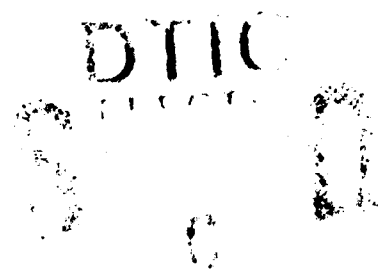


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DoD SUPPLY DEPOT CONSOLIDATION:
PRELIMINARY ESTIMATE OF SAVINGS

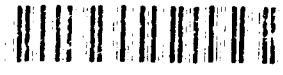
October 1990

OPERATIONS RESEARCH AND ECONOMIC ANALYSIS OFFICE



DEPARTMENT OF DEFENSE
DEFENSE LOGISTICS AGENCY

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DLA-91-P00189

**DoD SUPPLY DEPOT CONSOLIDATION:
PRELIMINARY ESTIMATE OF SAVINGS**

October 1990

Capt David E. Bertrand, USAF

Joseph L. Fanelli

Approved for: _____ ✓
Date: _____
By: _____
Subject: _____
A-1

**DEPARTMENT OF DEFENSE
DEFENSE LOGISTICS AGENCY
OPERATIONS RESEARCH AND ECONOMIC ANALYSIS OFFICE
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ALEXANDRIA, VA 22304-6100**

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DLA-LO

FOREWORD

This report presents the results of an initial first-order assessment of the magnitude of savings associated with DoD-wide depot consolidation based on the latest information available and current system concept. Gross operational savings of \$142 million to \$260 million per year were identified, assuming that the consolidated depot system eventually will operate at current Defense Logistics Agency (DLA) unit costs. Moving to a common software system, the Defense Distribution System (DDS), nets an additional \$25 million to \$43 million in yearly savings. Through greater utilization of DLA's Guaranteed Traffic Program, an additional \$6 million in annual savings can be realized. Total recurring savings equal \$173 million to \$309 million per year. In addition, greater resource utilization due to depot consolidation eliminates the need for \$342 million in planned military construction through FY 95. On the cost side, implementation of the DDS will require a one-time expenditure of \$74 million, with an annual equipment maintenance cost of \$2 million.

R. C. Roy
ROGER C. ROY
Assistant Director
Office of Policy and Plans

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EXECUTIVE SUMMARY

Defense Management Report Decision (DMRD) 902 has recommended consolidating the supply depots of the Defense Logistics Agency (DLA) and the Military Services. The DLA Operations Research and Economic Analysis Management Support Office (DLA-LO(DORO)) performed an initial, first-order assessment of the magnitude of savings associated with DoD-wide depot consolidation based on the latest information available and current system concept. The analysis looked at four areas: operational savings due to more efficient depot operations, costs and savings from a new depot software system, savings in transportation costs, and avoidance of planned military construction costs.

Operational savings were calculated based on the assumption that average unit cost in a region will eventually drop to current DLA unit cost. Based on FY 89 unit cost data for DLA and Service depots provided by the Office of the Secretary of Defense (OSD), total operating costs were calculated for the combined workload of the region. This was done using the unit cost of the lowest-cost DLA depot in the region, the highest-cost depot, and the average DLA unit cost. The difference between this cost and the actual total cost for the region in FY 89 provided the savings estimate. Recurring annual savings based on this method were \$142 million to \$260 million; average DLA unit cost gave savings of \$201 million.

Both costs and savings were calculated for the new depot software system being developed, called the Defense Distribution System (DDS). The cost of DDS was provided by the DLA Office of Information Systems and Technology (DLA-Z) for all depots. The total one-time implementation cost came to \$74 million, with a yearly equipment maintenance, software licensing and telecommunications cost of \$2 million. Savings from the DDS were calculated based on previous analysis of the DLA Warehousing and Shipping Procedures (DWASP) system, assuming unit cost reductions due to DDS to be equivalent to those expected under DWASP. First, the size of the expected unit cost reduction was determined, and then this cost reduction was applied to the total FY 89 workload at all the consolidated depots. This identified total recurring savings of \$25 million to \$43 million per year.

Transportation savings are expected to accrue from expanded use of the DLA Guaranteed Traffic Program (GTP). To estimate the amount of savings, actual FY 89 shipments at each consolidated depot were costed at adjusted shipping rates, based on a comparison of GTP and standard rates at the most similar DLA depot. Shipping costs at the estimated GTP rates were then subtracted from actual costs to give estimated savings of \$6 million per year.

Consolidation of defense depots is expected to provide better use of existing facilities, reducing the need for new construction at the depots. To estimate the amount of the costs avoided, Service representatives at DLA-OC obtained from each Service and DLA lists of planned depot construction projects for FY 90 through FY 95, identifying those that would be deferred due to depot consolidation. Programmed costs of those deferred projects totaled \$392 million.

In summary, estimated total recurring savings due to depot consolidation are \$173 million to \$309 million per year. One-time avoidance of military construction costs total \$392 million from FY 90 to FY 95. Estimated cost of implementing the DDS software system is \$ 74 million, followed by recurring costs of \$2 million for maintenance of the system.

I. INTRODUCTION

A. Background. Defense Management Report Decision (DMRD) 902 recommends consolidating the defense supply depots of the Army, Navy, Air Force, Marine Corps, and Defense Logistics Agency (DLA) into a single Department of Defense (DoD) depot system. The DMRD states that this consolidation "would result in significant reductions in base and headquarters level overhead costs, system development costs, ...[and] transportation costs." Avoidance of planned military construction (MILCON) costs is also cited, due to better utilization of existing storage capacity. The DLA Directorate of Supply Operations, Supply Depot Consolidation Office, requested that the DLA Operations Research and Economic Analysis Management Support Office (DLA-LO(DORO)) perform an initial, first-order assessment of the magnitude of savings associated with DoD-wide depot consolidation based on the latest information available and current system concept.

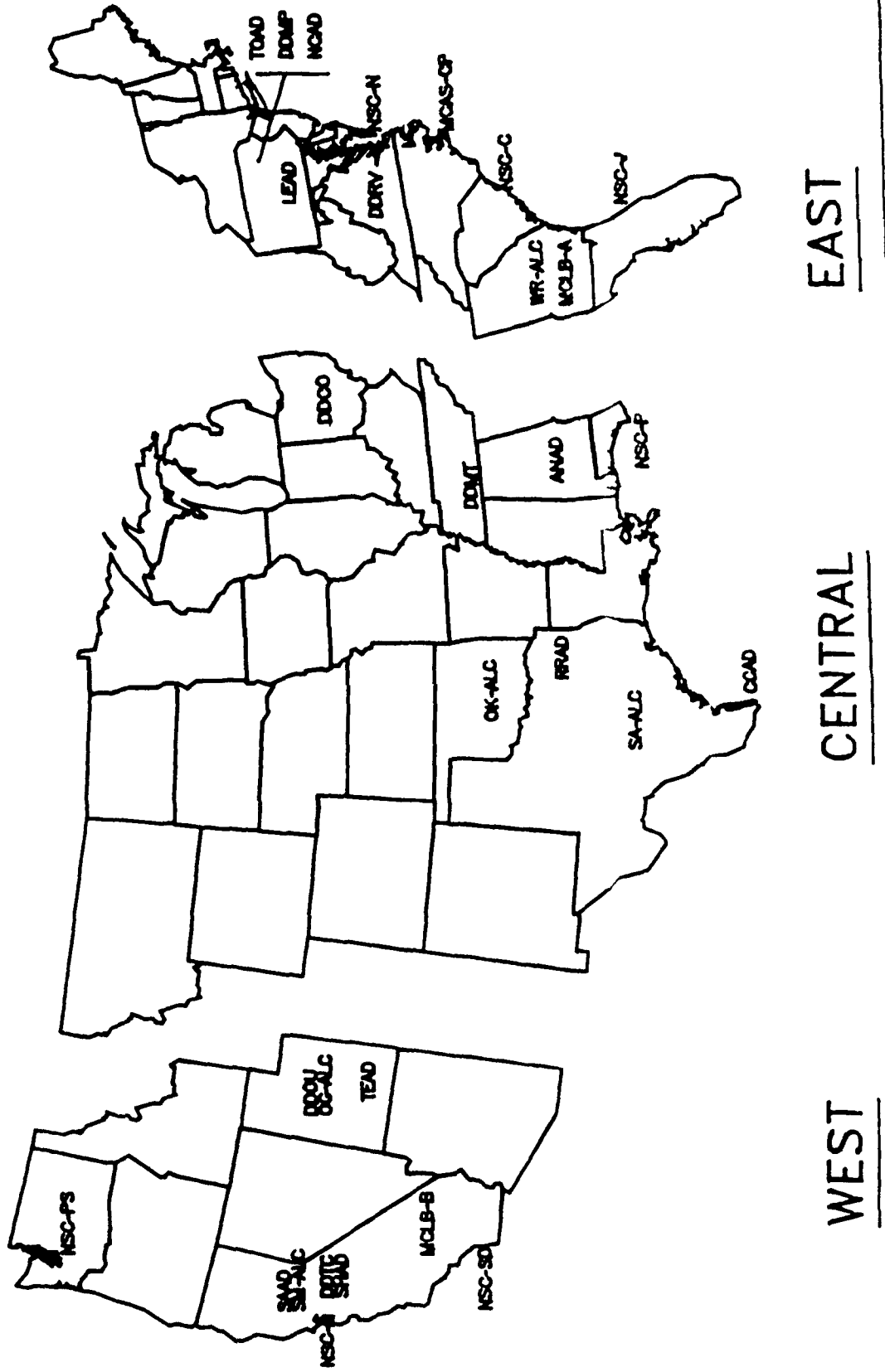
The current concept to implement DMRD 902 is to organize the Service and DLA depots into three regions: eastern, central, and western. Appendix A contains a list of the 30 depots included in the analysis by region. Regional boundaries and approximate depot locations are shown on the map at Figure 1. Also, as part of the consolidation, all depots will move to a new software system called the Defense Distribution System (DDS). The DDS, currently under development, will be a "best of breed" containing the best features of each of the software systems now being used by DLA and the Services. Another benefit of implementing DMRD 902 is anticipated reductions in transportation costs. Current DLA transportation costs under the Guaranteed Traffic Program (GTP) are based on an agreement between the government and a motor carrier(s) for transporting supplies from DLA depots to their customers. After consolidation, all depots are expected to ship under this program.

B. Problem Statement. Estimate the magnitude of savings expected to be realized after complete consolidation of all DoD supply depots into a single system, as compared to the current operation of DLA and Service depot systems.

C. Objective.

1. Calculate savings due to more efficient depot operations.
2. Determine costs and savings associated with development of a single depot software system.
3. Determine savings in transportation costs through use of DLA's GTP.
4. Determine cost avoidance in MILCON at DoD depots.

Figure 1
REGIONAL BOUNDARIES FOR DoD DEPOT SYSTEM



D. Scope.

1. Analysis was restricted to the depots listed in Appendix A. Annexes or remote sites are included as part of the associated main depot.

2. Personnel savings from reductions in Service and DLA headquarters staffing, in those elements supporting depot functions, could not be identified at this time and so are not included in this analysis.

3. Because of the general nature of the system concept at this time, the following areas were not addressed.

a. Costs of personnel movements or reductions in force, if necessary.

b. Costs of modifying existing material handling equipment to accommodate changes in specific depot workloads under the new concept.

4. Items not eligible for shipment under the GTP were excluded from the transportation analysis. They consist of the following items:

a. ammunition, explosives, fireworks or chemical munitions;

b. missiles or rockets, with or without warheads or related system equipment and parts thereof;

c. household goods, crated or uncrated;

d. perishable subsistence; and

e. military equipment which is shipped in conjunction with troop movements.

