

Service/Support Activities

Defense Clothing Factory

Philadelphia, Pennsylvania

Category: *Service/Support Activity*

Mission: Surge capacity to support mobilization requirements, production of *small lots* and special sizes requirements, and production of *hand-embroidered* flags

One-time Cost: \$ 19.2 million

Savings: 1994-99: \$ 75.3 million

Annual: \$ 15.5 million

Payback: 2 years

SECRETARY OF DEFENSE RECOMMENDATION

Close the Defense Personnel Support Center (DPSC), Philadelphia, Pennsylvania, and relocate its mission to the Defense Distribution Region East, New Cumberland, Pennsylvania. Close the Defense Clothing Factory, relocate the personnel supporting the flag mission, and use existing commercial sources to procure the Clothing Factory products.

SECRETARY OF DEFENSE JUSTIFICATION

DPSC is the host of this Army-permitted activity in Philadelphia, Pennsylvania. The installation also houses the Clothing Factory, the Defense Contract Management District Mid-Atlantic (DCMDM), Philadelphia, Pennsylvania, and other tenants with approximately 800 personnel. The decision to close the Clothing Factory is based on the premise that clothing requirements for the armed forces can be fulfilled cost effectively by commercial manufacturers, without compromising quality or delivery lead time. DPSC was not reviewed as part of the Inventory Control Point (ICP) category because it manages a much smaller number of items which have a significantly higher dollar value than the hardware ICPs. The activity has no administrative space available, but does have a small number of buildable acres. Environmental problems at DPSC would make building or extensive renovations impossible for some time in the future.

With the movement of DCMD Mid-Atlantic and the Clothing Factory out of DPSC, the Working Group examined options to either utilize the base as a receiver or move DPSC to another location. Scenarios were built so that activities were moved to locations where excess space had been identified. The Defense Industrial Supply Center (DISC), currently a tenant at the Aviation Supply Office (ASO), which is recommended for closure by the Navy, was considered for possible realignment to DPSC. A scenario which realigned DPSC to ASO, in which DLA would assume responsibility for the base, was analyzed. Another option, which split the three commodities at DPSC between the Defense General Supply Center (DGSC), Richmond, Virginia, and the Defense Construction Supply Center (DCSC), Columbus, Ohio, was also examined.

The distribution depot at New Cumberland has available buildable acres. Additionally, another recommendation moves DISC, a hardware ICP, from Philadelphia to New Cumberland. This allows several activities to be consolidated. The presence of three ICPs and major Defense Logistics Agency (DLA) facilities in the area will create significant opportunities for savings and efficiencies in the future. As a result of the closure of DPSC, the property will be excess to Army needs. The Army will dispose of it in accordance with existing policy and procedure.

COMMUNITY CONCERNS

The community noted the clothing factory employees represented approximately 10 percent of the people employed in the apparel trade in the eight-county Philadelphia metropolitan statistical area. It pointed out the employees are primarily minorities and many have worked for years in the Clothing Factory. It argued it would be difficult for the Factory employees to find jobs in their trade if the Factory closes. It also argued the Clothing Factory has taken on a new mission as an evaluation and demonstration site for new apparel technologies.

COMMISSION FINDINGS

Although the Commission considered whether the Clothing Factory could remain as a stand-alone activity at the Defense Personnel Support Center, the Commission found the Clothing Factory's mission could be accommodated far more economically by commercial manufacturers without compromising quality or delivery. The cost data supported the Secretary's recommendation.

COMMISSION RECOMMENDATION

The Commission finds that the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria, and, therefore, that the Commission adopt the following recommendation of the Secretary of Defense: Close the Defense Clothing Factory, Philadelphia, Pennsylvania, relocate the personnel supporting the flag mission, and use existing commercial sources to procure the Clothing Factory products.

Defense Logistics Services Center Defense Reutilization and Marketing Service Battle Creek, Michigan

Category: *Service/Support Activity*

Mission: *DLSC* - Manages and operates the federal catalog system.

DRMS - Responsible for *DoD's* excess personal property program

One-time Cost: *N/A*

Savings: 1994-99: *NIA*

Annual: *N/A*

Payback: *NIA*

SECRETARY OF DEFENSE RECOMMENDATION

Disestablish the Defense Logistics Services Center (DLSC), Battle Creek, Michigan, and relocate its mission with the Defense Construction Supply Center (DCSC), Columbus, Ohio.

Relocate the Defense Reutilization and Marketing Service (DRMS), Battle Creek, Michigan, to the Defense Construction Supply Center (DCSC), Columbus, Ohio. DCSC will provide all necessary support services for the relocated personnel. Two separate functional areas, Logistics

Information Management and Logistics Information Distribution, will be assigned to the DLA Inventory Control Point (ICP) to accommodate the operational mission areas now performed by DLSC.

SECRETARY OF DEFENSE JUSTIFICATION

With the implementation of DMRD 918, "Defense Information Infrastructure Resource Plan," the responsibility for Central Design Activity (CDA) and Information Processing Centers (IPC) were assigned to the Defense Information Technology Service Organization. As a result of the realignment the continued need of DLSC as a stand alone organization was evaluated. By consolidating functions at a DLA ICP, all support services can be performed by the receiving activity. Some of the functions currently being performed by DLSC NATO Codification personnel can be distributed among the remaining DLA hardware centers, thereby consolidating similar functions. This relocation also places HQ DRMS Battle Creek, Michigan, and Operations East, Columbus, Ohio, with a DLA Inventory Control Point to facilitate overall materiel management. Savings result from moving DLSC and DRMS from GSA-leased space.

COMMUNITY CONCERNS

The community argued the DLA cost savings were substantially overstated primarily because most of the personnel the Defense Logistics Agency claimed would be eliminated by relocating DRMS and disestablishing DLSC could actually be eliminated even if the activities remained where they were. The community realized the cost of the GSA lease for the DLSCI DRMS facility would be saved if the two organizations were relocated. However, they contended the government would continue to incur part of the lease cost because the General Services Administration would be required to maintain the empty office space in the Battle Creek Federal building if the activities moved.

COMMISSION FINDINGS

The Commission found DLSC and DRMS were independent activities with little synergism to be gained from being located with DCSC. In