987.

The programs which are subsidized were not selected according to any specific or formal criteria; and no cost-benefit analyses have been conducted to assess their impact.<sup>4</sup>

#### **STUDENT LOAN MARKETING ASSOCIATION**

This organization offers little in the way of MWR types of programs. Occasionally luncheon speakers are brought in to talk about wellness issues, and half the cost of smoking cessation classes is reimbursed to employees who quit smoking cigarettes for four months. A Fitness Fair is also funded, whereby all employees can undergo an abbreviated physical evaluation conducted by the YWCA. A training room can be used for aerobics classes after work. Participants pay one-half of the class fee. The organization completely funds an elaborate Christmas dinner and dance. There is no in-house recreation association. Again, the selection of MWR-type services provided is based on the perceived desires of the employees.<sup>5</sup>

#### **ARMY/AIR FORCE EXCHANGE SERVICE (AAFES)**

AAFES as an organizational entity offers very few MWR-type programs to its employees. Many AAFES employees can, however, use MWR on Army or Air Force installation facilities, particularly overseas.

AAFES headquarters offers its employees a very limited gym facility. An in-house employee association sponsors a discount coupon plan and picnics, but these programs are funded entirely through employee dues.

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<sup>4</sup> Conversation with Rick Kennedy, Benefits Department, Federal National Mortgage Association, March 3, 1987.

<sup>5</sup> Conversation with Joanie Rich, Senior Compensation and Benefits Analyst, Student Loan Marketing Association, February 27, 1987.

AAFES employees at overseas installations may use all military MWR facilities, but policy governing their participation at domestic installations is highly dependent on local conditions such as space availability, facility size, and so forth. Regulations concerning NAF employees' use of MWR facilities are to be found in AFR 215-1 (it should be noted that all civilian AAFES employees are NAF employees). Officer-equivalent AAFES employees are usually permitted to join the Officers Club on an associate membership basis.<sup>6</sup> A number of AAFES employees are military dependents and therefore have complete access to MWR facilities in that dependent status.

## CONCLUSION

In general, it was found that the scope and intensity of the services offered by these organizations are substantially less than what is available to members of the military through the MWR program. This is primarily due to the fact that the unique restrictions to life style, workload, and workplace placed upon servicemembers in performing the mission and attaining the objectives of the Armed Forces do not exist in these other agencies. The most common occurrences of MWR-type activities outside of the military are organizational sponsorship of employee recreational associations, team sports activities, and occasional holiday festivities. Such sponsorship tends to be fairly limited in scope, however, and is principally financed by membership dues or the proceeds from fundraisers.

The project team also found that the recreation functions discussed in this section bear little resemblance to MWR activities within DoD. The organizations do not use the General Schedule or other government pay schedules for their employees and do not adhere to Federal position and pay management regulations,

<sup>6</sup> Conversations with Kenneth Wilson, Executive Assistant, Washington Office AAFES, February 27, 1987; Gary Hainy, AAFES Headquarters, Dallas, Texas, February 27, 1987; Ed Hicks, MWR Policy Section, Randolph Air Force Base, March 2, 1987.

except those which are in effect for the public at large (such as minimum wage laws, Veterans' preference, and so forth). Their structures do not include approval levels comparable to a MWR council or MAJCOM.

Therefore, these organizations can be more appropriately compared to a private sector entity than to most MWR organizations, in structure, regulation, and level of MWR-type services provided. The greater flexibility in hiring, discipline, firing, and pay and benefits determination enjoyed by these agencies do, however, suggest some possible avenues the Air Force might explore in attempting to put selected MWR activities on a businesslike footing.

## SECTION 5

### SUMMARY AND CONCLUSIONS

The original purpose of this project was to identify potential impediments and advantages accruing to MWR-type programs in the effort to make them more efficient. This objective carries the implicit expectation that MWR programs are business entities or that they should develop profit-oriented objectives and operations. Yet, throughout the history of MWR, in practice as well as in regulation, MWR activities have been *treated* as services. Members of the armed forces and military families have historically expected and, in many cases, required this institutional orientation. Any changes to the system that results in new or increased cost to the member are perceived as attacks upon the overall benefits program.

It is the opinion of the study team that the majority of benefits and impediments discussed in the preceding sections stem from the conflicting pressures of profit versus service. Put another way, one could expect to find either a relatively efficient government entity offering goods and services at zero cost, *or* one could find a very efficient, profit-oriented business offering goods and services at competitive prices. However, an organization would not normally be expected to play both kinds of roles, especially in an overall regulatory environment steeped in institutional values. Yet this is precisely a perception of MWR's current organizational structure.

### IMPEDIMENTS

The impediments to MWR's profit-generating or self-sustaining capability, as described in Section 2, are many and varied. There are, however, certain

categories of impediment which cut across functions. The study team found that the majority of impediments could be described according to one or more of the following four categories.

### **INFLEXIBILITY OF SYSTEMS**

Flexibility, adaptability, responsiveness, and quick reaction are all characteristics associated with successful organizations. The relative lack of these characteristics in supporting the MWR program is central to many of the more heavily-weighted impediments. For example, personnel rules limit managers' flexibility in preparing work schedules, accommodating emergencies and unanticipated surge demands as well as making use of part time and intermittent employees. Procurement systems hinder managers' ability to buy at the lowest cost, to buy what is desired or the highest-quality product, or to buy within the most reasonable time frame. The five to six year lead time required for construction programs, assuming approval of the project, not only denies opportunities to service members, but drives up both final construction costs (due to inflation) and maintenance costs (for the old facilities).

### **CONSTRAINTS TO MARKET-BASED DECISION-MAKING**

In the business world, most operational and marketing decisions are based on market forces. Activities and decisions that, in effect, create an unfair competition situation, detract from MWR's abilities to increase its cost-benefit ratio while at the same time providing the requisite level of service.

### **SYSTEM DESIGN**

Support systems are often not designed for a business environment and are too slow in responding to MWR needs. Many of the rules and regulations affecting

the MWR support structure lead to unreasonable response times for support services, and a lack of timeliness that would be unrealistic in any profit-oriented environment. This consideration was raised frequently by respondents in all functional areas.

By "profit" we mean much more than added revenues. This definition includes increased productivity, lower administrative costs, and a structure that guides groups to achieve higher levels of efficiency and adaptiveness. Even within this broader definition of profit, the support system is not adequate. For example the procedures for hiring, disciplining and firing employees are too cumbersome for efficient staffing. The length of time required for obtaining complex and multiple approvals for construction projects does not adequately address customer demand or utility patterns. The same can be said for the procurement process.

#### REGULATORY DIRECTION

In the original conception of this project, the objective of the analysis was to discover and document the impediments imposed by public law on the conduct of Air Force MWR activities according to the canons of good business practice. However, the final tasking to Syllogistics, Inc., expanded upon the scope of the analysis, to incorporate both impediments to good business practice resulting from public law, policy, and directive; as well as various benefits accruing to MWR activities as a consequence of their status as governmental entities.

The results of the analysis reveal that the original objective would not have produced many substantive impediments to MWR operations. There are few requirements in public law which, per se, raise the cost of operating MWR

activities. Most of these legal impediments relate to the wages paid to NAF employees or by contractors executing projects on behalf of MWR activities (for example, the Davis-Bacon Act).

However, it is logical to assume that certain OPM and DoD directives, while not grounded in public law, came about because of interpretation of Congressional intent, or as an administrative convenience to be consistent with other directives that are based on public law. The scope of this study effort precluded full investigation into that potential, although the following paragraph illustrates the point.

Section 2 lists a substantial number of impediments to more efficient management resulting from OPM/DoD/AF implementation of public law and policy. An example of this is Public Law 92-392, which requires that Federal Government employees in the crafts and trades be paid at least the local prevailing wage rates. The Federal Personnel Manual, as amended by DoD, has administratively extended this requirement to service workers, and in effect all NAF hourly employees are now covered by this provision. MWR activity managers are convinced that this practice increases their activities' labor costs. It is likely that substantial changes could be made to the MWR labor cost structure without gaining the concurrence of Congress.

The greatest number of impediments to the sound business management of MWR activities, in number if not in financial magnitude, are the result of management systems and administrative regulations of the Air Force, DoD, and OPM.

The personnel, engineering, accounting and finance, and procurement management systems and structures are all sub-sets of an effort designed to support



a particular mission. That mission and resources required are processed through the PPBS cycle in support of Major Force Programs. As issues move through the PPBS architecture, philosophy, analytic approaches and judgements are espoused which underpin each program and support the constructive national debate to eventually extract the maximum for each appropriated fund dollar requested.

The MWR program, on the other hand, is not designed, per se, to be an integral part of the PPBS in its own right. MWR activities represent internal, institutional efforts to provide a needed level of service to military members and their families. They are not designed to be profit-making, or even non-profit-making activities. To make these activities subject to the same rigorous administrative processes of appropriated fund activities is counter-productive to the MWR program's true mission. Further, applying institutional processes and procedures developed for a career oriented, full time workforce, to the MWR functions results in unnecessary additive costs in both real dollar terms (salaries) and lost productivity.