II. CONCLUSIONS

Based on the current system concept, and using FY 89 as a baseline, savings and costs on the order of those in Table 1 can be expected. Low, medium, and high savings estimates are given based on a range of assumptions from conservative to optimistic.

III. RECOMMENDATIONS

The results of this study should be used as a planning tool to anticipate future budget requirements for the DoD depot system.

IV. METHODOLOGY

A. Assumptions.

1. When the DoD depot system is completely consolidated, the average unit cost for all depots in a given region will eventually be equal to the current unit cost of the DLA depots in that region.

2. FY 89 workload, used as the baseline for the analysis, is a reasonable estimate of future workload within each region (workload at individual depots, however, may change).

3. The implementation of the standard DDS software will further reduce the FY 89 unit costs. The amount of reduction on a per issue and per stow basis will be the same as those projected for the DLA Warehousing and Shipping Procedures (DWASP) system.

Table 1

SAVINGS AND COSTS ESTIMATES FOR THE DOD DEPOT SYSTEM

	LOW	MED	HIGH
<u>SAVINGS:</u>			
OPERATIONAL :	\$142M	\$201M	\$260M
DDS :	\$ 25M	\$ 33M	\$ 43M
TRANSPORTATION :	\$ 6M	\$ 6M	\$ 6M
TOTAL YEARLY SAVINGS :	\$173M	\$240M	\$309M
MILCON COST AVOIDANCE :	\$392M TOTAL FY 90 THROUGH FY 95		
SERVICE HEADQUARTERS PERSONNEL :	(UNASSESSED)		
<u>COSTS:</u>			
COST OF DDS :	\$ 74M ONE-TIME IMPLEMENTATION COST \$ 2M YEARLY MAINTENANCE COST		
FACILITY MODIFICATIONS:	(UNASSESSED)		
PERSONNEL IMPACTS :	(UNASSESSED)		

4. After consolidation, the DLA GTP program will be used by each depot. Transportation rates depend primarily on geographic area; therefore, Service depots are costed at the rate level of the DLA depot in the same transportation cost region as follows:

a. Western Region - California depots same as Defense Depot Tracy (DDTC) and other depots same as the Defense Depot Ogden (DDOU).

b. Eastern Region - Pennsylvania depots same as Defense Depot Mechanicsburg (DDMP) and Virginia depots same as Defense Depot Richmond (DDRV). Other eastern depots, located in the southeast, have rates similar to the south and thus are assumed to use rates for Defense Depot Memphis (DDMT).

c. Central Region - The rate structure for Defense Depot Memphis (DDMT) applies to all depots in this region.

5. MILCON projects whose cancellation generate the reported savings would have been constructed at programmed cost had depot consolidation not taken place.

B. Operational Savings.

1. Data. FY 89 unit costs were provided by the Office of the Secretary of Defense (OSD), Deputy Comptroller, Management Improvement Directorate. Unit cost is the cost associated with accomplishing a single unit of workload, calculated by dividing the total cost of a work area over a period of time by the total workload. For example, yearly costs of receiving operations would be divided by total receipts for the year. In conjunction with the Defense Manpower Data Center (DMDC), OSD obtained data from each Army, Navy, Air Force, Marine Corps, and DLA supply depot on FY 89 operating costs in various categories, and workload associated with these costs. From this data, DMDC developed unit cost spreadsheets for each Service and DLA. The portions of these spreadsheets used in this analysis are included in Appendix B; other portions, with detail on general and administrative functions and unique depot functions that are not part of the consolidation, are not shown. Marine Corps spreadsheets were not completed by OSD in time to be used in this report. Due to problems with the OSD data for DDOU, DLA unit cost data was used for this depot only.

2. Calculation of Savings. A spreadsheet was developed, listing all depots to be included in the DoD depot system by region. For each depot, the workload, total costs and unit costs for receiving and shipping functions were entered from the OSD data. These figures were then totaled for each region. To obtain total region costs under the new system, the total region workload was multiplied by the DLA unit costs in that region. Since there are two DLA depots in each region, three sets of calculations were made, using the lower-cost depot, the higher-cost depot, and the average of the two. In each case, the DLA-based region cost was subtracted from the total region costs based on the OSD data, and the results for receiving and shipping added together to give the total savings on each

region. The regional savings were then summed to give the total annual savings estimate for the DoD depot system operation.

The three spreadsheets were then revised to determine the savings attributable to labor costs only. The unit costs provided by OSD were not sufficiently detailed to break out labor costs. Therefore, DLA-generated unit costs were used to calculate the proportion of total costs associated with labor for each stand-alone DLA depot. Depots located with a DLA supply center were not used because much of the support labor for these depots is provided by the supply center. In each region, the labor/non-labor ratios for the DLA depot(s) were applied to all depots in the region, labor-only unit costs calculated, and labor cost savings derived as described above.

C. DDS Costs and Savings

1. DDS Costs. Costs for the DDS were developed by the DLA Office of Information Systems and Technology (DLA-Z) based on anticipated equipment requirements and past experience in implementing DLA and Service systems. These estimates of cost are based on the DLA concept of distribution sites and remote warehouses briefed to the services on 26 September 1990 at Cameron Station. Where available, the costs reflected in the concept plan, "Prototype of the Consolidation of Distribution Operations", were updated. A detailed description of the information used in developing these costs is included in Appendix C.

2. DDS Savings. The implementation of a single DoD depot software system provides the opportunity for improved depot operations. The adoption of bar coded labels and mobile communication devices when coupled with the new software will reduce unit cost. Although DLA's depot software modernization (DWASP) was underway during the FY 89 base year, only portions were operational. Further significant reductions in DLA's unit costs were anticipated once DWASP was fully operational. Assuming that the improvements envisioned under DDS will be very similar to those envisioned under the DWASP we can project those future reductions in DLA's unit cost as savings to be achieved under the DDS software. These savings are over and above those discussed in section IV.B.

The future increments of the DWASP system that were not implemented in FY 89 would have streamlined the stowing and issuing functions at all DLA depots. It would also encompass the packing operations at all DLA depots except DDCO and DDOU. That particular increment of DWASP was already on line at DDOU and DDCO.

Estimates for the reduction in unit costs in each of the functional areas were identified in a 1987 study performed by DLA-LO(DORO) entitled "DWASP Economic Analysis." These estimates were obtained by examination of the DLA Integrated Management Engineering System (DIMES) time standards and determining which steps in the processes would be eliminated. In some cases, multiple paperwork

processing actions are replaced by a single bar code scanning action. We used these DWASP estimates as the basis for our DDS savings. We did not adjust savings to reflect FY 89 dollars at this time.

These estimates are delineated based on whether the function is performed in bin or bulk areas. For example, the average reduction in unit cost for a bin issue was \$0.36 whereas for a bulk issue it was \$0.28. Similar values are provided for stowing and packing. However, the workload that was provided with the OSD unit costs was not stratified as bin or bulk. Thus we calculated the DDS software savings under various assumptions concerning the bin-bulk split for the workload.

D. Transportation Savings

1. Data. Data for all depots came from the Freight Information System (FINS) for FY 89. The appropriate shipments were selected based on the shipments eligible for the GTP originating at one of the consolidated depots. Appropriate mileages were appended to each record. The mileages were determined as follows:

a. A sectional zip code (first three position) was assigned based on the standard point location code (SPLC) shown in the FINS file for each shipment.

b. The zip code pair (origin and destination) was matched to a Rand McNally 3-Digit Zip Code Mileage data base and the mileage was appended to each record in the file.

2. Calculation of Savings. Two methods of shipment costing were used to provide a basis for cost comparison. Actual shipment costs were based on the actual freight charges paid by the U. S. Army Finance Center (US AFC) shown in the FINS file. GTP costs were estimated using adjusted Military Traffic Management Command (MTMC) rates. The adjustment factors are based on a detailed study of DLA GTP rates, titled "Transportation Cost Comparison (Draft)," conducted by DLA-LO(DORO) in August 1990. In the study, GTP rates were compared to a number of government and commercial rate databases and a percent difference was determined for each ship weight grouping. Using the developed percentage, a freight shipment can be rated with the MTMC class rate schedule and adjusted to a freight charge similar to what would have been paid under the GTP. Using the adjusted MTMC class rate schedule, all Service freight shipments for FY 89 were rated.

E. MILCON Cost Avoidance. The Supply Depot Consolidation Office obtained from DLA and each of the Services a list of pending construction projects at the affected depots for FY 90 through FY 95. Of these projects, those that would be deferred because of the supply depot consolidation were identified.

V. ANALYSIS

A. Operational Savings. Printed copies of the spreadsheets used to calculate the total operational savings are shown in Appendix D. Three sets of spreadsheets are included, using unit costs from the lower-cost depot in each region, the higher-cost depot, and the average of the two. Total operational savings for the DoD depot system range from \$142M to \$260M, depending on which DLA unit costs are used. Appendix E shows the same spreadsheet, using only labor costs. These show savings of \$99M to \$186M in labor costs, which equate to 3313 to 6203 personnel equivalents (using an average salary of \$30,000).

B. DDS Costs and Savings.

1. DDS Costs. Table 2 below gives a summary of DDS cost estimates. A detailed breakout of the makeup of these costs is included in Appendix F. The cost to develop software interfaces between DDS and existing depot computer systems was not site specific so the table reflects the total system cost. This logic was also applied to the telecommunications equipment cost. Beyond these one-time implementation costs, continued maintenance of the additional equipment, the software licensing, and the telecommunication circuits was estimated by DLA-Z to cost about \$1.5 M per year.

Table 2.

DEFENSE DISTRIBUTION SYSTEM COST ESTIMATE

PRIMARY SITE COST	:	\$ 21.0M
SPECIALIZED SITE COST	:	\$ 43.8M
REMOTE SITE COST	:	\$ 7.4M
INTERFACE SOFTWARE	:	\$ 2.0M
TELECOMMUNICATIONS EQUIPMENT	:	\$.1M
<hr/>		
TOTAL IMPLEMENTATION COST:		\$ 74.3M
YEARLY MAINTENANCE, LICENSE, AND TELECOMMUNICATION COST :		\$ 1.4M

2. DDS Savings. Table 3 is a summary analysis of the annual savings under DDS. The total workload in each category was that provided in the OSD developed unit cost spreadsheets for FY 89. However, that spreadsheet did not provide any information on what percentages of the issues were in bin versus bulk. The table presents three alternatives relative to this bin-bulk split.

First, assume all workload is bulk. Next, assume all is bin; and lastly, use the FY 89 DLA bin-bulk figures obtained from internal workload reports as representative of all the DoD depots. Note that in packing, the total workload has been decremented by the DDOU and DDCO workload since the packing increment of DWASP was in place at those depots in the FY 89 base year.

Using the minimum amount of savings in each of the functional areas and totalling, the conservative estimate of the DDS software annual savings is approximately \$25 million. Using the maximums, it is approximately \$43 million; and with the DLA bin-bulk split, the results are \$33 million.

C. Transportation Savings. Once the shipments were costed, statistics were compiled by region and individual depot for FY 89. These statistics are shown in Table 4. Actual costs were derived from the total freight charges paid by USAFC for each shipment in the database. These costs were totaled and show a total transportation expenditure for FY 89 by depot, region, and overall DoD. Estimated costs were computed for each shipment using the methodology previously described for all DLA and Service depot shipments. An examination of actual DLA depot costs compared to the estimated cost shows that the estimates vary from a low of -1.5 percent at DDMP to a high of +5.5 percent at DDMT. This was done to verify the accuracy of the estimation algorithm in computing DLA GTP transportation costs. Differences (savings/losses) were then computed and are shown by depot, region, and overall DoD. Overall savings are estimated to be \$6.3 million should Service depot shipments move under DLA GTP rates.

