



DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

20 Jun 94

CEMP-MD

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Designation of a Single Project Manager for USACE Support to the Defense Finance and Accounting Service (DFAS) Consolidation Program

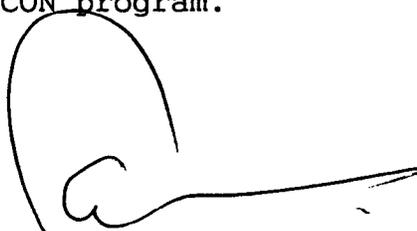
1. I am writing to inform you of the support USACE has provided to the DFAS consolidation effort to date and to enlist your full cooperation and support in our effort to support DFAS implementation of the consolidation decisions.
2. Over the past year, Ohio River Division, through Louisville District, has provided considerable support to DFAS in their effort to evaluate potential sites for consolidation of Defense Accounting Offices nationwide. This effort included establishing uniform facilities and site evaluation criteria, conducting site visits, and providing engineering recommendations and cost estimates for upgrading facilities to meet DFAS requirements.
3. In early May 1994, the sites at which DFAS operations will be consolidated were selected by the SECDEF. The selected sites include 15 of the 18 BRAC/excess DOD properties which ORL studied last fall for DFAS; plus 5 cities for GSA procurement. DFAS is currently in the process of planning and programming for the MILCON projects necessary to implement the consolidation to the 15 excess DOD properties. These projects currently have an estimated construction value totalling over \$200 million. We anticipate that DFAS will authorize design in late FY 94 or early FY 95, with the goal of achieving concept design (35%) completion on all 15 projects by 1 August 1995.
4. Based on the DFAS request for a single USACE point of contact, we have assigned Louisville District as the single project manager for the DFAS Consolidation Program. The memorandum making this designation is enclosed for your information. This memorandum also provides further rationale for the decision and summarizes the framework within which the management and execution strategy will be developed.

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5. Clearly, successful execution of the DFAS design and construction requirements to satisfy their ambitious schedule for implementing the consolidation decisions will require a unified USACE team effort. In the near future, the Programs and Project Management staffs of Ohio River Division will be contacting your staff to begin development of management procedures and execution strategies. I know that we can count on you, your staffs and the District commanders to work closely with Louisville District to ensure the successful implementation of this non-traditional approach to execution of a MILCON program.

FOR THE COMMANDER:



PAT M. STEVENS IV
Major General, USA
Director of Military Programs

Encl

DISTRIBUTION:

Commander, U.S. Army Engineer Division, South Pacific
Commander, U.S. Army Engineer Division, South Atlantic
Commander, U.S. Army Engineer Division, North Atlantic
Commander, U.S. Army Engineer Division, Southwestern
Commander, U.S. Army Engineer Division, Missouri River

CF:

Headquarters, Defense Finance and Accounting Agency
Commander, U.S. Army Engineer Division, Ohio River
Commander, U.S. Army Engineer District, Louisville



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20 Jun 94

MEMORANDUM THRU Commander, U.S. Army Engineer Division,
Ohio River

FOR Commander, U.S. Army Engineer District, Louisville

SUBJECT: Designation of a Single Project Manager for USACE
Support to the Defense Finance and Accounting Service (DFAS)
Consolidation Program

1. You are appointed the single Project Manager for USACE support to DFAS for execution of their consolidation program. The Director of Military Programs will provide oversight for the DFAS Consolidation Program and the Programs Management Division, Defense Agencies and Support for Others Branch will be the primary point of contact at HQUSACE.
2. As you may be aware, the sites at which DFAS operations will be consolidated were selected by the SECDEF in early May 94. The selected sites include 15 of the 18 BRAC/excess DOD properties which Louisville District studied last fall for DFAS; plus 5 cities for GSA procurement (see enclosure). The five current major DFAS centers will be retained. The consolidation sites, which will each employ about 750 people, will become satellite offices to these major centers.
3. Appointment of Louisville District as the single project manager for USACE support to the consolidation is based on the customers request for a single point of contact, as well as your considerable efforts to date in providing site evaluation reports and preparing DD Form 1391's for the required renovation projects. The single project manager concept is very important to DFAS because of their very limited experience in facilities engineering/management and construction. As such, it is crucial that we implement our support in a way that does not burden their limited capabilities as they endeavor to expeditiously implement the consolidation decisions.
4. Please take the lead, in cooperation with DFAS and my staff, in developing an overall program management/execution strategy; to include definition of the specific types of support which DFAS will require, and establishing working relationships with the other USACE districts which will be asked to support program