From the perspective of an observer of organizational behavior, it is understandable that an institution based on the bureaucratic management model would generate volumes of rules and procedures to be adhered to by the various hierarchical levels. Yet from the perspective of a more efficient, service oriented structure, it might be advisable to provide broad policy guidance and performance standards, while allowing installation commanders and MWR managers greater freedom to develop operating procedures that streamline the MWR process, thereby providing greater productivity. That increased productivity could create resource savings that can be used to provide increased services to the installation population. However, until and unless the Congress restores appropriated fund levels, and removes various restrictions to the MWR program, it is doubtful that

MWR activities could gain the level of productivity necessary to sustain current MWR activities.

In short, base MWR personnel are responsible for managing a diverse program to meet the needs of the base population and are instructed to operate it in a more efficient manner. They have, however, very little influence over those management systems that control their operations. Continued decreases in funding levels and increases in controls will only result in a dissatisfied community, with subsequent declines in readiness.

Table 5-1 provides a breakdown of the major impediments in all functional categories (those with an impact rating greater and equal to 3.5) according to the level of authorizing agency, that is (a) internal Air Force regulations, (b) amendments of DoD policy, or (c) Congressional action.

TABLE 5-1

## IMPEDIMENTS BY AUTHORIZING AGENCY

<u>AUTHORITY LEVEL</u>			<u>IMPEDIMENTS</u>
<u>CONGRESS</u>	<u>DOD</u>	<u>AF</u>	
<u>X</u>	<u>X</u>	<u>X</u>	Non-MWR personnel are too heavily involved in the MWR decision-making process.
<u>X</u>	<u>X</u>	<u>X</u>	The procurement process for APF and major NAF purchases is too lengthy and cumbersome.
<u>X</u>	<u>X</u>	<u>X</u>	MWR activities must accommodate a basic conflict in mission between operating as a "service" and a "business" organization.
<u>X</u>	<u>X</u>	<u>X</u>	Too many regulations restrict MWR managers' ability to make routine business decisions.
<u>(OPM)</u>	<u>X</u>	<u>X</u>	Rules governing the hiring of employees are cumbersome, complex.
<u>(OPM)</u>	<u>X</u>	<u>X</u>	Personnel rules reduce the flexibility that could come from using part time and intermittent employees.
<u>X</u>			Class VI store profits must be shared with higher headquarters.
<u>X</u>			The base procurement office often buys lowest cost items rather than items requested.
<u>X</u>	<u>X</u>	<u>X</u>	The rules governing discipline and release of employees are overly bureaucratic, weighted toward the status quo.
<u>X</u>	<u>X</u>		MWR has no influence over pay rates.
<u>X</u>			NAFIs must award to the lowest bidder unless negative determinations can be documented.
	<u>X</u>	<u>X</u>	There are too many personnel categories with different pay rates, benefits, and job entitlements.
		<u>X</u>	NAFIs are subject to the Civil Engineer's design priorities.
<u>X</u>	<u>X</u>		MWR is required to pay shift differential and/or premium pay.

<u>AUTHORITY LEVEL</u>			<u>IMPEDIMENTS</u>
<u>CONGRESS</u>	<u>DOD</u>	<u>AF</u>	
_____	X	X	Restrictions limit dollar value for bingo prizes and prohibit tab bingo.
_____	X	X	Requirements for National Agency Checks (NAC) and Local Agency Checks (LAC) of child care center employees are costly.
X	X	_____	NAF employees must be paid wage rates prevailing for local employees.
_____	_____	X	The cost of the NAFFMB operation is high relative to services rendered.
_____	X	X	Restrictions exist which prohibit MWR activities from competing for APF contracts for services.
_____	_____	X	The dollar limit on NAF noncompetitive procurement is too low.
_____	X	X	The rules for local NAF procurement authority are too restrictive.
_____	X	_____	Restrictions exist against Civil Engineers installing NAF property in APF buildings.
X	X	X	MWR construction projects must obtain multiple levels of project approvals.
X	X	X	Frequent changes in MAJCOM APF construction priorities hinder scheduled MWR construction.
X	_____	_____	Major NAF construction projects must follow Federal Acquisition regulations.
X	_____	_____	NAFI contractors must pay prevailing rates as determined by Secretary of Labor in conjunction with service contracts, construction, alteration, and repair projects.
_____	X	X	NAFIs may not solicit commercial sponsorship.
_____	X	_____	NAFIs are restricted to certain classes of patrons.
X	_____	_____	Pricing regulations are imposed by outside agencies.
_____	X	_____	NAFIs are restricted in advertising.



1  
1



1



**AUTHORITY LEVEL****IMPEDIMENTS****CONGRESS      DOD      AF**    X                X          X

NAFI employees who are subject to disciplinary actions must be accorded certain rights.

                                X

Stock numbers used by bases do not correspond to manufacturers' code numbers, causing inventory tracking systems to be overly complicated.

                                X

No daily management information system is provided by the NAFFMB.

    X                X          X

Managers lack a responsive incentive award or progressive pay scale system by which to motivate employees.

                                X

Dollar limits on NAF non-competitive procurements are too low.

                        X          X

The "Waivers to Fund" (mixing APF and NAF funds) process is too cumbersome.

    X                            

NAFIs may not purchase resale items from GSA distributors.

C = Congressional regulation or public law

DOD = Department of Defense

AF = Air Force

## **SECTION 6**

### **IMPLICATIONS FOR FUTURE RESEARCH**

The following areas of possible future research are geared toward the overall objective of improving efficiency within the MWR program. By themselves they will not guarantee success; there are other internal and external variables that will impact on performance. However, we believe these alternatives represent a strong step toward addressing the issues facing MWR managers.

#### **PERSONNEL MANAGEMENT SYSTEM**

There is a need for a complete review of the personnel management system to determine alternatives ranging from a streamlining of the present system through completely replacing the system with one more in line with state, municipality or university employees in MWR-type activities. These latter organizational entities have employment categories and practices more in line with military MWR functions and operate in funding environments analogous to the military. For example, both county and university recreation centers make extensive use of part time personnel (usually students). The employment practices and wage structures are more attuned to managing a highly transient group of short-term workers rather than placing these students in a career-track program (as the Air Force basically does with its part time MWR employees). Also, the county and university settings have areas comparable to the Air Force. For example, state and county tax dollars can be considered comparable to appropriated funds; They charge low fees for student/general population audiences as a service, as well as higher fees for revenue generating activities. Such a study could include certain private sector elements such as health centers and hotel/motel industries.

However, as these are for-profit activities, using them as a basis for comparison can cloud the issue and raise questions not relevant to the issue at hand, i.e., making a service-oriented program, steeped in institutional values, more efficient.

## **PROCUREMENT AND CONTRACTING SYSTEMS**

Similar to the personnel management system, there is a need to review the current processes with the intent to streamline support to MWR managers. Given the many legal barriers in this environment, it may be more appropriate to focus on improvements to the present system vice trying for a totally new system. Linking this research effort with the personnel management review of county and university programs may indicate more streamlined techniques.

## **COMPILATION AND CENTRALIZATION OF NAF EMPLOYEE DATA AND OTHER APPLICABLE MANAGEMENT INFORMATION DATA**

In the course of the study the project team requested information concerning various demographic data and employee statistical information. While such data is available off-line at base level, such information does not flow to headquarters level. As a result, in the interim the Air Force is susceptible to various potential charges and criticisms to which it currently cannot respond. Any attempt to derive Air Force-wide information would involve a massive, costly manual effort.

There is a need to identify the feasibility and desirability of developing on-line automated data bases that aggregate data up to including Air Force-wide levels, to more accurately assess and manage the increasingly visible MWR function. Extreme care must be exercised in this review to insure that the management information system developed supports the installation commander's MWR operation; that it does not detract from the commander's prerogatives in developing programs to meet the needs of his/her particular community.



## **SURVEY OF AIR FORCE MEMBERS/MWR MANAGERS**

The Air Force will be addressing the issue of to where and what levels appropriated versus non-appropriated funding should be allocated. Implied in that issue is an understanding of which MWR activities are most important to, most utilized by, and most desired by the total serviced populations. The knowledge of such information is essential in any argument that stresses institutional values or an orientation to service vice revenue. Such a survey could also determine perceptions to the current pressures upon MWR activities and the ease of substitutability with off-base private and municipal programs.

## **ACCOUNTABILITY**

There appears to be a need to evaluate the role of the installation commander and senior MWR managers above installation level. In the scalar chain of command, there is a superior-subordinate relationship at each level. To be effective, each level needs the power (authority) to carry out the duties for which that level is responsible. The concepts of authority and responsibility combine to produce an even more important concept which holds the organization together. This concept is that of accountability.