D. MILCON Cost Avoidance. The list in Appendix G contains all construction planned at the affected depots for FY 90 - FY 95 by fiscal year and location. Programmed costs for all projects are shown, then costs of those projects being deferred. Costs with an asterisk (*) are budgeted with Procurement Defense Agency (PDA) funds rather than MILCON funds. Of \$585M total planned construction, \$392M has been deferred due to the planned depot system consolidation.

Table 3

DDS SOFTWARE
ANNUAL RECURRING SAVINGS

<u>RECEIVING</u>			
DLA % BIN-67%	% BULK-33%		
TOTAL NUMBER OF DOD RECEIPTS	DWASP SAVINGS PER BULK STOW	TOTAL SAVINGS ASSUMING ALL BULK	TOTAL SAVINGS USING DLA BIN/BULK RATIO
10,460,206	\$ 0.32	\$3,347,266	\$5,029,267
<u>ISSUING</u>			
DLA % BIN-67%	% BULK-33%		
TOTAL NUMBER OF DOD ISSUES	DWASP SAVINGS PER BULK ISSUE	TOTAL SAVINGS ASSUMING ALL BULK	TOTAL SAVINGS USING DLA BIN/BULK RATIO
37,560,683	\$ 0.28	\$10,516,991	\$12,530,244
<u>PACKING</u>			
DLA % BIN-67%	% BULK-33%		
DOD ISSUES MINUS DDCO & DDOU	DWASP SAVINGS PER BIN PACK	TOTAL SAVINGS ASSUMING ALL BULK	TOTAL SAVINGS USING DLA BIN/BULK RATIO
32,940,991	\$ 0.73	\$24,046,923	\$15,660,147
<u>COMBINED SAVINGS</u>			
TOTAL DDS YEARLY SAVINGS	ESTIMATE USING MINS ABOVE	ESTIMATE USING MAX ABOVE	ESTIMATE USING DLA BIN/BULK RATIOS
	\$25,393,604	\$43,426,485	\$33,219,658

** DWASP SAVINGS BASED ON DWASP ECONOMIC ANALYSIS, DLA-DORO, MAY 1987

Table 4

TRANSPORTATION COST SAVINGS ESTIMATE
FOR DEPOT CONSOLIDATION EFFORT
(SURFACE FREIGHT SHIPMENTS - 1989)

	SHIPPING DEPOT	SHIPMENT WEIGHT	ACTUAL COST	DLA SHIP COST	COST DIFF	NUM SHIPS	
EASTERN	DD MECHANICSBURG	113,066,504	5,477,830.12	5,394,508.73	-83,321.39	57,682	
	DD RICHMOND	142,895,870	5,657,226.54	5,719,228.16	62,001.62	55,120	
	LETTERKENNY AD	23,231,147	1,226,666.91	979,849.39	-246,817.52	7,364	
	NEW CUMBERLAND AD	141,941,282	6,217,841.62	5,220,132.02	-997,709.60	34,607	
	TOBYHANNA AD	9,395,944	589,945.09	502,015.04	-87,930.05	4,429	
	MCAS CHERRY POINT	3,798,879	261,169.66	188,852.05	-72,317.61	1,124	
	MCLB ALBANY	18,909,587	881,821.79	840,550.43	-41,271.36	3,621	
	WARNER-ROBINS AFB	8,048,368	715,861.54	562,805.92	-153,055.62	4,386	
	MSC WORFOLK	55,423,698	1,816,011.49	1,449,209.86	-366,801.63	10,895	
	MSC CHEATHAM ANNEX	4,856,450	241,966.33	175,143.86	-66,822.47	1,250	
	MSC CHARLESTON	21,229,202	1,050,056.05	636,628.38	-413,427.67	3,769	
	MSC JACKSONVILLE	27,440,600	632,980.89	425,637.73	-207,343.16	1,566	
	MAYPORT NAVY	3,951,804	141,845.00	91,723.43	-50,121.57	344	
	REGIONAL SUMMARY	574,189,335	24,911,223.03	22,186,285.00	-2,724,938.03	186,157	
	CENTRAL	DD COLUMBUS	37,892,550	2,525,907.76	2,550,467.65	24,559.89	28,705
		DD MEMPHIS	173,577,993	7,612,924.80	8,032,929.35	420,004.55	52,234
		ANNISTON AD	17,116,474	1,586,722.65	906,903.53	-679,819.12	3,721
RED RIVER AD		94,813,301	4,979,331.41	4,769,616.50	-209,714.91	35,780	
CORPUS CHRISTI AD		5,773,738	500,108.12	423,613.67	-76,494.45	3,422	
OKLAHOMA CITY ALC		7,995,310	567,097.59	572,020.32	4,922.73	4,785	
SAN ANTONIO ALC		12,833,315	990,458.99	912,821.16	-77,637.83	4,308	
MSC PENSACOLA		3,357,438	451,096.46	176,563.27	-274,533.19	1,740	
REGIONAL SUMMARY		353,360,119	19,213,647.78	18,344,935.45	-868,712.33	134,695	
WESTERN		DD TRACY	153,544,335	5,710,087.30	5,935,417.40	225,330.10	35,583
	DD OGDEN	73,307,872	3,215,353.56	3,316,483.35	101,129.79	27,716	
	TOOLEE AD	14,935,839	1,110,575.02	779,933.58	-330,641.44	4,047	
	SHARPE AD	33,827,363	2,556,754.15	2,216,818.44	-339,935.71	15,233	
	SACRAMENTO AD	4,965,794	526,645.16	363,671.53	-162,973.63	3,490	
	MCLB BARSTOW	1,305,941	94,784.36	72,059.43	-22,724.93	337	
	SACRAMENTO ALC	6,058,858	779,768.42	345,825.99	-433,942.43	2,372	
	OGDEN ALC	6,194,420	446,172.38	309,451.11	-136,721.27	1,170	
	MSC OAKLAND	10,293,497	1,401,190.63	780,873.17	-620,317.46	8,866	
	*ALAMEDA(ANNEX)	5,927,630	596,658.84	266,548.16	-330,110.68	1,442	
	MARES ISLAND						
	MSC SAN DIEGO	57,938,323	1,108,306.00	887,176.89	-221,129.11	2,942	
	NATIONAL CITY ANX						
MSC PUGET SOUND JE	13,132,227	895,932.05	403,424.45	-492,507.60	2,128		
REGIONAL SUMMARY	381,432,099	18,442,227.87	15,677,683.50	-2,764,544.37	105,326		
GRAND TOTAL	1,308,981,553	62,567,098.68	56,208,903.95	-6,358,194.73	426,178		

Notes: * Included in MSC Oakland totals.

** Included in MSC San Diego totals.

APPENDIX A

Depots Included in Analysis, By Region

Depots Included in Analysis, By Region

EASTERN REGION

Defense Depot Richmond, Virginia (DDRV)
Defense Depot Mechanicsburg, Pennsylvania (DDMP)
New Cumberland Army Depot, Pennsylvania (NCAD)
Tobyhanna Army Depot, Pennsylvania (TOAD)
Letterkenny Army Depot, Pennsylvania (LEAD)
Naval Supply Center Norfolk, Virginia (NSC-N)
Naval Supply Center Charleston, South Carolina (NSC-C)
Naval Supply Center Jacksonville, Florida (NSC-J)
Warner Robins Air Logistics Center, Georgia (WR-ALC)
Marine Corps Logistics Base Albany, Georgia (MCLB-A)
Marine Corps Air Station Cherry Point, North Carolina (MCAS-CP)

CENTRAL REGION

Defense Depot Columbus, Ohio (DDOU)
Defense Depot Memphis, Tennessee (DDMT)
Red River Army Depot, Texas (RRAD)
Corpus Christi Army Depot, Texas (CCAD)
Anniston Army Depot, Alabama (ANAD)
Naval Supply Center Pensacola, Florida (NSC-P)
San Antonio Air Logistics Center (SA-ALC)
Oklahoma City Air Logistics Center (OK-ALC)

WESTERN REGION

Defense Depot Ogden, Utah (DDOU)
Defense Depot Tracy, California (DDTC)
Sacramento Army Depot, California (SAAD)
Sharpe Army Depot, California (SHAD)
Toolele Army Depot, Utah (TEAD)
Naval Supply Center Oakland, California (NSC-O)
Naval Supply Center Puget Sound, Washington (NSC-PS)
Naval Supply Center San Diego, California (NSC-SD)
Sacramento Air Logistics Center, California (SM-ALC)
Ogden Air Logistics Center, Utah (OG-ALC)
Marine Corps Logistics Base Barstow, California (MCLB-B)

APPENDIX B

OSD Unit Cost Spreadsheets

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

DLA
COLUMBUS DEPOT
DISTRIBUTION FUNCTIONS
PART II COSTS AND WORKLOAD
FISCAL YEAR 89

RUN DATE: 07/06/90
RUN TIME: 12:05:32

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
RECEIPTS - BIN	1,398,615	172,327	0	80,688	0	1,788,926	3,440,557	235,830
UNIT COST - RCPT BIN	5.93	.73	.00	.34	.00	7.59	14.59	
RECEIPTS - BULK	926,720	368,936	0	7,882	0	1,449,899	2,753,437	89,068
UNIT COST - RCPT BULK	10.40	4.14	.00	.09	.00	16.28	30.91	
ISSUES - BIN	4,452,106	548,284	0	912,804	0	5,502,533	11,415,727	1,662,295
UNIT COST - ISS BIN	2.68	.33	.00	.55	.00	3.31	6.87	
ISSUES- BULK	4,051,617	1,425,929	0	901,681	0	9,134,683	15,513,911	370,736
UNIT COST - ISS BULK	10.93	3.85	.00	2.43	.00	26.64	41.85	
RCPTS & ISSUES	10,829,059	2,515,477	0	1,903,055	0	17,876,041	33,123,632	2,357,927
UNIT COST - RCPT & ISS	4.59	1.07	.00	.81	.00	7.58	14.05	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

DLA
MEMPHIS DEPOT
DISTRIBUTION FUNCTIONS
PART II COSTS AND WORKLOAD
FISCAL YEAR 89

RUN DATE: 07/06/90
RUN TIME: 12:05:32

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
RECEIPTS - BIN	1,028,757	307,845	0	169,479	0	1,375,175	2,881,256	162,789
UNIT COST - RCPT BIN	6.32	1.89	.00	1.04	.00	8.45	17.70	
RECEIPTS - BULK	1,533,695	169,421	0	19,923	0	1,686,663	3,409,703	166,713
UNIT COST - RCPT BULK	9.20	1.02	.00	.12	.00	10.12	20.45	
ISSUES - BIN	4,595,499	1,152,292	0	1,733,540	0	6,082,028	13,563,359	1,755,887
UNIT COST - ISS BIN	2.62	.66	.00	.99	.00	3.46	7.72	
ISSUES- BULK	13,112,614	3,105,107	0	2,510,557	0	22,020,103	40,748,381	2,005,569
UNIT COST - ISS BULK	6.54	1.55	.00	1.25	.00	10.98	20.32	
RCPTS & ISSUES	20,270,566	4,734,664	0	4,433,499	0	31,163,970	60,602,699	4,090,958
UNIT COST - RCPT & ISS	4.95	1.16	.00	1.08	.00	7.62	14.81	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