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execution. The specific support requirements and responsibilities should be documented in a Memorandum of Understanding, or similar document, between DFAS Headquarters and Headquarters, USACE. The management and execution strategy will be consistent with the principles summarized below.

a. Project management responsibility for all support to the DFAS consolidation will reside with Louisville District.

b. Construction execution and management for all projects will be performed by the responsible geographic district.

c. Ohio River Division/Louisville District will assign designwork to other USACE districts to the maximum extent practicable, consistent with satisfying DFAS budget and schedule requirements.

d. Consistent with the single project manager concept, the Louisville District Military Projects Review Board (PRB) will be responsible for monitoring all DFAS consolidation projects. Other Districts with design and/or construction management responsibility will provide the necessary data to support the Louisville District PRB.

e. Ohio River Division will provide normal Division oversight on all DFAS consolidation projects. Headquarters oversight and program management will be provided by CEMP-MD.

f. As the single Project Manager, Louisville District will be responsible for managing and coordinating all USACE support to the DFAS consolidation, to include real estate support.

g. The proposed training center in Southbridge, Massachusetts, which may in part support DFAS, is not a part of the DFAS Consolidation Program and thus is not covered by this designation.

5. DFAS is now initiating programming efforts and other actions required to implement the consolidation decisions. The facility renovations/upgrades at the 15 selected BRAC sites may require in excess of \$200 million of major construction. We currently

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anticipate that DFAS will secure sufficient MILCON planning and design funds in FY 95 to achieve concept (35%) design completion for all of the MILCON projects. We have informed DFAS that a small amount of FY 94 P&D funding would be desirable to initiate Architect-Engineer selection and contracting actions to ensure expeditious design starts in FY 95.

FOR THE COMMANDER:

A handwritten signature in black ink, appearing to be 'Pat M. Stevens IV', written over a large, faint circular stamp or watermark.

Encl

PAT M. STEVENS IV
Major General, USA
Director of Military Programs

CF:

Headquarters, Defense Finance and Accounting Agency

CEMP-MD

MEMORANDUM FOR DIRECTOR OF MILITARY PROGRAMS

SUBJECT: Designation of a Single Project Manager for USACE Support to the Defense Finance and Accounting Service (DFAS) Consolidation Program -- FOR DECISION

1. PROBLEM. Designation of a USACE District to be the single project manager for implementation of the DFAS Consolidation Program has been requested by the Director of the DFAS Consolidation Task Force.

2. RECOMMENDATION. That the Director of Military Programs approve the recommendation to designate Louisville District as the single project manager for the DFAS Consolidation Program and sign the notification memorandums at TAB A and TAB B to Ohio River Division and all other USACE Major Subordinate Commands, respectively.

APPROVED AWH SEE ME _____ OTHER _____

3. BACKGROUND AND DISCUSSION.

a. Last year, DFAS initiated a new site selection process for consolidation of Defense Accounting Offices nationwide at the direction of the SECDEF. DFAS currently has five major accounting centers (Indianapolis, Cleveland, Columbus, Kansas City, & Denver) and about 300 smaller offices nationwide. The SECDEF directed that DFAS perform an economic analysis to make recommendations for consolidating all current operations at 5 to 15 sites.

b. In Jul 93, DFAS requested USACE assistance to establish facilities and site evaluation criteria, participate in BRAC (or other excess DOD) site visits, and to provide engineering recommendations and cost estimates for upgrading facilities to meet DFAS requirements. USACE assistance was being provided by Ohio River Division/Louisville District. Through a contract with Black & Veatch, ORL completed site evaluation reports on 18 potential sites in Jan 94. In addition to the site evaluation reports, ORL has also provided information and advice to DFAS regarding compliance of their consolidation plan with National Environmental Policy Act (NEPA) requirements.

c. In early May 1994, the sites at which DFAS operations will be consolidated were selected by the SECDEF. The selected sites include 15 of the 18 BRAC/excess DOD properties which ORL studied last fall for DFAS; plus 5 cities for GSA procurement

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(see TAB C). The five current major DFAS centers will be retained. The consolidation sites, which will each employ about 750 people, will become satellite offices to these major centers.