Accountability is created as a result of the assignment of responsibility and delegation of authority. As Air Force-wide objectives are communicated to MAJCOM, wing and installation level, each person in the chain who accepts the responsibility to carry out part of the plan and strategy, and is delegated the necessary authority, immediately becomes accountable for the performance of these duties. Inherent in such accountability are two key assumptions. The first is that specific objectives and standards exist; the second is that those who are accountable have sufficient background, experience and training to perform their tasks.

Regarding the first assumption, only if management sets the climate for accountability will it always know what is going on, be able to measure achievement, and be able to make the decisions necessary to keep efforts toward objectives on target.

The present lack of a comprehensive Air Force-wide MWR management information system precludes development of an effective set of standards within which the Air Staff and MAJCOM commander can measure achievement and direct appropriate action. Conversely, the higher headquarters MWR management function is a staff vice command element that, when combined with the lack of Air Force-wide MWR program standards, is hard pressed to provide both quantitative measures to assist the installation commanders in performing their MWR responsibilities and measurement tools to be used by senior leadership in evaluating the effectiveness of local MWR programs. The net result is that neither the installation commander nor his/her superiors may be able to obtain a true measure of performance.

In view of these considerations and noting that time precluded addressal of several areas, any follow-on study should focus on the following:

- o The requirement for Air Force-wide standards to measure the success of installation commanders in conducting an efficient MWR program that meets the needs of the serviced population.
- o How installation commanders are presently evaluated in the management of MWR activities.
- o How and to what level installation commanders are prepared for their role in managing their MWR programs.

- o The desirability of an Air Force-wide program that develops standards, prepares guidelines to meet standards, provides senior leadership management tools to measure installation performance against developed standards, provides a training process that enables installation commanders to sustain strong, local MWR programs.

**APPENDIX A**

**FIELD AND TELEPHONE QUESTIONNAIRE FORMS**

# HQ USAF/MWR - IMPACT STUDY

PAGE 1 OF 9

BASE \_\_\_\_\_ NAME \_\_\_\_\_ POSITION \_\_\_\_\_ DATE \_\_\_\_\_

## IMPACT

Directions: Please circle the magnitude of the impact of each impediment listed which affects your ability to operate in a businesslike manner:

1. No Effect
2. Minimal Effect
3. Some Effect
4. Substantial Effect
5. Very Significant Effect
6. N/A - Not Applicable

## IMPEDIMENTS

Function: Personnel

## FREQUENCY

Directions: Please circle the frequency of occurrence of each impediment below:

1. Never
2. Rarely (Once or twice per year)
3. Occasionally (Once or twice per month)
4. Frequently (Weekly)
5. Constantly (Daily)

1. NAF hourly workers must be paid "prevailing rate" wage.	1	2	3	4	5	6
2. NAFI UA employees are paid on an annual salary basis.	1	2	3	4	5	6
3. NAFI employees subject to disciplinary action must be accorded certain rights.	1	2	3	4	5	6
4. Rules reduce flexibility in using part-time and intermittent employees.	1	2	3	4	5	6
5. Rules covering permanent employees regularly scheduled work week are overly restrictive.	1	2	3	4	5	6
6. Rules governing hiring of employees.	1	2	3	4	5	6
7. Rules governing disciplining and release of employees.	1	2	3	4	5	6
8. High cost of benefits package.	1	2	3	4	5	6
9. MWR has no influence over pay rates.	1	2	3	4	5	6
10. Managers lack a responsive incentive award or progressive pay scale system.	1	2	3	4	5	6

IMPACT

IMPEDIMENTS

FREQUENCY

Function: Personnel (Continued)

11.	Too many personnel categories with different pay rates, benefits, and job entitlements (IOC, IOPT, PT).	11. 1-----2-----3-----4-----5-----6	1-----2-----3-----4-----5
12.	Need to pay shift differential, premium pay.	12. 1-----2-----3-----4-----5-----6	1-----2-----3-----4-----5
13.	Union influence.	13. 1-----2-----3-----4-----5-----6	1-----2-----3-----4-----5
14.	NAF application too complex for prospective employees.	14. 1-----2-----3-----4-----5-----6	1-----2-----3-----4-----5
15.	MWR not receiving fair share of authorized base APF positions.	15. 1-----2-----3-----4-----5-----6	1-----2-----3-----4-----5
16.	Requirements for National Agency Checks (NAC) and Local Agency Checks (LAC).	16. 1-----2-----3-----4-----5-----6	1-----2-----3-----4-----5
17.	Automatic step increase for NAFI hourly workers.	17. 1-----2-----3-----4-----5-----6	1-----2-----3-----4-----5
18.	Restrictive policy on tip-offset employees.	18. 1-----2-----3-----4-----5-----6	1-----2-----3-----4-----5

Please circle the 3 impediments that you consider to have the greatest impact on MWR operations.

# HQ USAF/MWR - IMPACT STUDY

PAGE 3 OF 9

BASE \_\_\_\_\_ NAME \_\_\_\_\_ POSITION \_\_\_\_\_ DATE \_\_\_\_\_

## IMPACT

Directions: Please circle the magnitude of the impact of each impediment listed which affects your ability to operate in a businesslike manner:

1. No Effect
2. Minimal Effect
3. Some Effect
4. Substantial Effect
5. Very Significant Effect
6. N/A - Not Applicable

## IMPEDIMENTS

Function: Accounting and Finance

## FREQUENCY

Directions: Please circle the frequency of occurrence of each impediment below:

1. Never
2. Rarely (Once or twice per year)
3. Occasionally (Once or twice per month)
4. Frequently (Weekly)
5. Constantly (Daily)

1-----2 ----- 3 ----- 4 ----- 5 ----- 6	1. Dollar limits on NAF non-competitive procurement too low.	1-----2 ----- 3 ----- 4 ----- 5
1-----2 ----- 3 ----- 4 ----- 5 ----- 6	2. Inventories taken too frequently.	1-----2 ----- 3 ----- 4 ----- 5
1-----2 ----- 3 ----- 4 ----- 5 ----- 6	3. Inventory stock number system does not correspond to manufacturer's code number.	1-----2 ----- 3 ----- 4 ----- 5
1-----2 ----- 3 ----- 4 ----- 5 ----- 6	4. Restrictions on sale of retail merchandise to various categories of patrons.	1-----2 ----- 3 ----- 4 ----- 5
1-----2 ----- 3 ----- 4 ----- 5 ----- 6	5. Restrictions that prohibit MWR activities from competing for appropriated fund contracts for services.	1-----2 ----- 3 ----- 4 ----- 5
1-----2 ----- 3 ----- 4 ----- 5 ----- 6	6. Financial statements do not provide current meaningful management information.	1-----2 ----- 3 ----- 4 ----- 5
1-----2 ----- 3 ----- 4 ----- 5 ----- 6	7. No daily management information system.	1-----2 ----- 3 ----- 4 ----- 5
1-----2 ----- 3 ----- 4 ----- 5 ----- 6	8. Cost of NAFFMB operation.	1-----2 ----- 3 ----- 4 ----- 5
1-----2 ----- 3 ----- 4 ----- 5 ----- 6	9. Rules prohibiting mixing of NAF funds between different categories of activities.	1-----2 ----- 3 ----- 4 ----- 5

Please circle the 3 impediments that you consider to have the greatest impact on MWR operations.

BASE \_\_\_\_\_ NAME \_\_\_\_\_ POSITION \_\_\_\_\_ DATE \_\_\_\_\_

**IMPACT**

Directions: Please circle the magnitude of the impact of each impediment listed which affects your ability to operate in a businesslike manner:

1. No Effect
2. Minimal Effect
3. Some Effect
4. Substantial Effect
5. Very Significant Effect
6. N/A - Not Applicable

**IMPEDIMENTS**

Function: Procurement & Contracting

**FREQUENCY**

Directions: Please circle the frequency of occurrence of each impediment below:

1. Never
2. Rarely (Once or twice per year)
3. Occasionally (Once or twice per month)
4. Frequently (Weekly)
5. Constantly (Daily)

1-----2-----3-----4-----5-----6	1. NAFIs are required to procure beer and wine from in-state sources.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	2. Dollar limit on NAF non-competitive procurement too low.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	3. Lengthy procurement process for APF and major NAF purchases.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	4. NAFIs must award to lowest bid unless negative determination can be documented.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	5. Base procurement office buying lowest cost items rather than items requested.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	6. Requirement to purchase new equipment rather than serviceable used equipment, where applicable.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	7. Commissary purchases are not delivered.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	8. Restrictions for central purchasing restricts potential better buys.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	9. NAFIs must procure certain items from blind and severely handicapped.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	10. Rules for local NAF procurement authority too restrictive.	1-----2-----3-----4-----5



# HQ USAF/MWR - IMPACT STUDY

PAGE 5 OF 9

BASE \_\_\_\_\_ NAME \_\_\_\_\_ POSITION \_\_\_\_\_ DATE \_\_\_\_\_

## IMPACT

Directions: Please circle the magnitude of the impact of each impediment listed which affects your ability to operate in a businesslike manner:

1. No Effect
2. Minimal Effect
3. Some Effect
4. Substantial Effect
5. Very Significant Effect
6. N/A - Not Applicable

## IMPEDIMENTS

Function: Construction

Directions: Please circle the frequency of occurrence of each impediment below:

1. Never
2. Rarely (Once or twice per year)
3. Occasionally (Once or twice per month)
4. Frequently (Weekly)
5. Constantly (Daily)

## FREQUENCY

1-----2 ----- 3 ----- 4 ----- 5----- 6	1. MWR construction projects must obtain varying levels of project approvals.	1 ----- 2----- 3 ----- 4----- 5
1-----2 ----- 3 ----- 4 ----- 5----- 6	2. Frequent changes in MAJCOM APF construction priorities.	1 ----- 2----- 3 ----- 4----- 5
1-----2 ----- 3 ----- 4 ----- 5----- 6	3. "Waiver to Fund" (mixing APF & NAF funds) process is too cumbersome.	1 ----- 2 ----- 3 ----- 4----- 5
1-----2 ----- 3 ----- 4 ----- 5----- 6	4. NAFI contractors must pay prevailing rates as determined by Secretary of Labor in conjunction with service contracts and construction, alteration and repair projects.	1 ----- 2----- 3----- 4 ----- 5
1-----2 ----- 3 ----- 4 ----- 5----- 6	5. NAFI contractors are required to provide for eight-hour days and overtime for contractor employees.	1-----2 ----- 3----- 4 ----- 5
1-----2 ----- 3 ----- 4 ----- 5----- 6	6. NAFIs are required to comply with square footage and criteria limitation for facilities.	1 ----- 2----- 3----- 4 ----- 5
1-----2 ----- 3 ----- 4 ----- 5----- 6	7. Major NAF construction projects must follow Federal acquisition regulations.	1 ----- 2----- 3----- 4 ----- 5
1-----2 ----- 3 ----- 4 ----- 5----- 6	8. NAFIs subject to CE design priority system.	1-----2 ----- 3----- 4----- 5

HQ USAF/MWR - IMPACT STUDY

IMPACT

IMPEDIMENTS

FREQUENCY

Function: Construction (Continued)

1-----2-----3-----4-----5-----6	9. Currency of AFR 86-1, Vol. 2.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	10. Restriction on CE installing NAF property in APF buildings.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	11. Space criteria for NAF major construction projects is too restrictive.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	12. Air Force space criteria standards do not reflect demographic differences.	1-----2-----3-----4-----5

Please circle the 3 impediments that you consider to have the greatest impact on MWR operations.

BASE \_\_\_\_\_ NAME \_\_\_\_\_ POSITION \_\_\_\_\_ DATE \_\_\_\_\_

**IMPACT**

**IMPEDIMENTS**

**FREQUENCY**

Directions: Please circle the magnitude of the impact of each impediment listed which affects your ability to operate in a businesslike manner.

Function: Other

Directions: Please circle the frequency of occurrence of each impediment below:

- |                            |   |   |
|----------------------------|---|---|
| 1. No Effect               | 1. NAFIs are restricted on goods and services that can be sold.   | 1. Never                                  |
| 2. Minimal Effect          | 2. NAFIs are restricted to certain class of patrons.  | 2. Rarely (Once or twice per year)        |
| 3. Some Effect             | 3. NAFIs are restricted in advertising.   | 3. Occasionally (Once or twice per month) |
| 4. Substantial Effect      | 4. NAFIs are required to operate non-standard hours, weekends, holidays, support alerts, mobility exercises, base missions. | 4. Frequently (Weekly)                    |
| 5. Very Significant Effect | 5. NAFIs are limited in amount and type of equipment authorized from appropriated funds.                                    | 5. Constantly (Daily)                     |
| 6. N/A - Not Applicable    |   |   |

- |                                       |   |                              |
|---------------------------------------|---|------------------------------|
| 1. 1-----2-----3-----4-----5-----6    | 1. 1. NAFIs are restricted on goods and services that can be sold.  | 1. 1-----2-----3-----4-----5 |
| 1. 1. 1-----2-----3-----4-----5-----6 | 2. 2. NAFIs are restricted to certain class of patrons.   | 1. 1-----2-----3-----4-----5 |
| 1. 1. 1-----2-----3-----4-----5-----6 | 3. 3. NAFIs are restricted in advertising.  | 1. 1-----2-----3-----4-----5 |
| 1. 1. 1-----2-----3-----4-----5-----6 | 4. 4. NAFIs are required to operate non-standard hours, weekends, holidays, support alerts, mobility exercises, base missions.  | 1. 1-----2-----3-----4-----5 |
| 1. 1. 1-----2-----3-----4-----5-----6 | 5. 5. NAFIs are limited in amount and type of equipment authorized from appropriated funds.   | 1. 1-----2-----3-----4-----5 |
| 1. 1. 1-----2-----3-----4-----5-----6 | 6. 6. NAFIs may accept, but not solicit, gifts from outside the Air Force. The gift may not be publicly acknowledged.   | 1. 1-----2-----3-----4-----5 |
| 1. 1. 1-----2-----3-----4-----5-----6 | 7. 7. NAFIs must share with the Blind, vending machine income, accord them vending facility operation priority, and provide vending sites in certain construction projects. | 1. 1-----2-----3-----4-----5 |
| 1. 1. 1-----2-----3-----4-----5-----6 | 8. 8. Pricing restrictions imposed by outside agencies, (i.e., on Class VI).  | 1. 1-----2-----3-----4-----5 |

IMPACT

IMPEDIMENTS

Function: Other (Continued)

FREQUENCY

1-----2-----3-----4-----5-----6	9. NAFI restrictions on commercial sponsorship.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	10. Restriction on approval of commercial credit cards.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	11. Class VI store profits cannot be used for operational expenses.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	12. Class VI store profits must be shared with higher headquarters.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	13. Too many regulations restrict MWR managers' ability to make routine business decisions.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	14. Non-MWR personnel too heavily involved in the MWR decision making process.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	15. Conflict between "service organization" and "business operation".	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	16. MAJCOM and AFMPC interior design programs are too restrictive and are not timely.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	17. Prohibition on NAFIs from purchasing from GSA distributors for resale.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	18. Restrictions on bingo prizes and tab bingo.	1-----2-----3-----4-----5

Please circle the 3 impediments that you consider to have the greatest impact on MWR operations.

# HQ USAF/MWR - IMPACT STUDY

PAGE 9 OF 9

BASE \_\_\_\_\_ NAME \_\_\_\_\_ POSITION \_\_\_\_\_ DATE \_\_\_\_\_

## IMPACT

Directions: Please circle the magnitude of the impact of each impediment listed which affects your ability to operate in a businesslike manner.

1. No Effect
2. Minimal Effect
3. Some Effect
4. Substantial Effect
5. Very Significant Effect
6. N/A - Not Applicable

## BENEFITS

Directions: Please circle the frequency of occurrence of each impediment below:

1. Never
2. Rarely (Once or twice per year)
3. Occasionally (Once or twice per month)
4. Frequently (Weekly)
5. Constantly (Daily)

## FREQUENCY

1-----2-----3-----4-----5-----6	1. Operating in a tax free environment.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	2. Limited licensing requirements.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	3. Leased (zero cost) real estate.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	4. Limited utility costs.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	5. Zero cost APF support services available.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	6. No liability insurance requirements.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	7. Central purchasing advantages.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	8. Facility maintenance and repair capability.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	9. Appropriated funds availability.	1-----2-----3-----4-----5
1-----2-----3-----4-----5-----6	10. Free military labor source (assigned and casual).	1-----2-----3-----4-----5

Please circle the 3 benefits that you consider to have the greatest impact on MWR operations.

NAME \_\_\_\_\_

TEL \_\_\_\_\_

DATE \_\_\_\_\_

POSITION \_\_\_\_\_

BASE \_\_\_\_\_

## AIR FORCE MWR STUDY -- IMPACT ANALYSIS

### TELEPHONE INTERVIEW GUIDE

1. Introduce yourself. Say you are from Syllogistics and are assisting the Air Force MWR Task Force in their study of the MWR Program.
  
2. Explain that we are interested in their views on doing MWR business in the Air Force. Ask what they consider the advantages or disadvantages of doing business in a military environment vis-a-vis private sector companies providing similar goods and services.

3.

**Chief, MWR  
Recreation Directors  
NAFFMO**

**Club Manager  
Child Care Director  
NAF Procurement**

- a. What is the biggest obstacle/hinderance you face in doing your job?
- b. Are there restrictions, by policy or regulations, placed on you that inhibit your ability to carry out your responsibilities in a business-like manner? If so, what are they?
- c. Are you aware of any inhibitors/hinderances to good business practices that you have to adhere to in the MWR program that you wouldn't have if you ran a similar business in the private sector? (List) Which are the most important to the financial success of your operation?

d. What do you think are the main benefits of doing business as a government entity over doing business in the private sector? (List) Explain.

e. What quantitative information would be available at your installation or at HQ Air Force to estimate the dollar magnitude of the hinderances or advantages cited above? (We don't want it at this time, are merely checking availability)

f. What is the main obstacle/hinderance you encounter in the MWR construction area? Are there benefits?



g. What is the biggest obstacle you face in the personnel area (NAF & APF)? Please give an example.

h. Are there any other positive or negative procurement issues.

i. What is the most important benefit?

j. What is the main advantage in using Base APF procurement over NAF? What is a disadvantage? Please explain your rationale.