DLA
MECHANICSBURG DEPOT
DISTRIBUTION FUNCTIONS
PART II COSTS AND WORKLOAD
FISCAL YEAR 89

RUN DATE: 07/06/90
RUN TIME: 12:05:32

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
RECEIPTS - BIN	806,731	151,093	0	578	0	1,212,966	2,171,368	142,522
UNIT COST - RCPT BIN	5.66	1.06	.00	.00	.00	8.51	15.24	
RECEIPTS - BULK	1,359,366	220,251	0	2,850	0	1,892,971	3,475,438	85,169
UNIT COST - RCPT BULK	15.96	2.59	.00	.03	.00	22.23	40.81	
ISSUES - BIN	3,983,919	926,441	0	752,325	0	5,957,566	11,620,251	1,766,368
UNIT COST - ISS BIN	2.26	52	.00	.43	.00	3.37	6.58	
ISSUES- BULK	6,845,223	939,757	0	2,039,485	0	15,591,714	25,416,179	971,027
UNIT COST - ISS BULK	7.05	97	.00	2.10	.00	16.06	26.17	
RCPTS & ISSUES	12,995,239	2,237,543	0	2,795,238	0	24,655,217	42,683,236	2,965,086
UNIT COST - RCPT & ISS	4.38	.75	.00	.94	.00	8.32	14.40	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

DLA
TRACY DEPOT
DISTRIBUTION FUNCTIONS
PART II COSTS AND WORKLOAD
FISCAL YEAR 89

RUN DATE: 07/06/90
RUN TIME: 12:05:32

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
RECEIPTS - BIN	1,021,789	254,920	0	18,301	0	1,701,849	2,996,859	179,082
UNIT COST - RCPT BIN	5.71	1.42	.00	.10	.00	9.50	16.73	
RECEIPTS - BULK	2,016,244	369,096	0	34,872	0	2,994,478	5,414,690	114,805
UNIT COST - RCPT BULK	17.56	3.21	.00	.30	.00	26.08	47.16	
ISSUES - BIN	3,259,485	1,008,596	0	648,473	0	5,291,259	10,207,814	1,819,765
UNIT COST - ISS BIN	1.79	.55	.00	.36	.00	2.91	5.61	
ISSUES- BULK	8,849,779	1,679,222	0	2,455,856	0	20,217,915	33,202,771	899,420
UNIT COST - ISS BULK	9.84	1.87	.00	2.73	.00	22.48	36.92	
RCPTS & ISSUES	15,147,297	3,311,834	0	3,157,502	0	30,205,500	51,822,133	3,013,072
UNIT COST - RCPT & ISS	5.03	1.10	.00	1.05	.00	10.02	17.20	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

DLA

RUN DATE: 07/06/90

ODDEN DEPOT

RUN TIME: 12:05:32

DISTRIBUTION FUNCTIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	LABOR			NON-LABOR	INDIRECT	ALLOCATED	TOTAL	WORKLOAD
	CIV DIR	CIV IND	MILITARY	DIRECT	COSTS	COSTS	COSTS	
RECEIPTS - BIN	0	0	0	69,901	0	1,592,727	1,662,628	660,060
UNIT COST - RCPT BIN	.00	.00	.00	.11	.00	2.41	2.52	
RECEIPTS - BULK	610,136	32,006	0	1,247	0	1,443,363	2,086,752	222,294
UNIT COST - RCPT BULK	2.74	.14	.00	.01	.00	6.49	9.39	
ISSUES - BIN	388	0	0	625,281	0	3,733,402	4,359,071	3,601,594
UNIT COST - ISS BIN	.00	.00	.00	.17	.00	1.04	1.21	
ISSUES- BULK	5,725,373	1,186,483	0	1,148,156	0	11,395,234	19,455,247	1,571,732
UNIT COST - ISS BULK	3.64	.75	.00	.73	.00	7.25	12.38	
RCPTS & ISSUES	6,335,897	1,218,490	0	1,844,585	0	18,164,726	27,563,698	6,055,680
UNIT COST - RCPT & ISS	1.05	.20	.00	.30	.00	3.00	4.55	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

DLA

RUN DATE: 07/06/90

RICHMOND DEPOT

RUN TIME: 12:05:32

DISTRIBUTION FUNCTIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	LABOR			NON-LABOR	INDIRECT	ALLOCATED	TOTAL	WORKLOAD
	CIV DIR	CIV IND	MILITARY	DIRECT	COSTS	COSTS	COSTS	
RECEIPTS - BIN	1,119,710	354,271	0	63,853	0	1,539,054	3,078,888	252,070
UNIT COST - RCPT BIN	4.44	1.41	.00	.25	.00	6.11	12.21	
RECEIPTS - BULK	2,662,865	215,602	0	47,604	0	2,796,444	5,722,515	176,325
UNIT COST - RCPT BULK	15.10	1.22	.00	.27	.00	15.86	32.45	
ISSUES - BIN	3,698,838	795,037	0	1,218,217	0	4,324,422	10,036,514	2,010,718
UNIT COST - ISS BIN	1.84	.40	.00	.61	.00	2.15	4.99	
ISSUES- BULK	7,034,435	1,461,379	0	1,276,013	0	12,528,764	22,300,590	685,035
UNIT COST - ISS BULK	10.27	2.13	.00	1.86	.00	18.29	32.55	
RCPTS & ISSUES	14,515,847	2,828,288	0	2,605,687	0	21,188,684	41,138,507	3,124,148
UNIT COST - RCPT & ISS	4.65	.91	.00	.83	.00	6.78	13.17	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

ARMY

RUN DATE: 07/06/90

LETTERKENNY ARMY DEPOT

RUN TIME: 13:57:58

DISTRIBUTION FUNCTIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	CIV DIR	LABOR CIV IND	MILITARY	NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	4,229,523	0	359	218,795	1,556,847	5,866,648	11,872,172	279,581
UNIT COST-RECPTS	15.13	.00	.00	.78	5.57	20.98	42.46	
ISSUES	5,634,303	0	14,061	1,060,085	2,869,631	9,095,697	18,673,777	322,126
UNIT COST-ISSUES	17.49	.00	.04	3.29	8.91	28.24	57.97	
TOT RECPTS & ISSUES	9,863,826	0	14,420	1,278,880	4,426,478	14,962,345	30,545,949	601,707
UNIT COST	16.39	.00	.02	2.13	7.36	24.87	50.77	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

ARMY

RUN DATE: 07/06/90

NEW CUMBERLAND ARMY DEPOT

RUN TIME: 13:57:58

DISTRIBUTION FUNCTIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	CIV DIR	LABOR CIV IND	MILITARY	NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	6,992,514	0	9,366	658,494	3,999,772	6,197,238	17,857,384	327,163
UNIT COST-RECPTS	21.37	.00	.03	2.01	12.23	18.94	54.58	
ISSUES	18,267,483	0	16,330	3,446,535	9,431,407	16,536,208	47,697,963	2,332,785
UNIT COST-ISSUES	7.83	.00	.01	1.48	4.04	7.09	20.45	
TOT RECPTS & ISSUES	25,259,997	0	25,696	4,105,029	13,431,179	22,733,446	65,555,347	2,659,948
UNIT COST	9.50	.00	.01	1.54	5.05	8.55	24.65	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT
 ARMY
 ANNISTON ARMY DEPOT
 DISTRIBUTION FUNCTIONS
 PART II COSTS AND WORKLOAD
 FISCAL YEAR 89

RUN DATE: 07/06/90
 RUN TIME: 13:57:58

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	3,929,080	0	0	673,993	1,697,656	3,605,734	9,906,463	239,247
UNIT COST-RECPYS	16.42	.00	.00	2.82	7.10	15.07	41.41	
ISSUES	4,803,746	0	0	639,464	2,046,297	4,386,659	11,876,166	264,054
UNIT COST-ISSUES	18.19	.00	.00	2.42	7.75	16.61	44.98	
TOT RECPYS & ISSUES	8,732,826	0	0	1,313,457	3,743,953	7,992,392	21,782,628	503,301
UNIT COST	17.35	.00	.00	2.61	7.44	15.88	43.28	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT
 ARMY
 SACRAMENTO ARMY DEPOT
 DISTRIBUTION FUNCTIONS
 PART II COSTS AND WORKLOAD
 FISCAL YEAR 89

RUN DATE: 07/06/90
 RUN TIME: 13:57:58

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	3,044,576	0	2,645	14,323	1,297,098	2,328,567	6,687,209	165,680
UNIT COST-RECPYS	18.38	.00	.02	.09	7.83	14.05	40.36	
ISSUES	4,189,124	0	45,927	841,714	1,810,515	3,402,646	10,289,926	184,069
UNIT COST-ISSUES	22.76	.00	.25	4.57	9.84	18.49	55.90	
TOT RECPYS & ISSUES	7,233,700	0	48,572	856,037	3,107,613	5,731,213	16,977,135	349,749
UNIT COST	20.68	.00	.14	2.45	8.89	16.39	48.54	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

ARMY

RUN DATE: 07/06/90

SHARPE ARMY DEPOT

RUN TIME: 13:57:58

DISTRIBUTION FUNCTIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	3,291,478	0	5,345	68,668	1,850,643	3,835,454	9,051,588	138,597
UNIT COST-RECPTS	23.75	.00	.04	.50	13.35	27.67	65.31	
ISSUES	9,176,786	0	32,378	1,205,711	5,100,907	10,792,948	26,308,730	746,499
UNIT COST-ISSUES	12.29	.00	.04	1.62	6.83	14.46	35.24	
TOT RECPTS & ISSUES	12,468,264	0	37,723	1,274,379	6,951,550	14,628,402	35,360,318	885,096
UNIT COST	14.09	.00	.04	1.44	7.85	16.53	39.95	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

ARMY

RUN DATE: 07/06/90

TOBYHANNA ARMY DEPOT

RUN TIME: 13:57:58

DISTRIBUTION FUNCTIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	3,326,448	0	31,332	46,166	1,275,015	2,168,462	6,847,423	217,884
UNIT COST-RECPTS	15.27	.00	.14	.21	5.85	9.95	31.43	
ISSUES	4,805,628	0	26,352	1,192,620	1,850,964	3,191,436	11,067,000	246,559
UNIT COST-ISSUES	19.49	.00	.11	4.84	7.51	12.94	44.89	
TOT RECPTS & ISSUES	8,132,076	0	57,684	1,238,786	3,125,979	5,359,899	17,914,424	464,443
UNIT COST	17.51	.00	.12	2.67	6.73	11.54	38.57	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

ARMY

RUN DATE: 07/06/90

RED RIVER ARMY DEPOT

RUN TIME: 13:57:58

DISTRIBUTION FUNCTIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	8,169,615	0	6,043	1,232,942	5,089,739	5,476,458	19,974,797	467,409
UNIT COST-RECPTS	17.48	.00	.01	2.64	10.89	11.72	42.74	
ISSUES	18,131,576	0	5,502	3,870,163	11,604,868	12,373,476	45,985,585	1,744,901
UNIT COST-ISSUES	10.39	.00	.00	2.22	6.65	7.09	26.35	
TOT RECPTS & ISSUES	26,301,191	0	11,545	5,103,105	16,694,607	17,849,934	65,960,382	2,212,310
UNIT COST	11.89	.00	.01	2.31	7.55	8.07	29.82	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

ARMY

RUN DATE: 07/06/90

CORPUS CHRISTI ARMY DEPOT

RUN TIME: 13:57:58

DISTRIBUTION FUNCTIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	2,379,229	0	-38	435,784	872,876	1,406,865	5,094,715	194,035
UNIT COST-RECPTS	12.26	.00	.00	2.25	4.50	7.25	26.26	
ISSUES	1,647,416	0	0	78,162	588,392	958,859	3,272,829	264,891
UNIT COST-ISSUES	6.22	.00	.00	.30	2.22	3.62	12.36	
TOT RECPTS & ISSUES	4,026,645	0	-38	513,946	1,461,268	2,365,725	8,367,545	458,926
UNIT COST	8.77	.00	.00	1.12	3.18	5.15	18.23	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