d. In February 1994, DFAS tasked us to prepare DD Form 1391's for candidate BRAC facilities which were considered to have a high probability of being selected. Shortly thereafter, however, DFAS directed that we stop work on these forms pending the outcome of the decision process. At a meeting with DFAS on 26 May 94, DFAS provided guidance on preparing DD Form 1391's for the 15 selected BRAC facilities. This effort will be completed by ORL in late August 1994.

e. DFAS is now initiating programming efforts and other actions required to implement the consolidation decisions. The facility renovations at the 15 selected BRAC sites will require approximately \$140 million of major construction. We currently anticipate that DFAS will secure sufficient MILCON planning and design funds in FY 95 to achieve concept (35%) design completion for all of the MILCON projects. We have informed DFAS that a small amount of FY 94 P&D funding would be desirable to initiate Architect-Engineer selection and contracting actions to ensure expeditious design starts in FY 95.

f. Since the initial request for assistance, DFAS has consistently expressed their need for a single district to manage execution of their projects. The DFAS has no Command Engineer, very little in-house facilities engineering/management capability, and no experience in programming or managing a facilities construction program. Because the implementation of the consolidation and the related construction will be an effort of finite duration, DFAS will not have a long-term ongoing construction program. Therefore, they want to minimize the necessity to establish an in-house facilities management capability and would prefer to rely heavily on USACE to manage and implement their design and construction program. Communications and coordination of their requirements with several districts would overwhelm the limited DFAS personnel dedicated to consolidation implementation.

g. In light of the above, we recommend that Louisville District be assigned as the single Project Manager for the DFAS Consolidation Program. The need for a single Project Manager is

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well justified by the DFAS request based on the rationale discussed in paragraph 3.f. above. Louisville District is the logical choice because they 1) are intimately familiar with DFAS requirements at the selected sites, 2) are preparing the DD Form 1391's for the renovation projects, and 3) have established a good working relationship with the DFAS Consolidation Task Force.

h. If the recommendation to assign project management responsibility to ORL is approved, we will develop a specific program management/execution strategy in coordination with DFAS and ORD/ORL which will be documented in a Memorandum of Understanding between DFAS and USACE. The management and execution strategy will be consistent with the principles summarized below.

(1) Project management responsibility for all support to the DFAS consolidation will reside with Louisville District.

|| (2) Construction execution and management for all projects will be performed by the responsible geographic district. 

(3) Ohio River Division/Louisville District will assign design work to other USACE districts to the maximum extent practicable, consistent with satisfying DFAS budget and schedule requirements.

(4) Consistent with the single project manager concept, the Louisville District Military Projects Review Board (PRB) will be responsible for monitoring all DFAS consolidation projects. Other Districts with design and/or construction management responsibility will provide the necessary data to support the Louisville District PRB.

(5) Ohio River Division will provide normal Division oversight on all DFAS consolidation projects. Headquarters oversight and program management will be provided by CEMP-MD.

(6) As the single Project Manager, Louisville District will be responsible for managing and coordinating all USACE support to the DFAS consolidation, to include real estate support.

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4. IMPACTS.

a. Failure to assign a single project management district for the DFAS Consolidation Program will place a considerable management burden on the customer. In addition, decentralized management within USACE will result in execution delays as geographic districts familiarize themselves with the projects and the customer. Because of their recent and current support to DFAS, Louisville District will be able to initiate design expeditiously and take advantage of opportunities for economies of scale in executing the program.

b. It is recognized that this effort increases the Louisville District workload and that the District will show an appropriate increase in its FY95 manpower request to support this new program.

5. COORDINATION.

CEMP-E	Concur/ Nonconcur	<u>Frank Olive</u>	Date	<u>6/13/94</u>
CEMP-C	Concur/ Nonconcur	<u>CR Schaefer</u>	Date	<u>6/13/94</u>
CERE-ZA	Concur/ Nonconcur	<u>BJ Floukey</u>	Date	<u>6/14/94</u>
CERM-UP	Concur/ Nonconcur	<u>David H. Hester</u>	Date	<u>6/14/94</u>

Provided this is supported by the AFMWS Budget

3 Encls

William M. Vogel
WILLIAM M. VOGEL
Chief, Programs Management Division
Directorate of Military Programs