- k. What has been your experience in using NAF Central Procurement at Randolph (Good & Bad)?
- l. Is the current AAFES/MWR relationship on resale activities too restrictive? Please explain.
- m. Do you currently purchase products from the commissary for your activity? Please list the advantages and disadvantages of commissary procurement.
- n. If you had the power, what is the one thing you would change in the way MWR activities do business?

4. Questions For Personnel Office

- a. Are there any restrictions in the recruitment/placement area that you wouldn't have if you were recruiting for a private sector company?
  
  
  
  
  
  
  
  
  
  
- b. Do you know of any advantages in recruiting for government work that you have over private sector companies?
  
  
  
  
  
  
  
  
  
  
- c. What is the biggest complaint you receive from activity managers concerning MWR employee personnel actions? Can you provide use with any quantifiable data?

d. Are there any restrictions that cause NAF workers to be paid wages higher than those prevailing on the local labor market for the same or similar jobs? What quantitative information would be available to document this difference?

e. If you had the power, what is the one thing you would change in the way MWR activities do personnel business?

5. Questions For Engineers

a. What is the main obstacle/hinderance you encounter in the MWR construction area?

- b. What financial constraints or obstacles do you have in the MWR construction area that you wouldn't have if you were in the private sector?
- c. What effect do the imposed approval levels have on the construction process? How does this differ from the private sector?
- d. Could you provide us with any quantifiable data as it relates to MWR construction programs, i.e., dollar costs vs. length of time from conception to completion? (MCP/O&M/NAF)
- e. If you had the power, what is the one thing you would change in the way the MWR construction process works?

**APPENDIX B**

**PERSONS INTERVIEWED**

## NUMBER OF RESPONSES BY CATEGORY

		Number Of Responses
<b>IMPEDIMENTS</b>		
-	Personnel	54
-	Finance	48
-	Procurement	51
-	Construction	50
-	Other	49
<b>BENEFITS</b>		45
<b>NUMBER OF EMPLOYEES INTERVIEWED:</b>		69

## INDIVIDUALS INTERVIEWED IN PERSON

### ALTUS AFB (9)

Helen Cope  
C.W. Fields  
Belinda Hamann  
Bernard Lucich  
Donnice L. Newman  
D. Pigg  
Monte R. Ralls  
Shirley Weaver  
Sharon Lott

Director, CDC  
Deputy Base Civil Eng.  
Procurement Clerk  
Chief, MWR  
Chief, Recreation Services  
NAFFMO  
General Manager, Open Mess Complex  
Personnel  
Personnel

### CHANUTE AFB (6)

Glen A. McGuffie  
Theola Olion  
John Pappas  
Mary Pieper  
Fran Reaves  
Walter S. Tyndale

Chief, MWR  
Manager, CDC  
Manager, NCO Club  
NAFFMO  
Chief, Classification/CPO  
Branch Manager, Recreation Services

### HANSCOM AFB (8)

Thomas Carroll  
Richard Cramer  
Oscar L. Harris  
Logan  
Yvonne Luter  
Sms. Mack  
Ralph Miola

Chief, Affirmative Employment Section/CPO  
Manager, Officer's Club  
Manager, NCO Club  
Chief, MWR  
Director, CDC  
Acting Chief, Recreation Services  
NAFFMO  
Base Civil Engineer

### LANGLEY AFB (10)

Roberta L. Deike  
James E. Dinley  
D. Faisa  
Frank Hosey  
Judith Sanders  
Mr. Morin  
Sharon Seymour  
Vermeiran  
Marvine H. Windle  
Lt. Col. Wingfield

Director, CDC  
Director, MWR  
Procurement  
Manager, Officer's Club  
Manager, NCO Club  
Chief, Open Mess Management  
Chief, Affirmative Employment  
Base Director, MWR  
NAFFMO Officer  
Chief, MWR

### PLATTSBURGH AFB (9)

Linda Baxter  
Geo. Benson  
Rocky Harfield  
John Huru  
Tsgt. Green  
Maj. William Magness

Purchasing Agent  
OOM Manager  
Personnel Management Specialist  
DEE  
Chief, Supplies Branch  
Chief, MWR



Barbara McRac  
Anne Ochs  
Barbara A. Straw

CDC  
NAFFMO  
Chief, Recreation Services

SCOTT AFB (12)

William L. Aanstad  
Robert N. Bemis  
E.V. Gillaus  
Hendrickson  
Emma Johnson  
Long  
M. Maddux Grover  
Francis E. Malally  
Richard Napoletano

Chief, MWR  
Chief, Open Mess and Class VI Div.  
Director, CDC  
Chief, Financial Mgmt. Div.  
NAF Personnel  
Chief, Recreation Division  
General Manager, O'Club  
Golf Facilities, MWR  
Chief, Recreation Services  
NAFFMO  
Chief, Contracting/CE Programming  
Asst. Design Chief

SEYMOUR JOHNSON AFB (7)

Linda Allen  
Thomas Cruddas  
Mr. R.S. Dobbins  
Chris Meyer  
Bob Reynold  
K.E. Smith  
Ken Tyler

Director, CDC  
Civilian Personnel Officer  
Ch., 4CSG/DEEV  
Chief, MWR  
Manager, NCO Club  
NAFFM Officer  
Director, Rec. Services

TINKER AFB (8)

Mr. McCabe  
ElWanda Curb  
Mr. Jones  
Sandi Knox  
Jearl Rolland  
Mr. Sumter  
James Tompkins  
William Tomlinson

Chief, MWR  
Purchasing Agent  
Chief, Engineering & Contract Planning Section  
Asst. Rec. Division  
Chief, Civilian Personnel  
Manager, NCO Club  
Chief, Rec. Services  
NAFFMO

TOTAL

69

# **TELEPHONE INTERVIEWS, BY ORGANIZATIONAL CATEGORY**

MWR Management (Chief of MWR; Recreation Directors)	7
Financial Management	1
MWR Activity Managers (Officers & NCO Clubs; Child Development Centers)	3
Base Enginecring	2
NAF Personnel	3
Procurement	1
<b>TOTAL</b>	<b>17</b>

# INDIVIDUALS INTERVIEWED BY TELEPHONE

CASTLE AFB Lt. Col. Tinsley	Chief, MWR
CHARLESTON AFB Ed Clansen Wayne Whitcomb Bill Williams	Chief, Recreation Services Chief, MWR Chief, Staffing/CPO
MAC DILL AFB Guy Capolarillo Ron Marlow John McCoy Rebecca Roberts Bob Theodore Darlene Withers	Chief, Recreation Services Manager, NCO Club NAFFMO Staffing/CPO NAF Procurement Manager, CDC
MINOT AFB Maj. Jay Tabb	Chief, MWR
PATRICK AFB Lynn McCuskey Ron Green	Staffing/CPO Chief, NAF Construction
SHEPPARD AFB Wayne Fruler Diann Moore Capt. Paul White	DEH CDC Chief, MWR
WRIGHT-PATTERSON AFB Lt. Col. James B. Lyman	Chief, MWR
TOTAL	17

**APPENDIX C**

**ANALYSIS OF QUESTIONNAIRE RESPONSES BY  
FUNCTIONAL AREA AND EMPLOYEE CATEGORY**

## INTRODUCTION

Analyses of questionnaire responses by functional area and employee category are given in this appendix.

Questionnaire items cannot be related directly to the discussion of impediments in Section 2 for several reasons. First, analysis was conducted exclusively on the field questionnaire items subsequent to the field research; however, additional impediments were added to the discussion. Section 2, for example, discusses 24 impediments under the Personnel function, although the questionnaire contains only 18. The additional 6 factors in Section 2 were added subsequent to the formal on-base scoring of the data collection instrument. Changes in the impediments (additions, deletions, combinations) also occurred due to guidance received from staffing of the draft final report.

The table which follows provides a crosswalk from the numbered questionnaire items to their placement in the Section 2 text discussion.