ARMY

TOOLELE ARMY DEPOT

DISTRIBUTION FUNCTIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

RUN DATE: 07/06/90

RUN TIME: 13:57:58

	----- CIV DIR	LABOR CIV IND	----- MILITARY	NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	4,576,596	0	8,131	233,673	1,601,049	4,264,956	10,684,405	158,966
UNIT COST-RECPTS	28.79	.00	.05	1.47	10.07	26.83	67.21	
ISSUES	4,345,692	0	1,107	1,614,418	1,678,241	4,203,547	11,843,005	194,496
UNIT COST-ISSUES	22.34	.00	.01	8.30	8.63	21.61	60.89	
TOT RECPTS & ISSUES	8,922,288	0	9,238	1,848,091	3,279,290	8,468,503	22,527,410	353,462
UNIT COST	25.24	.00	.03	5.23	9.28	23.96	63.73	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

NAVY
 OAKLAND NAVAL SUPPLY CENTER
 DISTRIBUTION FUNCTIONS
 PART II COSTS AND WORKLOAD
 FISCAL YEAR 89

RUN DATE: 07/30/90
 RUN TIME: 09:13:28

	LABOR			NON-LABOR		ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY	DIRECT	INDIRECT			
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	3,625,393	0	0	203,657	0	4,976,133	8,805,184	418,660
UNIT COST-RCPTS	8.66	.00	.00	.49	.00	11.89	21.03	
ISSUES	6,727,162	0	0	2,439,752	0	13,936,643	23,103,558	1,267,642
UNIT COST-ISSUES	5.31	.00	.00	1.92	.00	10.99	18.23	
TOT DLA DISTRIB	10,352,555	0	0	2,643,410	0	18,912,777	31,908,741	1,686,302
UNIT COST	6.14	.00	.00	1.57	.00	11.22	18.92	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

NAVY
 SAN DIEGO NAVAL SUPPLY CENTER
 DISTRIBUTION FUNCTIONS
 PART II COSTS AND WORKLOAD
 FISCAL YEAR 89

RUN DATE: 07/30/90
 RUN TIME: 09:13:28

	LABOR			NON-LABOR		ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY	DIRECT	INDIRECT			
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	3,199,067	0	0	291,995	0	3,917,780	7,408,842	577,258
UNIT COST-RCPTS	5.54	.00	.00	.51	.00	6.79	12.83	
ISSUES	6,848,977	0	0	2,007,892	0	11,191,514	20,048,383	1,682,450
UNIT COST-ISSUES	4.07	.00	.00	1.19	.00	6.65	11.92	
TOT DLA DISTRIB	10,048,044	0	0	2,299,887	0	15,109,294	27,457,225	2,259,708
UNIT COST	4.45	.00	.00	1.02	.00	6.69	12.15	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

NAVY

RUN DATE: 07/30/90

PUGET SOUND NAVAL SUPPLY CENTER

RUN TIME: 09:13:28

DISTRIBUTION FUNCTIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	LABOR			NON-LABOR		ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY	DIRECT	INDIRECT			
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	1,422,104	0	0	3,190	0	2,106,176	3,531,470	188,457
UNIT COST-RCPTS	7.55	.00	.00	.02	.00	11.18	18.74	
ISSUES	2,044,499	0	0	766,480	0	4,663,046	7,474,026	384,575
UNIT COST-ISSUES	5.32	.00	.00	1.99	.00	12.13	19.43	
TOT DLA DISTRIB	3,466,603	0	0	769,670	0	6,769,222	11,005,496	573,032
UNIT COST	6.05	.00	.00	1.34	.00	11.81	19.21	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

NAVY

RUN DATE: 07/30/90

NORFOLK NAVAL SUPPLY CENTER

RUN TIME: 09:13:28

DISTRIBUTION FUNCTIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	LABOR			NON-LABOR		ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY	DIRECT	INDIRECT			
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	8,538,389	0	0	1,144,874	0	9,132,359	18,815,621	640,132
UNIT COST-RCPTS	13.34	.00	.00	1.79	.00	14.27	29.39	
ISSUES	12,493,049	0	0	3,036,658	0	19,597,306	35,127,014	2,513,451
UNIT COST-ISSUES	4.97	.00	.00	1.21	.00	7.80	13.98	
TOT DLA DISTRIB	21,031,438	0	0	4,181,532	0	28,729,665	53,942,635	3,153,583
UNIT COST	6.67	.00	.00	1.33	.00	9.11	17.11	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT
 NAVY
 CHARLESTON NAVAL SUPPLY CENTER
 DISTRIBUTION FUNCTIONS
 PART II COSTS AND WORKLOAD
 FISCAL YEAR 89

RUN DATE: 07/30/90
 RUN TIME: 09:13:28

	LABOR			NON-LABOR		ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY	DIRECT	INDIRECT			
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	2,565,684	0	0	126,816	0	2,658,924	5,351,424	283,258
UNIT COST-RCPTS	9.06	.00	.00	.45	.00	9.39	18.89	
ISSUES	3,728,582	0	0	891,539	0	5,586,101	10,206,222	950,487
UNIT COST-ISSUES	3.92	.00	.00	.94	.00	5.88	10.74	
TOT DLA DISTRIB	6,294,266	0	0	1,018,355	0	8,245,025	15,557,645	1,233,745
UNIT COST	5.10	.00	.00	.83	.00	6.68	12.61	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT
 NAVY
 JACKSONVILLE NAVAL SUPPLY CENTER
 DISTRIBUTION FUNCTIONS
 PART II COSTS AND WORKLOAD
 FISCAL YEAR 89

RUN DATE: 07/30/90
 RUN TIME: 09:13:28

	LABOR			NON-LABOR		ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY	DIRECT	INDIRECT			
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	2,522,803	0	0	2,295	0	3,192,769	5,717,867	252,829
UNIT COST-RCPTS	9.98	.00	.00	.01	.00	12.63	22.62	
ISSUES	1,561,427	0	0	660,284	0	3,601,797	5,823,508	527,993
UNIT COST-ISSUES	2.96	.00	.00	1.25	.00	6.82	11.03	
TOT DLA DISTRIB	4,084,230	0	0	662,579	0	6,794,566	11,541,375	780,822
UNIT COST	5.23	.00	.00	.85	.00	8.70	14.78	

DEPT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

NAVY

PENSACOLA NAVAL SUPPLY CENTER

DISTRIBUTION FUNCTIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

RUN DATE: 07/30/90

RUN TIME: 09:15:28

	LABOR			NON-LABOR		ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY	DIRECT	INDIRECT			
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	1,196,630	0	0	74,613	0	1,772,317	3,043,560	208,572
UNIT COST-RCPTS	5.74	.00	.00	.36	.00	8.50	14.59	
ISSUES	1,667,457	0	0	466,758	0	4,141,315	6,275,530	402,868
UNIT COST-ISSUES	4.14	.00	.00	1.16	.00	10.28	15.58	
TOT DLA DISTRIB	2,864,087	0	0	541,371	0	5,913,632	9,319,090	611,440
UNIT COST	4.68	.00	.00	.89	.00	9.67	15.24	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

AIR FORCE

RUN DATE: 07/16/90

SACRAMENTO AIR LOGISTICS CENTER

RUN TIME: 08:48:23

SUPPLY OPERATIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	3,826,729	0	280,125	1,667,609	0	1,821,792	7,596,256	618,992
UNIT COST-RCPTS	6.18	.00	.45	2.69	.00	2.94	12.27	
ISSUES	16,367,215	3,645,054	1,477,059	2,351,597	-1,057	11,220,620	35,060,487	1,007,606
UNIT COST-ISSUES	16.24	3.52	1.47	2.33	.00	11.14	34.80	
RCPT & ISSUES	20,193,944	3,645,054	1,757,184	4,019,206	-1,057	13,042,412	42,656,743	1,626,598
UNIT COST	12.41	2.24	1.08	2.47	.00	8.02	26.22	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

AIR FORCE

RUN DATE: 08/01/90

SAN ANTONIO

RUN TIME: 08:55:40

SUPPLY OPERATIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	5,539,015	0	648,919	0	0	2,363,536	8,551,470	716,770
UNIT COST-RCPTS	7.73	.00	.91	.00	.00	3.30	11.93	
ISSUES	24,872,547	2,315,342	3,133,996	1,588,089	32,892	12,794,983	44,737,849	1,622,009
UNIT COST-ISSUES	15.33	1.13	1.93	.98	.02	7.89	27.58	
RCPT & ISSUES	30,411,562	2,315,342	3,782,915	1,588,089	32,892	15,158,520	53,289,319	2,338,779
UNIT COST	13.00	.99	1.62	.68	.01	6.48	22.79	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

AIR FORCE

RUN DATE: 07/16/90

OKLAHOMA CITY AIR LOGISTICS CENTER

RUN TIME: 08:39:35

SUPPLY OPERATIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	5,682,543	0	474,328	2,340	0	2,958,821	9,118,033	888,660
UNIT COST-RCPTS	6.39	.00	.53	.00	.00	3.33	10.26	
ISSUES	23,855,292	1,442,819	1,962,049	17,222	0	13,568,120	40,845,502	1,677,322
UNIT COST-ISSUES	14.22	.86	1.17	.01	.00	8.09	24.35	
RCPT & ISSUES	29,537,835	1,442,819	2,436,377	19,563	0	16,526,941	49,963,535	2,565,982
UNIT COST	11.51	.86	.95	.01	.00	6.44	19.47	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

AIR FORCE

RUN DATE: 07/16/90

ODDEN AIR LOGISTICS CENTER

RUN TIME: 12:34:40

SUPPLY OPERATIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	4,089,290	0	870,065	44,455	0	1,769,331	6,773,141	645,567
UNIT COST-RCPTS	6.33	.00	1.35	.07	.00	2.74	10.49	
ISSUES	15,973,208	198,078	3,273,020	926,359	35,701	7,984,670	28,391,036	1,277,732
UNIT COST-ISSUES	12.50	.16	2.56	.73	.03	6.25	22.22	
RCPT & ISSUES	20,062,497	198,078	4,143,085	970,814	35,701	9,754,001	35,164,177	1,923,299
UNIT COST	10.43	.10	2.15	.50	.02	5.07	18.28	

DEPOT COST, MANPOWER AND WORKLOAD ANALYSIS REPORT

AIR FORCE

RUN DATE: 07/25/90

WARNER ROBBINS AIR LOGISTICS CENTER

RUN TIME: 10:14:11

SUPPLY OPERATIONS

PART II COSTS AND WORKLOAD

FISCAL YEAR 89

	LABOR			NON-LABOR DIRECT	INDIRECT COSTS	ALLOCATED COSTS	TOTAL COSTS	WORKLOAD
	CIV DIR	CIV IND	MILITARY					
CONSOLIDATED FUNCTIONS-STOCK FUND								
RECEIPTS	4,482,955	0	307,480	53,311	0	1,920,934	6,764,680	786,939
UNIT COST-RCPTS	5.70	.00	.39	.07	.00	2.44	8.60	
ISSUES	24,341,196	956,667	1,654,057	893,657	142,184	11,744,785	39,732,545	1,412,687
UNIT COST-ISSUES	17.23	.68	1.17	.63	.10	8.31	28.13	
RCPT & ISSUES	28,824,151	956,667	1,961,538	946,968	142,184	13,665,719	46,497,225	2,199,626
UNIT COST	13.10	.43	.89	.43	.06	6.21	21.14	

APPENDIX C

Detailed Methodology of DDS Cost Calculation

COST ESTIMATES FOR DDS

THE FOLLOWING INFORMATION WAS USED IN DETERMINING THE COST ESTIMATE FOR DDS. WHERE AVAILABLE, THE COSTS REFLECTED FOR DDS IN THE BAY AREA PROTOTYPE CONCEPT PLAN HAVE BEEN UPDATED. ALL ESTIMATES ARE BASED ON THE DLA CONCEPT OF DISTRIBUTION SITES AND REMOTE WAREHOUSES BRIEFED TO THE SERVICES ON 26 SEPTEMBER 1990 AT CAMERON STATION.