**TABLE C-1**

**IMPEDIMENT NUMBERING SYSTEM:**

**RELATIONSHIP OF QUESTIONNAIRE ITEMS TO**

**SECTION 2 TEXT DISCUSSION**

<u>QUESTIONNAIRE</u>	<u>SECTION 2</u>
P (1)	P 1
P 2	P 2
P 3	
P 4	P 3
P 5	
P 6	P 4
P 7	P 5
P 8	P 6
P 9	
P 10	P 7
P 11	P 8
P 12	P 9
P 13	
P 14	
P 15	P 11
P 16	P 12
P 17	P 13
P 18	P 14
A&F 1	
A&F 2	
A&F 3	A&F 1
A&F 4	
A&F 5	M 8
A&F 6	A&F 2
A&F 7	A&F 3
A&F 8	A&F 4
A&F 9	A&F 5
P&C 1	Proc 1
P&C 2	Proc 2
P&C 3	Proc 3
P&C 4	Proc 4
P&C 5	Proc 5
P&C 6	
P&C 7	Proc 6
P&C 8	Proc 7
P&C 9	Proc 8
P&C 10	Proc 9

**TABLE C-1**  
**(Continued)**

<u>QUESTIONNAIRE</u>	<u>SECTION 2</u>
C 1	C 1
C 2	C 2
C 3	C 3
C 4	C 4
C 5	
C 6	C 5
C 7	C 6
C 8	C 7
C 9	C 8
C 10	C 5
C 11	
C 12	C 5
O 1	M 1
O 2	M 2
O 3	M 3
O 4	
O 5	
O 6	M 4
O 7	
O 8	M 5
O 9	M 6
O 10	M 7
O 11	
O 12	O 1
O 13	O 2
O 14	O 3
O 15	O 4
O 16	O 5
O 17	O 6
O 18	O 7

**KEY: Functions - (P) = Personnel, (A&F) = Accounting and Finance, (P&C) = Procurement and Contracting, (Proc) = Procurement, (C) = Construction, (O) = Other, (M) = Marketing.**

## EXPLANATION OF ANALYSES AND FINDINGS

Interviewed MWR employees gave their different opinions on the magnitude of the impact and the frequency of occurrence on each impediment listed in the questionnaire form (See Appendix A). They chose across a scale ranging from "no effect (1)" to "very significant effect (5)" to estimate the magnitude of the impact of each impediment on MWR operations and also from "never (1)" to "daily (5)" to estimate the frequency of occurrence of each impediment.

In order to make a generalization on the relationship between the impact and the frequency, i.e., whether a high frequency of occurrence of an impediment means a very significant effect on MWR operations or not, we calculated Spearman rank correlation coefficient ( $r$ )\* for each impediment/benefit. If the calculated coefficient is found to be positive and close to 1, then we can say that if an impediment occurs every day, it has a very big impact on MWR operations, or if it happens very rarely, then it has a very small effect on MWR operations. This is what a positive linear relationship between two variables means statistically.

The question of whether a correlation is "strong" or weak" can be answered by applying the following conventional rule of thumb:

The correlation is

weak	if $0 \leq r \leq .5$
moderate	if $.5 \leq r \leq .8$
strong	if $.8 \leq r \leq 1.0$

For example, the correlation coefficient .56 for the 14th impediment under personnel category (See page C-6) shows that there is a positive linear relationship

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$$r = \text{Corr} (M, F) = \frac{N \sum M_i F_i - \sum M_i \sum F_i}{\sqrt{N \sum M_i^2 - (\sum M_i)^2} \sqrt{N \sum F_i^2 - (\sum F_i)^2}}$$



between impact and frequency of this impediment, but it is not a very strong one. This means that the responses of MWR interviewees to the issue of high (low) frequency implies high (low) impact on MWR operations were not all the same.

Our findings in general tell us that the positive linear relationship between impact and frequency falls somewhere between a moderate and a strong relationship. This correlation is the strongest for the impediments related to accounting and finance, which shows that any impediment under the accounting and finance category which occurs frequently has a big impact on MWR operations, or vice versa.

The average figures for the magnitude of the impact of impediments do not substantially differ among the various employee categories. As a rule, any impediment with an impact rating equal to or greater than 3.5 for all respondents also has a high average value ( $\geq 3.5$ ) for all types of employee categories, with a few notable exceptions.\*

Managers assessing impediments not directly related to their own functional areas tended to give higher impact values for those impediments than did the managers assessing the impediments from within their managerial jurisdiction. For example, NAF Personnel Management rated only one impediment (rules governing disciplining and release of employees) as having a substantial effect (a 4 rating) on MWR activities. However, other managers who assessed personnel impediments rated as many as nine such impediments as substantial.

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\* The value of the averages of impact and frequency are interpreted as follows:

Average value of impact

- 1 No effect
- 2 Minimal effect
- 3 Some effect
- 4 Substantial effect
- 5 Very significant effect

Average value of frequency

- 1 Never
- 2 Rarely (once or twice per year)
- 3 Occasionally (once or twice per month)
- 4 Frequently (weekly)
- 5 Constantly (daily)

FUNCTION: PERSONNEL

IMPEDIMENTS (IMPACT)

Questionnaire																		
Item No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Responses	54	52	53	52	50	53	52	53	53	50	52	49	43	53	47	52	53	40
Average	3.93	2.33	3.60	4.40	3.88	4.53	4.19	3.45	4.15	3.62	3.98	3.96	2.53	2.68	4.09	3.94	3.08	3.35
Correlation Coefficient for Impact and Frequency of Occurrence																		
	.49	.64	.53	.61	.70	.50	.74	.57	.64	.73	.68	.65	.87	.56	.64	.73	.62	.88
Range =	.49 - .88																	

MVR MANAGEMENT

Responses	18	18	18	18	17	18	17	18	18	17	18	17	15	18	17	18	18	15
Average	4.17	2.50	3.83	4.67	4.12	4.72	4.47	3.67	4.28	3.82	4.33	3.88	2.73	3.00	4.65	4.67	3.11	3.13

FINANCIAL MANAGEMENT

Responses	7	7	7	6	6	7	7	7	7	6	6	6	6	7	5	7	7	5
Average	3.57	1.43	3.57	4.00	4.00	4.29	4.00	2.43	3.86	3.83	3.50	3.00	1.83	2.00	4.20	3.43	2.71	3.60

ACTIVITY MANAGERS

Responses	21	19	21	21	20	21	21	21	21	20	21	19	17	20	20	20	21	14
Average	3.90	2.21	3.71	4.48	4.00	4.71	4.10	3.62	4.43	3.70	4.14	4.37	2.71	2.85	4.05	3.65	3.38	3.79

NAF PERSONNEL

Responses	8	8	7	7	7	7	7	7	7	7	7	7	5	8	5	7	7	6
Average	3.75	3.00	3.29	3.86	2.86	3.71	4.00	3.43	3.29	2.71	3.00	3.86	2.20	2.13	2.20	3.43	2.43	2.67

## FUNCTION: PERSONNEL

## IMPEDIMENTS (FREQUENCY)

Questionnaire		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Item No.		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Responses	52	52	51	51	51	50	50	49	49	50	50	51	50	51	51	50	51	50	49
Average	4.06	2.50	3.47	4.22	3.66	4.18	3.65	3.63	3.94	3.22	4.02	3.84	2.18	2.73	3.66	3.65	3.10	2.94	
<u>MWR MANAGEMENT</u>																			
Responses	17	17	17	17	16	16	16	15	16	16	16	17	16	16	17	16	17	16	15
Average	4.47	2.59	3.65	4.35	3.81	4.31	4.07	3.94	4.06	3.56	4.18	3.88	2.44	2.88	4.25	4.18	2.81	2.93	
<u>FINANCIAL MANAGEMENT</u>																			
Responses	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Average	3.14	1.29	3.14	3.57	3.14	3.71	3.29	2.86	3.57	3.00	3.43	3.43	1.71	2.14	3.71	3.43	2.86	3.14	
<u>ACTIVITY MANAGERS</u>																			
Responses	20	20	20	20	20	20	20	20	19	20	20	20	20	20	20	20	20	20	20
Average	3.95	2.45	3.35	4.45	3.85	4.10	3.55	3.53	4.25	3.30	4.20	4.05	2.35	2.75	3.60	3.35	3.50	2.50	
<u>NAF PERSONNEL</u>																			
Responses	8	8	7	7	7	7	7	7	7	7	7	7	7	8	7	7	7	7	7
Average	4.25	3.50	3.71	3.86	3.29	4.57	3.43	4.00	3.14	2.43	3.71	3.57	1.63	2.86	2.43	3.43	2.86	2.86	

**FUNCTION: ACCOUNTING AND FINANCE**

**IMPEDIMENTS (IMPACT)**

Questionnaire Item No.	1	2	3	4	5	6	7	8	9
Responses	48	45	37	41	28	45	46	45	42
Average	3.63	2.96	3.73	3.90	3.89	3.29	3.72	3.91	2.98

**Correlation Coefficient for Impact and Frequency of Occurrence**

	.53	.76	.94	.82	.95	.83	.85	.72	.82
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Range = .53 - .95

**MWR MANAGEMENT**

Responses	16	16	12	16	12	16	16	16	16
Average	4.06	3.19	3.83	4.13	4.33	3.13	3.44	3.81	3.44

**FINANCIAL MANAGEMENT**

Responses	11	11	10	10	7	10	11	10	10
Average	3.45	2.45	3.10	3.80	3.86	2.40	3.09	3.00	2.20

**ACTIVITY MANAGERS**

Responses	21	18	15	15	9	19	19	19	16
Average	3.38	3.06	4.07	3.73	3.33	3.89	4.32	4.47	3.00

**IMPEDIMENTS (FREQUENCY)**

Questionnaire Item No.	1	2	3	4	5	6	7	8	9
Responses	48	45	46	47	33	48	47	46	45
Average	3.33	3.00	3.30	3.85	3.18	3.13	3.81	3.87	2.44

**MWR MANAGEMENT**

Responses	16	15	15	16	12	16	15	15	15
Average	3.88	3.20	3.33	4.31	3.83	3.19	3.73	4.07	2.80

**FINANCIAL MANAGEMENT**

Responses	11	11	11	11	7	11	11	11	11
Average	3.27	2.64	3.09	4.45	3.43	2.27	3.45	3.09	1.82

**ACTIVITY MANAGERS**

Responses	21	19	20	20	14	21	21	20	19
Average	2.95	3.05	3.40	3.15	2.50	3.52	4.05	4.15	2.53

**FUNCTION: PROCUREMENT AND CONTRACTING**  
**IMPEDIMENTS (IMPACT)**

Questionnaire Item No.	1	2	3	4	5	6	7	8	9	
Responses	42	46	51	49	51	46	47	50	44	51
Average	3.24	3.93	4.55	4.18	4.25	3.09	2.98	3.18	2.20	3.88

**Correlation Coefficient for Impact and Frequency of Occurrence**

.59 .78 .71 .57 .53 .71 .84 .80 .78 .67

Range = .53 - .84

**MWR MANAGEMENT**

Responses	18	18	18	18	18	17	17	18	17	18
Average	3.22	4.17	4.67	4.50	4.72	3.59	2.94	3.28	2.53	4.11

**FINANCIAL MANAGEMENT**

Responses	7	6	7	7	7	7	6	7	7	7
Average	2.57	3.50	4.43	3.14	3.71	2.43	2.17	2.71	1.86	3.86

**ACTIVITY MANAGERS**

Responses	14	17	21	19	21	17	20	20	16	21
Average	3.43	3.71	4.48	4.53	4.24	2.82	3.25	3.20	1.94	3.67

**PROCUREMENT**

Responses	3	5	5	5	5	5	4	5	5	5
Average	4.00	4.40	4.60	3.20	3.40	3.20	3.00	3.40	2.00	4.00

**IMPEDIMENTS (FREQUENCY)**

Questionnaire Item No.	1	2	3	4	5	6	7	8	9	
Responses	50	49	50	50	50	50	50	48	49	50
Average	2.94	3.24	3.94	3.54	3.52	2.40	3.12	3.06	1.84	3.58

**MWR MANAGEMENT**

Responses	17	17	17	17	17	17	17	17	17	17
Average	3.24	3.65	4.29	3.94	4.00	2.71	3.18	3.12	2.06	3.82

**FINANCIAL MANAGEMENT**

Responses	7	6	7	7	7	7	7	7	7	7
Average	3.14	3.00	3.86	2.86	2.86	2.00	2.29	2.43	1.57	3.57

**ACTIVITY MANAGERS**

Responses	21	21	21	21	21	21	21	20	20	21
Average	2.57	2.95	3.81	3.48	3.52	2.24	3.57	3.10	1.70	3.38

**PROCUREMENT**

Responses	5	5	5	5	5	5	5	5	5	5
Average	3.20	3.40	3.40	3.40	2.80	2.60	2.20	3.00	2.00	3.60

**FUNCTION: CONSTRUCTION**

**IMPEDIMENTS (IMPACT)**

Questionnaire Item No.	1	2	3	4	5	6	7	8	9	10	11	12
Responses	50	47	45	45	40	46	45	49	37	48	47	45
Average	3.82	3.81	3.62	3.76	3.40	3.43	3.80	4.33	2.89	3.88	3.38	3.49

**Correlation Coefficient for Impact and Frequency of Occurrence**

.32 .58 .74 .67 .78 .69 .69 .57 .83 .66 .71 .67

Range = .32 - .83

**MWR MANAGEMENT**

Responses	18	17	18	18	16	17	18	18	17	18	18	17
Average	3.78	4.06	3.78	4.00	3.75	3.71	4.11	4.50	3.29	4.06	3.39	3.65

**FINANCIAL MANAGEMENT**

Responses	5	4	5	5	4	5	5	5	3	5	5	5
Average	3.60	3.75	3.20	3.40	1.75	2.60	3.60	4.40	2.00	3.40	2.80	3.00

**ACTIVITY MANAGERS**

Responses	18	17	14	14	13	16	14	18	9	17	17	16
Average	4.17	4.12	3.86	3.79	3.92	3.56	3.43	4.33	3.11	4.24	3.71	3.56

**ENGINEERS**

Responses	8	8	7	7	7	7	7	7	7	7	6	6
Average	3.13	2.50	3.00	3.43	2.57	2.86	3.86	3.71	2.29	2.71	2.67	3.00

**PROCUREMENT**

Responses	1	1	1	1	0	1	1	1	1	1	1	1
Average	5.00	5.00	4.00	3.00	0.00	5.00	4.00	5.00	1.00	5.00	5.00	5.00

**FUNCTION: CONSTRUCTION****IMPEDIMENTS (FREQUENCY)**

Questionnaire Item No.	1	2	3	4	5	6	7	8	9	10	11	12
Responses	48	48	45	46	47	48	46	49	40	49	49	49
Average	2.88	2.85	2.69	2.91	2.66	2.65	2.83	3.18	2.40	3.02	2.63	2.73

**MWR MANAGEMENT**

Responses	17	17	17	17	17	17	17	17	17	17	17	17
Average	2.88	3.06	2.94	3.24	2.94	2.65	3.12	3.35	2.71	3.29	2.53	2.65

**FINANCIAL MANAGEMENT**

Responses	5	5	5	5	5	5	5	5	3	5	5	5
Average	2.20	2.20	2.00	2.40	2.00	2.20	2.40	2.60	2.00	2.40	2.20	2.60

**ACTIVITY MANAGERS**

Responses	18	17	15	16	16	17	15	18	13	18	18	18
Average	3.22	3.06	2.87	2.75	2.81	2.94	2.73	3.44	2.31	3.50	3.06	3.00

**ENGINEERS**

Responses	7	8	7	7	8	8	8	8	6	8	8	8
Average	2.57	2.38	2.29	2.86	2.38	2.25	2.63	2.63	2.17	1.75	2.13	2.38

**PROCUREMENT**

Responses	1	1	1	1	1	1	1	1	1	1	1	1
Average	2.00	3.00	2.00	3.00	1.00	3.00	3.00	3.00	1.00	3.00	3.00	3.00

FUNCTION: OTHER

IMPEDIMENTS (IMPACT)

Questionnaire

Item No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Responses	43	45	45	48	47	43	32	42	41	43	37	41	48	48	47	47	42	41
Average	3.98	3.80	3.76	4.23	4.30	3.12	2.91	3.79	3.83	3.23	4.22	4.37	4.58	4.73	4.62	3.98	3.55	4.02
Correlation Coefficient for Impact and Frequency of Occurrence																		
	.84	.81	.86	.59	.71	.90	.87	.91	.89	.86	.83	.83	.83	.83	.88	.67	.89	.82

Range = .59 - .91

MWR MANAGEMENT

Responses	18	18	18	18	18	18	14	17	17	17	15	17	18	18	18	18	18	18
Average	4.44	4.22	4.22	4.39	4.61	3.44	3.14	4.00	3.94	3.76	4.33	4.35	4.50	4.78	4.44	4.00	3.78	4.11

FINANCIAL MANAGEMENT

Responses	8	8	8	8	8	8	6	8	8	8	8	8	8	8	8	8	8	8
Average	3.88	3.75	3.50	4.50	4.00	3.25	3.17	3.50	3.75	3.13	3.63	4.63	4.50	4.88	5.00	4.25	2.75	3.88

ACTIVITY MANAGERS

Responses	17	19	19	21	21	17	12	17	16	18	14	16	21	21	20	20	16	15
Average	3.53	3.42	3.42	4.05	4.14	2.71	2.50	3.71	3.75	2.78	4.43	4.25	4.76	4.67	4.65	3.80	3.69	4.00

NAF PERSONNEL

Responses	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	0	0	0
Average	0	0	0	0	0	0	0	0	0	0	0	0	3	4	4	0	0	0

PROCUREMENT

Responses	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0
Average	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	5	0	0