1. DDS WAREHOUSE CONTROL SYSTEM (WCS) - THE PRIMARY DISTRIBUTION SITE WILL BE THE PRINCIPLE ADP SERVICING SITE FOR WCS. ALL OTHER SITE PROCESSORS WILL HAVE SUFFICIENT PROCESSING CAPABILITY TO ADEQUATELY SUPPORT THE DISTRIBUTION FUNCTIONS PLANNED. EXAMPLES USING THE BA PROTOTYPE INDICATE AN 8-16 PROCESSOR TYPE ENVIRONMENT AT THE SHARPE/TRACY COMPLEX WITH A SMALLER VERSION OF THIS PROCESSOR AT THE SPECIALIZED SITES. THE REMOTE WAREHOUSE WILL IN ALL PROBABILITY BE SERVICED FROM THE CLOSEST SPECIALIZED OR PRIMARY SITE ADPE. THE PRIMARY DISTRIBUTION SITE ADPE COST ESTIMATE IS \$4 MILLION AND THE SPECIALIZED DISTRIBUTION SITE COST IS \$500 THOUSAND. REMOTE WAREHOUSES WILL NOT HAVE WCS ENVIRONMENTS BUT WILL HAVE WORKSTATION CONNECTIVITY TO EITHER A PRIMARY OR SPECIALIZED SITE.

2. DDS WORKSTATIONS - ESTIMATES WERE BASED ON THE CURRENT EQUIPMENT REQUIREMENTS FOR IMPLEMENTATION AT SHARPE AND OAKLAND. USING THIS DATA RESULTED IN ESTIMATES OF 1.0 M FOR PRIMARY SITES, .7 M FOR SPECIALIZED SITES, AND .7 M FOR REMOTE SITES. THESE FIGURES ARE CONSIDERED HIGH BASED UPON THE FACT THAT SITE SURVEYS MAY DICTATE UTILIZATION OF CURRENT ON-SITE WORKSTATIONS.

3. MCDs - COSTS ASSOCIATED WITH MCDs WERE BASED ON THE FOLLOWING ESTIMATES:

HANDHELD TERMINAL - 1,600
 BASE STATION - 1,400
 ANTENNA - 100
 COMM INTERFACE - 15,000
 SITE SURVEY - 10,000
 TRAINING - 10,000

THE NUMBER OF DEVICES REQUIRED PER SITE WAS ESTIMATED BASED ON THE PREVIOUS REQUIREMENTS FOR DWASP. SPECIFICALLY, THE NUMBER OF MCDs USED WERE 350 FOR A PRIMARY SITE, 200 FOR A SPECIALIZED SITE, AND 10 FOR A REMOTE SITE. BASE STATION NUMBERS WERE CALCULATED ASSUMING 30 MCDs PER BASE STATION AND THE NUMBER OF ANTENNA USED EQUATES TO 2 PER BASE.
 TOTAL COST ESTIMATES FOR MCDs:

EQUIPMENT		PRIMARY SITE	SPECIALIZED SITE	REMOTE SITE
HANDHELD	(350)	560,000	(200) 320,000	(10) 16,000
BASE STATION	(14)	19,600	(7) 9,800	(2) 2,800
ANTENNA	(28)	2,800	(14) 1,400	(4) 400
COMM INTERFACE		15,000	15,000	15,000
SITE SURVEY		10,000	10,000	10,000
TRAINING		10,000	10,000	10,000
		617,400	366,200	54,200

4. COMMUNICATIONS PROCESSORS- HARDWARE NECESSARY TO PROVIDE LOCAL COMMUNICATIONS CONNECTIVITY AT THE PRIMARY SITES AND WIDE AREA NETWORK (WAN) TO ALL SITES. COST ESTIMATES ARE AS FOLLOWS:

PRIMARY SITE	-	800,000
SPECIALIZED SITE	-	1,300,000
REMOTE SITE	-	200,000
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TOTAL ALL SITES	-	\$2,300,000

LIFE CYCLE COSTING FOR YEARLY MAINTENANCE AND SOFTWARE LICENSING IS ESTIMATED TO BE 20 PERCENT OF HARDWARE COST (\$2,300,000 X .20) OR \$460,000 PER YEAR.

5. TELECOMMUNICATIONS CIRCUIT AND CIRCUIT EQUIPMENT COSTS:

ONE-TIME PROCUREMENT (ALL SITES)	-	\$120,000
YEARLY COST ALL SITES	-	\$985,000

6. SITE PREP - SITE PREP INCLUDES: MODEMS, MODEM RACKS, CIRCUITS, COAX CABLE, CONNECTORS, RS 232 CABLE, POWER STRIPS, CRT TABLES, OUTLETS, AND HARDWARE. THE ACTUAL SITE PREP COST FOR THE IMPLEMENTATION OF DWASP AT DDTC WAS \$102,000. THE EXPECTED COSTS FOR OAKLAND ARE:

RECEIVING	-	48,000
SHIPPING	-	30,000
<hr/>		
TOTAL	-	78,000

THE ESTIMATES USED ARE .1 M FOR PRIMARY SITES, .088 M FOR SPECIALIZED SITES, AND .075 M FOR REMOTE SITES. THESE FIGURES WERE REDUCED FOR DLA SITES SINCE THE MAJORITY OF THE REQUIRED EQUIPMENT WAS INSTALLED FOR DWASP.

7. TRAINING - COSTS IDENTIFIED FOR THE BAY AREA TRAINING REQUIREMENTS TOTAL \$500,000. ASSUMING AN EQUAL AMOUNT OF TRAINING IS REQUIRED FOR DDS RESULTS IN THE FOLLOWING BREAKOUT:

PRIMARY SITE	-	\$300,000
SPECIALIZED SITE	-	\$200,000
REMOTE SITE	-	\$ 50,000

8. DDS WAREHOUSE CONTROL SYSTEM LAF BUILD - COSTS ASSOCIATED WITH CONVERSION OF LOCATION CONFIGURATIONS FOR COMPATIBILITY WITH WCS LOCATION NUMBERING REQUIREMENTS WERE BASED ON SIMILAR ACTIONS REQUIRED BY DLA DEPOTS FOR CONVERSION FROM 9 TO 12 POSITION LOCATION CODES. COST FOR PRIMARY SITES WERE BASED ON AN AVERAGE OF 3 COST ESTIMATES FROM THE DLA CONVERSION. COST FOR SPECIALIZED SITES WERE TAKEN FROM AN AVERAGE OF 3 DLA DEPOTS. COST FOR REMOTE SITES IS ESTIMATED TO BE EQUATE TO 1/3 THE COST OF A PRIMARY SITE. THE DDS LAF CONVERSION COSTS USED INCLUDE:

PRIMARY SITES:

DDTC/SHARPE	-	603,900
DDMP/NCAD	-	531,900
DDMT	-	1,042,000
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TOTAL	2,177,800 - 3 =	.7 M

SPECIALIZED SITES:

DDOU/HILL	-	603,900
DDRV	-	1,045,000
DDCO	-	735,200
<hr/>		
TOTAL	2,384,100 - 3 =	.8 M

REMOTE SITES: .7 - 3 = .25 M

9. SOFTWARE - THE COST FOR DEVELOPMENT OF ALL INTERFACE TRANSACTIONS BETWEEN DLA AND THE NAVY = \$ 995,000. THIS FIGURE INCLUDES WCS INTERFACES FOR THE OAKLAND SITE , WHICH WILL NOT HAVE TO BE DUPLICATED FOR EVERY SERVICE. ADDITIONAL INTERFACE COST FOR ALL REMAINING SERVICES SHOULD NOT EXCEED A COMBINED PRICE OF 1 M.

APPENDIX D

Operational Cost Savings Spreadsheets

OPERATIONAL COST SAVINGS USING LOWER DLA UNIT COST

EASTERN REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDRV	428395	8801403	20.55	2695753	32337104	12.00
DDMP	227691	5646806	24.80	2737395	37036430	13.53
NCAD	327163	17857384	54.58	2332785	47697963	20.45
TOAD	217884	6847423	31.43	246559	11067000	44.89
LEAD	279581	11872172	42.46	322126	18673777	57.97
NSCN	640132	18815621	29.39	2513451	35127014	13.98
NSCC	283258	5351424	18.89	950487	10206222	10.74
NSCJ	252829	5717867	22.62	527993	5823508	11.03
WRALC	786939	6764680	8.60	1412687	39732545	28.13
MCLB-A						
MCAS-CP						
TOTAL	3443872	87674780	25.46	13739236	237701563	17.30
AT DDRV						
UNIT COST:		70754573			164810019	
SAVINGS:		16920207			72891544	
TOTAL SAVINGS:			89811751			

CENTRAL REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDCO	324898	6193994	19.06	2033029	26929638	13.25
DDMT	329502	6290959	19.09	3761456	54311740	14.44
RRAD	467409	19974797	42.74	1744901	45985585	26.35
CCAD	194035	5094715	26.26	264891	3272829	12.36
ANAD	239247	9906453	41.41	264054	11876166	44.98
NSCP	208572	3043560	14.59	402868	6275530	15.58
SAALC	716770	8551470	11.93	1622009	44737849	27.58
OKALC	888660	9118033	10.26	1677322	40845502	24.35
TOTAL	3369093	68173991	20.24	11770530	234234839	19.90
AT DDCO						
UNIT COST:		64229825			155913227	
SAVINGS:		3944166			78321612	
TOTAL SAVINGS:			82265778			

OPERATIONAL COST SAVINGS USING LOWER DLA UNIT COST

WESTERN REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDOU	441177	10041000	22.76	2586663	31203000	12.06
DDTC	293887	8411549	28.62	2719185	43410585	15.96
SAAD	165680	6687209	40.36	184069	10289926	55.90
SHAD	138597	9051588	65.31	746499	26308730	35.24
TEAD	158966	10684405	67.21	194496	11843005	60.89
NSCO	418660	8805184	21.03	1267642	23103558	18.23
NSCPS	188457	3531470	18.74	384575	7474026	19.43
NSCSD	577258	7408842	12.83	1682450	20043383	11.92
SMALC	618992	7596256	12.27	1007606	35060487	34.80
OGALC	645567	6773141	10.49	1277732	28391036	22.22
MCLB-B						
TOTAL	3647241	78990644	21.66	12050917	237132736	19.68
AT DDOU UNIT COST:		83009647			145370604	
SAVINGS:		-4019003			91762132	
TOTAL SAVINGS:			87743129			

TOTAL DOD-WIDE SAVINGS: 259820657

USING LOWER COST DEPOT IN EACH REGION
 (NEW NAVY & AIR FORCE UNIT COST DATA)
 (USING OSD UNIT COSTS FOR DLA DEPOTS (EXCEPT DDOU))

OPERATIONAL COST SAVINGS USING HIGHER DLA UNIT COST

EASTERN REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDRV	428395	8801403	20.55	2695753	32337104	12.00
DDMP	227691	5646806	24.80	2737395	37036430	13.53
NCAD	327163	17857384	54.58	2332785	47697963	20.45
TOAD	217884	6847423	31.43	246559	11067000	44.89
LEAD	279581	11872172	42.46	322126	18673777	57.97
NSCN	640132	18815621	29.39	2513451	35127014	13.98
NSCC	283258	5351424	18.89	950487	10206222	10.74
NSCJ	252829	5717867	22.62	527993	5823508	11.03
WRALC	786939	6764680	8.60	1412687	39732545	28.13
MCLB-A MCAS-CP						
TOTAL	3443872	87674780	25.46	13739236	237701563	17.30
AT DDMP UNIT COST:		85409072			185889231	
SAVINGS:		2265708			51812332	
TOTAL SAVINGS:			54078039			

CENTRAL REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDCO	324898	6193994	19.06	2033029	26929638	13.25
DDMT	329502	6290959	19.09	3761456	54311740	14.44
RRAD	467409	19974797	42.74	1744901	45985585	26.35
CCAD	194035	5094715	26.26	264891	3272829	12.36
ANAD	239247	9906463	41.41	264054	11876166	44.98
NSCP	208572	3043560	14.59	402868	6275530	15.58
SAALC	716770	8551470	11.93	1622009	44737849	27.58
OKALC	888660	9118033	10.26	1677322	40845502	24.35
TOTAL	3369093	68173991	20.24	11770530	234234839	19.90
AT DDMT UNIT COST:		64323816			169954923	
SAVINGS:		3850175			64279916	
TOTAL SAVINGS:			68130091			

OPERATIONAL COST SAVINGS USING HIGHER DLA UNIT COST

WESTERN REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDOU	441177	10041000	22.76	2586663	31203000	12.06
DDTC	293887	8411549	28.62	2719185	43410585	15.96
SAAD	165680	6687209	40.36	184069	10289926	55.90
SHAD	138597	9051598	65.31	746499	26308730	35.24
TEAD	158966	10684405	67.21	194496	11843005	60.89
NSCO	418660	8805184	21.03	1267642	23103558	18.23
NSCPS	188457	3531470	18.74	384575	7474026	19.43
NSCSD	577258	7408842	12.83	1682450	20048383	11.92
SMALC	618992	7596256	12.27	1007606	35060487	34.80
OGALC	645567	6773141	10.49	1277732	28391036	22.22
MCLB-B						
TOTAL	3647241	78990644	21.66	12050917	237132736	19.68
AT DDTC						
UNIT COST:		104390281			192387556	
SAVINGS:		-25399637			44745180	
TOTAL SAVINGS:			19345543			

TOTAL DOD-WIDE SAVINGS: 141553674

USING LOWER COST DEPOT IN EACH REGION
 (NEW NAVY & AIR FORCE UNIT COST DATA)
 (USING OSD UNIT COSTS FOR DLA DEPOTS (EXCEPT DDOU))

OPERATIONAL COST SAVINGS USING AVG DLA UNIT COST

EASTERN REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDRV	428395	8801403	20.55	2695753	32337104	12.00
DDMP	227691	5646806	24.80	2737395	37036430	13.53
NCAD	327163	17857384	54.58	2332785	47697963	20.45
TOAD	217884	6847423	31.43	246559	11067000	44.89
LEAD	279581	11872172	42.46	322126	18673777	57.97
NSCN	640132	18815621	29.39	2513451	35127014	13.98
NSCC	283258	5351424	18.89	950487	10206222	10.74
NSCJ	252829	5717867	22.62	527993	5823508	11.03
WRALC	786939	6764680	8.60	1412687	39732545	28.13
MCLB-A MCAS-CP						
TOTAL	3443872	87674780	25.46	13739236	237701563	17.30
AT AVG DLA UNIT COST:		78081823			175349625	
SAVINGS:		9592957			62351938	
TOTAL SAVINGS:			71944895			

CENTRAL REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDCO	324898	6193994	19.06	2033029	26929638	13.25
DDMT	329502	6290959	19.09	3761456	54311740	14.44
RRAD	467409	19974797	42.74	1744901	45985585	26.35
CCAD	194035	5094715	26.26	264891	3272829	12.36
ANAD	239247	9906463	41.41	264054	11876166	44.98
NSCP	208572	3043560	14.59	402868	6275530	15.58
SAALC	716770	8551470	11.93	1622009	44737849	27.58
OKALC	888660	9118033	10.26	1677322	40845502	24.35
TOTAL	3369093	68173991	20.24	11770530	234234839	19.90
AT AVG DLA UNIT COST:		64276821			162934075	
SAVINGS:		3897170			71300764	
TOTAL SAVINGS:			75197934			

OPERATIONAL COST SAVINGS USING AVG DLA UNIT COST

WESTERN REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDOU	441177	10041000	22.76	2586663	31203000	12.06
DDTC	293887	8411549	28.62	2719185	43410585	15.96
SAAD	165680	6687209	40.36	184069	10289926	55.90
SHAD	138597	9051588	65.31	746499	26308730	35.24
TEAD	158966	10684405	67.21	194496	11843005	60.89
NSCO	418660	8805184	21.03	1267642	23103558	18.23
NSCPS	188457	3531470	18.74	384575	7474026	19.43
NSCSD	577258	7408842	12.83	1682450	20048383	11.92
SMALC	618992	7596256	12.27	1007606	35060487	34.80
OGALC	645567	6773141	10.49	1277732	28391036	22.22
MCLB-B						
TOTAL	3647241	78990644	21.66	12050917	237132736	19.68
AT AVG DLA UNIT COST:		93699964			168879080	
SAVINGS:		-14709320			68253656	
TOTAL SAVINGS:			53544336			

TOTAL DOD-WIDE SAVINGS: 200687166

USING AVG DLA UNIT COST IN EACH REGION
(NEW NAVY & AIR FOCE UNIT COST DATA)
(USING OSD UNIT COSTS FOR DLA DEPOTS (EXCEPT DDOU))

APPENDIX E

Operational Labor Cost Savings Spreadsheets

OPERATIONAL LABOR COST SAVINGS USING LOWER DLA UNIT COST

EASTERN REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDMP	428395	7014718	16.37	2695753	23121029	8.58
DDRV	227691	4500504	19.77	2737395	26481047	9.67
NCAD	327163	14232335	43.50	2332785	34104044	14.62
TOAD	217884	5457396	25.05	246559	7912905	32.09
LEAD	279581	9462121	33.84	322126	13351751	41.45
NSCN	640132	14996050	23.43	2513451	25115815	9.99
NSCC	283258	4265085	15.06	950487	7297449	7.68
NSCJ	252829	4557140	18.02	527993	4163808	7.89
WRALC	786939	5391450	6.85	1412687	28408770	20.11
MCLB-A						
MCAS-CP						
TOTAL	3443872	69876800	20.29	13739236	169956618	12.37
AT DDRV						
UNIT COST:		56391395			117839164	
SAVINGS:		13485405			52117454	
TOTAL SAVINGS:			65602859			

CENTRAL REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDCO	324898	4602138	14.16	2033029	18850747	9.27
DDMT	329502	4674183	14.19	3761456	38018218	10.11
RRAD	467409	14841274	31.75	1744901	32189910	18.45
CCAD	194035	3785373	19.51	264891	2290980	8.65
ANAD	239247	7360502	30.77	264054	8313316	31.48
NSCP	208572	2261365	10.84	402868	4392871	10.90
SAALC	716770	6353742	8.86	1622009	31316494	19.31
OKALC	888660	6774699	7.62	1677322	28591851	17.05
TOTAL	3369093	50653275	15.03	11770530	163964387	13.93
AT DDCO						
UNIT COST:		47722760			109139259	
SAVINGS:		2930515			54825128	
TOTAL SAVINGS:			57755643			

OPERATIONAL LABOR COST SAVINGS USING LOWER DLA UNIT COST

WESTERN REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDOU	441177	7671324	17.39	2586663	22372551	8.65
DDTC	293887	6426423	21.87	2719185	31125389	11.45
SAAD	165680	5109028	30.84	184069	7377877	40.08
SHAD	138597	6915413	49.90	746499	18863359	25.27
TEAD	158966	8162885	51.35	194496	8491435	43.66
NSCO	418660	6727161	16.07	1267642	16565251	13.07
NSCPS	188457	2698043	14.32	384575	5358877	13.93
NSCSD	577258	5660355	9.81	1682450	14374691	8.54
SMALC	618992	5803540	9.38	1007606	25138369	24.95
OGALC	645567	5174680	8.02	1277732	20356373	15.93
MCLB-B						
TOTAL	3647241	60348852	16.55	12050917	170024172	14.11
AT DDOU						
UNIT COST:		63419370			104230723	
SAVINGS:		-3070518			65793449	
TOTAL SAVINGS:			62722930			

TOTAL DOD-WIDE SAVINGS: 186081433

USING LOWER COST DEPOT IN EACH REGION
 (NEW NAVY & AIR FOCE UNIT COST DATA)
 (USING DLA UNIT COSTS FROM DLA U.C. SPREADSHEET)

OPERATIONAL LABOR COST SAVINGS USING HIGHER DLA UNIT COST

EASTERN REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDMP	428395	7014718	16.37	2695753	23121029	8.58
DDRV	227691	4500504	19.77	2737395	26481047	9.67
NCAD	327163	14232335	43.50	2332785	34104044	14.62
TOAD	217884	5457396	25.05	246559	7912905	32.09
LEAD	279581	9462121	33.84	322126	13351751	41.45
NSCN	640132	14996050	23.43	2513451	25115815	9.99
NSCC	283258	4265085	15.06	950487	7297449	7.68
NSCJ	252829	4557140	18.02	527993	4163808	7.89
WRALC	786939	5391450	6.85	1412687	28408770	20.11
MCLB-A						
MCAS-CP						
TOTAL	3443872	69876800	20.29	13739236	169956618	12.37
AT DDMP						
UNIT COST:		68071031			132910800	
SAVINGS:		1805769			37045817	
TOTAL SAVINGS:			38851586			

CENTRAL REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDCO	324898	4602138	14.16	2033029	18850747	9.27
DDMT	329502	4674183	14.19	3761456	38018218	10.11
RRAD	467409	14841274	31.75	1744901	32189910	18.45
CCAD	194035	3785373	19.51	264891	2290980	8.65
ANAD	239247	7360502	30.77	264054	8313316	31.48
NSCP	208572	2261365	10.84	402868	4392871	10.90
SAALC	716770	6353742	8.86	1622009	31316494	19.31
OKALC	888660	6774699	7.62	1677322	28591851	17.05
TOTAL	3369093	50653275	15.03	11770530	163964387	13.93
AT DDMT						
UNIT COST:		47792595			118968446	
SAVINGS:		2860680			44995941	
TOTAL SAVINGS:			47856621			

OPERATIONAL LABOR COST SAVINGS USING HIGHER DLA UNIT COST

WESTERN REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDOU	441177	7671324	17.39	2586663	22372551	8.65
DDTC	293887	6426423	21.87	2719185	31125389	11.45
SAAD	165680	5109028	30.84	184069	7377877	40.08
SHAD	138597	6915413	49.90	746499	18863359	25.27
TEAD	158966	8162885	51.35	194496	8491435	43.66
NSCO	418660	6727161	16.07	1267642	16565251	13.07
NSCPS	188457	2698043	14.32	384575	5358877	13.93
NSCSD	577258	5660355	9.81	1682450	14374691	8.54
SMALC	618992	5803540	9.38	1007606	25138369	24.95
OGALC	645567	5174680	8.02	1277732	20356373	15.93
MCLB-B						
TOTAL	3647241	60348852	16.55	12050917	170024172	14.11
AT DDTC						
UNIT COST:		79754174			137941878	
SAVINGS:		-19405322			32082294	
TOTAL SAVINGS:			12676972			