## FUNCTION: OTHER

## IMPEDIMENTS (FREQUENCY)

Questionnaire																		
Item No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Responses	46	47	47	46	46	46	44	45	47	46	44	44	48	48	48	47	47	47
Average	3.72	3.91	3.60	4.07	3.80	2.74	2.09	3.60	3.26	3.07	3.55	3.80	4.60	4.54	4.52	3.34	3.06	3.43
<u>MWR MANAGEMENT</u>																		
Responses	17	17	17	17	17	17	17	16	17	17	15	15	17	17	17	17	17	17
Average	4.35	4.47	4.24	4.35	4.18	3.06	2.24	4.13	3.59	3.59	3.93	4.07	4.59	4.59	4.47	3.47	3.47	3.65
<u>FINANCIAL MANAGEMENT</u>																		
Responses	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Average	4.00	4.50	3.63	4.13	3.88	3.00	2.50	3.63	3.63	3.50	3.38	4.63	4.88	5.00	5.00	3.38	2.63	4.25
<u>ACTIVITY MANAGERS</u>																		
Responses	20	21	21	20	20	20	18	20	21	20	20	20	21	21	21	21	21	21
Average	3.20	3.38	3.19	3.90	3.60	2.45	1.83	3.30	2.95	2.55	3.45	3.40	4.71	4.57	4.52	3.33	3.00	3.05
<u>NAF PERSONNEL</u>																		
Responses	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	0	0	0
Average	0	0	0	0	0	0	0	0	0	0	0	0	4	3	4	0	0	0
<u>PROCUREMENT</u>																		
Responses	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Average	1	1	1	2	1	1	1	1	1	1	1	1	1	1	2	1	1	1

# BENEFITS (IMPACT)

Questionnaire Item No.	1	2	3	4	5	6	7	8	9	10
Responses	44	41	42	42	43	44	45	45	45	43
Average	4.27	3.83	4.52	4.40	4.44	4.25	3.44	4.24	4.67	3.74

## Correlation Coefficient for Impact and Frequency of Occurrence

	.39	.62	.55	.61	.55	.54	.47	.22	.16	.56
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Range = .39 - .62

## MWR MANAGEMENT

Responses	16	15	15	16	15	16	16	16	16	16
Average	4.25	3.93	4.47	4.44	4.53	4.25	3.44	4.38	4.94	3.94

## FINANCIAL MANAGEMENT

Responses	7	7	7	7	7	6	7	7	7	7
Average	4.86	3.57	4.71	4.29	4.29	4.00	3.14	3.71	4.00	3.57

## ACTIVITY MANAGERS

Responses	17	15	16	15	17	18	18	18	18	17
Average	4.12	3.87	4.44	4.47	4.35	4.17	3.50	4.33	4.61	3.41

## ENGINEERS

Responses	3	3	3	3	3	3	3	3	3	3
Average	3.67	3.33	4.67	4.00	4.67	5.00	3.33	4.00	5.00	3.33

## NAF PERSONNEL

Responses	1	1	1	1	1	1	1	1	1	1
Average	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

# BENEFITS (FREQUENCY)

Questionnaire Item No.	1	2	3	4	5	6	7	8	9	10
Responses	39	78	38	39	38	39	39	39	38	39
Average	4.44	1.64	4.18	4.21	4.37	3.95	3.31	4.18	4.42	3.69

## MWR MANAGEMENT

Responses	15	15	15	15	14	15	15	15	15	15
Average	4.07	2.73	4.00	4.00	4.14	3.73	2.87	3.80	4.20	4.00

## FINANCIAL MANAGEMENT

Responses	6	6	6	6	6	6	6	6	6	6
Average	4.83	3.00	4.33	4.50	4.83	3.83	3.17	4.17	4.33	4.50

## ACTIVITY MANAGERS

Responses	14	14	13	14	14	14	14	14	13	14
Average	4.57	3.79	4.46	4.14	4.43	4.14	3.64	4.50	4.62	3.07

## ENGINEERS

Responses	3	3	3	3	3	3	3	3	3	3
Average	5.00	4.00	4.00	5.00	4.33	4.00	3.67	4.33	5.00	3.33

## PROCUREMENT

Responses	1	1	1	1	1	1	1	1	1	1
Average	4.00	4.00	3.00	4.00	4.00	5.00	5.00	5.00	4.00	4.00

**APPENDIX D**

**SELECTED REFERENCES**

## APPENDIX D

### SELECTED REFERENCES

- Advisory Commission on Intergovernmental Relations, *Measuring State Fiscal Capacity: Alternative Methods and their Uses*, Washington, D.C., September 1986.
- Advisory Commission on Intergovernmental Relations, *Significant Features of Fiscal Federalism*, 1985-1986 Edition, M-196, Washington, D.C., February 1986.
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- Devore, Jay L., *Probability and Statistics for Engineering and the Sciences*, Brooks/Cole Publishing Company, Monterey, California, 1982.
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- Greater Washington Board of Trade, *1986-1987 Comparative Tax Report*, 18th Edition, Washington, D.C., July 1986.
- Orkand Corporation, Syllogistics, Inc., and Delta Research Corporation, *Management Review of the Army's Morale, Welfare and Recreation Program and Monies, Final Report*, December 8, 1986, prepared for the U.S. Army MWR Task Force.
- President's Committee on Religion and Welfare in the Armed Forces, "Free Time in The Armed Forces," February 1951.

**APPENDIX E**

**APPLICABLE DOD DIRECTIVES, INSTRUCTIONS AND MANUALS  
AND, APPLICABLE PUBLIC LAWS AND SECTIONS  
OF THE U.S. CODE**

**APPLICABLE DoD DIRECTIVES,  
INSTRUCTIONS AND MANUALS**

<u>TITLE</u>	<u>SUBJECT</u>
DoD Instruction 1000.15	Private Organizations on DoD Installations
DoD Instruction 1015.2	Advertising Restrictions, Patron Limitations
DoD Instruction 1015.6	Funding of MWR Programs
DoD Directive 1015.3-R	Pricing Restrictions
DoD Directive 1135.2	Procurement of Services for the Maintenance, Repair and Construction of Real Property (MRA&L)
DoD Instruction 1330.18	Limitations in Goods and Services Offered by NAFFIs
DoD Instruction 1330.3	Base Support Services
DoD Directive 1400.23	Foreign Base Hiring
DoD Manual 1401.1	Personnel Management and Administration System
DoD Instruction 4105.66	Suspension and Debarment of NAF Contractors
DoD Instruction 4105.67	NAF Procurement Policy
DoD Instruction 4165.2	DoD Real Property Maintenance Activity Program (MRA&L)
DoD Directive 4165.34	Administration of Inadequate Public Quarters (MRA&L)
DoD Instruction 4164.40	Form for Transfer and Acceptance of Military Real Property (DoD Form 1354)
DoD Directive 4270.1M	Construction Criteria (MRA&L)
DoD Directive 4270.24	Unspecified Minor Construction, Emergency Construction and Restoration or Replacement of Damaged and Destroyed Facilities

DoD Directive 4270.32	Secretary of Defense Military Construction Contingency Authority
DoD Directive 4270.5	Military Construction Responsibilities (MRA&L)
DoD Directive 5000.11	Data Elements and Data Code Standardization Program
DoD Directive 5120.39, 5120.42	Pay Rates, Shift Differential Rates
DoD Instruction 7000.12	Financial Management of Morale, Welfare and Recreation Activities
DoD Directive 7040.2	Program for Improvement in Financial Management in the Area of Appropriations for Acquisition and Construction of Military Real Property
DoD Directive 7040.4	Military Construction Authorization and Appropriation
DoD Instruction 7040.5	Definition of Expense and Investment Costs
DoD Manual 7110.1	DoD Budget Guidance
DoD Instruction 7220.9M	Accounting Manual
DoD Directive 7500.1	Report on Real and Personal Property
DoD Instruction 7700.18	NAF and Privately Funded Construction Projects Review and Reporting Procedures
DoD Instruction	Design and Construction Progress Report



## APPLICABLE PUBLIC LAWS AND SECTIONS OF THE U.S. CODE

<u>PUBLIC LAW/U.S. CODE</u>	<u>TITLE/SUBJECT</u>
PL 92-392	Pay Rates, Step Increases
PL 92-463	Advisory Committee
PL 96-125	Military Construction Authorization Act, 1980
PL 96-130	Military Construction Appropriation Act, 1981
PL 96-418	Military Construction Authorization Act, 1981
PL 96-436	Military Construction Appropriation Act, 1981
PL 97-99	Military Construction Authorization Act, 1982
PL 97-214	Military Construction Codification Act
PL 97-323	Military Construction Act, 1983
PL 98-115	Military Construction Authorization Act
PL 98-116	Military Construction Appropriation Act
PL 99-190 8099	Procurement of Beer and Wine
5 U.S.C. 3110	Family Hiring
5 U.S.C. 3326	Hiring Retired Military
5 U.S.C. 5550	Prevailing Pay Rates and Shift Differential Rates
5 U.S.C. 7201	Foreign Base Hiring
5 U.S.C. 8171-8173	Workers' Compensation
9 U.S.C. 2501-2582	Purchasing Products with U.S. Origin
10 U.S.C. 2682	Facilities for Defense Agencies
10 U.S.C. 2801-2808	Military Construction
10 U.S.C. 2851-2861	Administration of Military Construction and Military Family Housing
10 U.S.C. 3012	Prevailing Pay Rates
18 U.S.C. 4124	Purchasing from Federal Prison Industries
29 U.S.C. 201-219	The Fair Labor Standards Act
29 U.S.C. 793	Handicapped Employment