TOTAL DOD-WIDE SAVINGS: 99385179

USING LOWER COST DEPOT IN EACH REGION
 (NEW NAVY & AIR FOCE UNIT COST DATA)
 (USING DLA UNIT COSTS FROM DLA U.C. SPREADSHEET)

OPERATIONAL LABOR COST SAVINGS USING AVG DLA UNIT COST

EASTERN REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDMP	428395	7014718	16.37	2695753	23121029	8.58
DDRV	227691	4500504	19.77	2737395	26481047	9.67
NCAD	327163	14232335	43.50	2332785	34104044	14.62
TOAD	217884	5457396	25.05	246559	7912905	32.09
LEAD	279581	9462121	33.84	322126	13351751	41.45
NSCN	640132	14996050	23.43	2513451	25115815	9.99
NSCC	283258	4265085	15.06	950487	7297449	7.68
NSCJ	252829	4557140	18.02	527993	4163808	7.89
WRALC	786939	5391450	6.85	1412687	28408770	20.11
MCLB-A						
MCAS-CP						
TOTAL	3443872	69876800	20.29	13739236	169956618	12.37
AT AVG DLA UNIT COST:		62231213			125374982	
SAVINGS:		7645587			44581636	
TOTAL SAVINGS:			52227222			

CENTRAL REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDCO	324898	4602138	14.16	2033029	18850747	9.27
DDMT	329502	4674183	14.19	3761456	38018218	10.11
RRAD	467409	14841274	31.75	1744901	32189910	18.45
CCAD	194035	3785373	19.51	264891	2290980	8.65
ANAD	239247	7360502	30.77	264054	8313316	31.48
NSCP	208572	2261365	10.84	402868	4392871	10.90
SAALC	716770	6353742	8.86	1622009	31316494	19.31
OKALC	888660	6774699	7.62	1677322	28591851	17.05
TOTAL	3369093	50653275	15.03	11770530	163964387	13.93
AT AVG DLA UNIT COST:		47757678			114053853	
SAVINGS:		2895598			49910535	
TOTAL SAVINGS:			52806132			

OPERATIONAL LABOR COST SAVINGS USING AVG DLA UNIT COST

WESTERN REGION

DEPOT	# RECPTS	REC COSTS	UNIT COST	# MROS	MRO COST	UNIT COST
DDOU	441177	7671324	17.39	2586663	22372551	8.65
DDTC	293887	6426423	21.87	2719185	31125389	11.45
SAAD	165680	5109028	30.84	184069	7377877	40.08
SHAD	138597	6915413	49.90	746499	18863359	25.27
TEAD	158966	8162885	51.35	194496	8491435	43.66
NSCO	418660	6727161	16.07	1267642	16565251	13.07
NSCPS	188457	2698043	14.32	384575	5358877	13.93
NSCSD	577258	5660355	9.81	1682450	14374691	8.54
SMALC	618992	5803540	9.38	1007606	25138369	24.95
OGALC	645567	5174690	8.02	1277732	20356373	15.93
MCLB-B						
TOTAL	3647241	60348852	16.55	12050917	170024172	14.11
AT AVG DLA UNIT COST:		71586772			121086300	
SAVINGS:		-11237920			48937871	
TOTAL SAVINGS:			37699951			

TOTAL DOD-WIDE SAVINGS: 142733306

USING HIGHER COST DEPOT IN EACH REGION
(NEW NAVY & AIR FORCE UNIT COST DATA)
(USING DLA UNIT COSTS FROM DLA U.C. SPREADSHEET)

APPENDIX F

Detailed Breakdown of DDS Costs

COST ESTIMATES FOR DDS

1. PRIMARY SITE REQUIREMENTS

=====	
DDS WAREHOUSE CONTROL SYSTEM	4.000
DDS WORKSTATIONS	1.000
MCD'S	.617
SITE PREP	.100
TRAINING	.300
DDS WCS LAF BUILD	.700

TOTAL ITEMIZED COSTS	6.717 M
	X 3 PRIMARY SITES

ALL PRIMARY SITES (SUBTOTAL)	\$ 20.151 M
COMMUNICATIONS PROCESSORS	.800 M

TOTAL ALL PRIMARY SITES	\$ 20.951 M

2. SPECIALIZED SITE REQUIREMENTS

=====	
DDS WAREHOUSE CONTROL SYSTEM	.500
DDS WORKSTATIONS	.700
MCD'S	.366
SITE PREP	.088
TRAINING	.200
DDS WCS LAF BUILD	.800

TOTAL	2.654 M
	X 16 SPECIALIZED SITES

ALL SPECIALIZED SITES (SUBTOTAL)	\$ 42.464 M
COMMUNICATIONS PROCESSOR (ALL SITES)	1.300 M

TOTAL ALL SPECIALIZED SITES	\$ 43.764 M

3. REMOTE SITE REQUIREMENTS

=====	
DDS WORKSTATIONS	.700
MCD'S	.054
SITE PREP	.075
TRAINING	.050
DDS WCS LAF BUILD	.025
<hr/>	
TOTAL	.904 M
	X 8 REMOTE SITES

ALL REMOTE SITES (SUBTOTAL)	\$ 7.232 M
COMMUNICATIONS PROCESSOR (ALL SITES)	.200 M

TOTAL ALL REMOTE SITES	\$ 7.432

4. TOTAL INVESTMENT COST ESTIMATES FOR DDS INCLUDE:

=====	
INTERFACE SOFTWARE (TOTAL SYSTEM)	= 1.995
PRIMARY SITE COST	= 20.951
SPECIALIZED SITE COST	= 43.764
REMOTE SITE COST	= 7.432
TELECOMMUNICATIONS EQUIPMENT COST	= .120
<hr/>	
TOTAL INVESTMENT COST FOR DDS (AT ALL SITES)	= \$74.262 M

5. YEARLY DDS COST:

MAINTENANCE AND SOFTWARE LICENSING	= .460
TELECOMMUNICATION CIRCUITS	.985

TOTAL YEARLY COST	\$1.445 M

APPENDIX G

Depot Construction Projects: Total and Deferred Costs

MILCON

\$ 000

<u>Location</u>	<u>Project</u>	<u>\$Total</u>	<u>\$Def</u>
	<u>FY 90</u>		
Mech	Pallet Racking System	2,800*	
NCAD	Hazardous Warehouse	14,000	
Oak City	B-2 Secure Storage	5,200	
Albany	Combat Veh Maint Sho	1,300	
Albany	Calib Equip Test Fac	3,250	
Norfolk	Survey Support Fac	18,500	
Norfolk	General Warehouse	<u>6,200</u>	<u>6,200</u>
TOTAL		51,250	6,200
	<u>FY 91</u>		
Mech	General Purpose Warehouses	10,400	10,400
Red River	Hv Pack Shed	190	
Richmond	Consol Maint Fac	7,000	
Memphis	GP Warehouse	11,900	11,900
Memphis	Flammable Storage	1,500	
Memphis	Bulk Rec Fac	1,500	
Tooele	Warehouse Base Closure	3,800	
Tooele	Warehouse Base Closure	5,600	
Ogden ALC	Warehouse	16,500	
Tobyhanna	Track Vehicle Stor Fac	190	
San Diego	Cold Storage Warehouse	<u>8,800</u>	
TOTAL		67,380	<u>22,300</u>
	<u>FY 92</u>		
Mech	GP Warehouse	10,400	10,400
Red River	Low Cost Storage Wsh	1,000	
Richmond	GP Warehouse	840	840
Richmond	Haz Mat Proc Fac	4,000	
Richmond	Drum Storage Shed	13,200	
Memphis	Consol Four Warehouses	21,200	21,200
Letterkenny	Addition Bldg 320	200	
San Diego	Rackables Warehouse (Bdwy)	8,600	
San Diego	AMHS/MHE Maint Fac	1,800	
San Deigo	Warehouse Fire Protection	1,700	
Pensacola	Cold Storage Facility	5,000	
Puget Sound	Haz Matl Fac	12,550	
Ogden ALC	Warehouse	5,000	5,000
Tobyhanna	Reparable Fac	<u>180</u>	
TOTAL		85,670	<u>37,440</u>

<u>Location</u>	<u>Project</u>	<u>FY 93</u>	<u>\$Total</u>	<u>\$Def</u>
Mech	GP Warehouse		10,400	10,400
DD Ogden	Replace Storage Warehouse		18,200	18,200
Ogden ALC	Warehouse		4,600	4,600
Ogden ALC	Warehouse		14,000	14,000
Warner Robins	Warehouse		4,600	4,600
Tracy	Operations Support Fac		16,700	16,700
Tracy	Operations Support Fac		10,300*	10,300*
Sharpe	Hazardous Warehouse		7,900	7,900
Sharpe	GP Warehouse		10,800	10,800
Red River	Haz Matl Warehouse		2,700	
Richmond	Haz Matl Warehouse		5,800	
Columbus	GP Warehouse		15,800	15,800
Memphis	GP Warehouse		13,600	13,600
Letterkenny	Haz Matl Wsh		3,500	
Jacksonville	Cold Storage Add(Mayport)		1,000	
Norfolk(425)	Cold Storage Warehouse		12,400	
San Antonio	Warehouse		<u>9,900</u>	<u>9,900</u>
TOTAL			162,200	136,800

		<u>FY 94</u>		
Sacramento AD	Haz Mat Warehouse		9,100	
Tooele	Haz Mat Warehouse		8,700	
DD Ogden	Expand Bin Receiving		4,500	4,500
NCAD	Turnpike Interchange		860	
Richmond	High Bay GP Warehouse		20,000	20,000
Memphis	Large Commodity Warehouse		45,900	45,900
Columbus	GP Warehouse		16,400	16,400
Sharpe	GP Warehouse		11,600	11,600
San Diego	Haz Matl Handling Fac		1,800	
San Diego	Warehouse Fire Protection (NC)		2,200	
Jacksonville	Haz Matl Handling Fac		800	
Puget Sound	RFI Storage Warehouse		<u>4,400</u>	<u>4,400</u>
TOTAL			126,260	102,800

		<u>FY 95</u>		
Mech	Freight Terminal		16,000	16,000
Mech	Freight Terminal		8,000*	8,000*
Mech	Bituminous Hardstand		1,100	1,100
San Antonio	Warehouse		11,000	11,000
Memphis	GP Warehouse		14,600	14,600
Sac ALC	Warehouse		11,800	11,800
Barstow	Covered Vehicle Storage		3,000	
Tobyhanna	Haz Matl Wsh		1,500	
DD Ogden	Replace Warehouse		5,000	5,800
Warner Robins	Warehouse		13,500	13,500
Jacksonville	Haz Matl Improvements		1,200	
Norfolk	RFI Storage Warehouse		<u>5,400</u>	
TOTAL			92,100	86,400

FINAL TOTAL			584,860	391,940
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13. ABSTRACT (Maximum 200 words) This report presents the results of an initial first-order assessment of the magnitude of savings associated with DoD-wide depot consolidation based on the latest information available and current system concept. Gross operational savings of \$142 million to \$260 million per year were identified, assuming that the consolidated depot system eventually will operate at current Defense Logistics Agency (DLA) unit costs. Moving to a common software system, the Defense Distribution System (DDS), nets an additional \$25 million to \$43 million in yearly savings. Through greater utilization of DLA's Guaranteed Traffic Program, an additional \$6 million in annual savings can be realized. Total recurring savings equal \$173 million to \$309 million per year. In addition, greater resource utilization due to depot consolidation eliminates the need for \$342 million in planned military construction through FY 95. On the cost side, implementation of the DDS will require a one-time expenditure of \$74 million, with an annual equipment maintenance cost of \$2 million.				
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