

15 June 1981

MEMORANDUM FOR: Chief, Supply Division, OL

FROM: [REDACTED]
Chief, [REDACTED] SD/OL

SUBJECT: Cost-Effective Modernization of [REDACTED] Activities

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1. Over the past few years, [REDACTED] has been engaged in an intensive program to reduce its operating costs through modernization of its equipment and methods and to increase its overall effectiveness as the major logistical facility for the provision of supplies and services to the Agency. Although those goals have been advanced significantly, there is still much to be accomplished!

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In succeeding paragraphs the more important of these accomplishments are listed and their significance briefly described. This is, in turn, followed by a brief outline of projects not yet completed, or still in a developmental stage.

2. Depot Improvement Programs/Completed

a. Materiel Facilities Branch (MFB)

(1) Preservation and Packaging Section (P&PS)

-Improved overall efficiency of section by re-configuration of work area.

-Installed second automatic rip saw for peak load backup.

-Installed powered turntable in conveyor to eliminate package hang-up and speed distribution of finished cargo.

-Installed large-throat bandsaw with saw-welding device to improve pack fabrication process.

-Installed automatic nailing machine and fabricated ball-bearing loaded metal machine tables - (three) to speed box and pallet construction.

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-Upgraded the Instapak System, increasing its reservoir capacity to reduce chemical costs and speed operation.

-Installed complement of handnailing guns to give a safer and speedier performance.

-Improved the safety and efficiency of the heavy-packing unit by complete overhaul of its gantry hoists.

-Installed electronic floor-scale and electronic conveyor-line scale, both with automatic readout in pounds and kilograms, to ensure improved speed and accuracy in the weighing process.

-Installed one and ordered two more electronic direct-readout type scales that mount integrally on forks of lift truck. This speeds-up packaging operation by permitting scale to be taken to the job instead of vice versa, and virtually eliminates scale queue-up.

-Installed heavy-duty rack that permits speedier choice of fiberboard sheeting by box machine operators.

-Completely overhauled and retrofitted the large fiberboard box machine, ensuring continued reliable service of that unit for many additional years.

-Increased the number of hydraulic packaging tables from seven to fifteen.

-Installed new automatic tape dispensers on the hydraulic tables.

-Installed new 18 inch radial-saw to speed lumber sizing.

-Installed automatic polypropylene strapping machine to replace time-consuming hand operation previously used.

-Initiated study of commercial developments in packaging materials, resulting in adoption of many cost-reducing methods and procedures without lowering the quality of the "package". This involved employment of cheaper grades of lumber and plywood, tri-wall containers, adhesives, fiberglass, molded products, etc.

-Installed batteries of heavy-duty circulating fans at open loading doors to promote effective removal of heat trapped in depot at closing time.

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-Initiated measures, in conjunction with other [redacted] components, to reduce through-put time at depot to five days or less and reduce backlog to 500 line items or less. These targets have been reached and are now steadily maintained or improved upon.

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(2) Design and Specification Unit

-Completely reconstituted the packaging laboratory, which had been virtually inactive since 1974, and initiated a systematic updating of all Agency packaging specifications, the expansion of packaging developmental services, and a re-establishment of the vendor packaging program.

-Completely reconditioned the environmental chamber for package testing.

-Acquired new polytite machine for bubblepacking.

-Acquired new magnetometer for the preparation of hazardous cargo.

-Acquired vibration meter/accelerometer used in the testing of experimental packs.

(3) Consolidation, Repair and Disposal Section (CR&DS)

-Established new General Services Administration (GSA) Inspection Center (Pickett Street Warehouse) for the inspection of Agency material declared excess through GSA.

-Maintains environmental chamber at Pickett Street Warehouse for storage of special paper products and other items requiring heat/humidity considerations.

-Developed and maintains viable disposal mechanism through Fort Belvoir Disposal Office that has greatly accelerated speed at which depot can move excess materials from its account.

-Systematically disposed of all Agency excess equipment that had been moved to the Navy Yard for temporary storage when the Agency's [redacted] was condemned and had to be evacuated.

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(4) Depot Support Section

-Acquired new 15,000 pound capacity forktruck (yardlift) to handle outside cargo especially in outside storage.

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-Placed on order quantity of \$35,000 worth of cargo racks as part of ongoing storage rack reconfiguration program.

-Acquired automatic floor striping machine for lane and aisle layout.

(5) Storekeepers - Unit I and Unit II

-Installed two each Console-Type Electronic Automatic Retrieval Systems. These units feature controlled stockage, rapid retrieval of stock, more precise inventorying, parts cleanliness, etc., while reducing by 2/3 the amount of space needed formerly to maintain the stock.

-Acquired one large and one small portable stretch-wrap machine for enclosing stock in plastic wrap to ensure cleanliness of stock and promote stability of cargo. Another large portable stretch-wrap machine is also on order.

(6) Safety, Security, and Maintenance Section

-Installed steel safety gates at all cargo doors to prevent unauthorized entry through those openings.

-Established a cost-effective maintenance, repair and replacement program for forktrucks which has reduced number of trucks from a total of 38 to 30, expanded the number of hours worked/per day by each unit, increased battery efficiency, and deferred replacement of forktrucks during 1981 and 1982.

-Acquired a selection of fork extensions and longer forks to promote better cargo handling and positioning in the racks.

-Established acceptable safety-shoe program under control of the BSO Officer.

-Promoted safety and security through courses administered by the Safety Officer and the Medical Technician.

b. Freight Traffic Branch (FTB)

-In October 1980, with the assistance of Data Control Unit personnel, initiated a computer program which tracks monthly the obligations made against the Single Transportation Allotment (STA). This program also produces a monthly listing of transportation expenditures by major component. The program, which replaced a manual system formerly in use, has resulted in a marked saving in man-hours.

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-In February 1980, establishment of the [] provided a secure, scheduled means of transporting Agency materials to African Stations. Since its inception, over a quarter million pounds of cargo has been carried to the field at a pronounced saving over rates that would have applied if commercial air routes had been used.

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-In coordination with MFB/P&PS, arranges for the movement of large shipments to certain areas [] through the use of sea-containers. These 20 to 40 foot aluminum containers which convert readily to over-the-road trailers, provide excellent protection from weather and rough handling and enable shipment of cargo with but minimum packing. Through this technique a substantial saving in both manpower and material is realized.

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-Maintains an ongoing program for the careful scheduling of pickups and deliveries, both in and outside of the local area, to ensure fullest utilization of [] vehicles and to promote the consolidation of cargoes wherever practicable. This program is very cost effective in terms of manpower and fuel conservation.

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[] fleet of over-the-road vehicles is designed to meet the many varied requirements of the Agency. In order to promote effective maintenance, minimum stockage of repair parts, improved driver training, etc., vehicle engines, transmissions, differentials, brake systems, controls, wheels, tires, lighting systems, etc., have been purposely standardized throughout wherever practicable. This standardization program has been significantly cost-effective and through it our diesel vans and tractors, for example, can haul cargo at an average of 97 cents per mile and have a life expectancy up to 400 thousand miles.

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-Installation of an electronic direct-readout yard scale now enables the weighing of truckloads on the depot premises and also accommodates outside cargo that is beyond the capacity of the depot interior scales.

c. Receiving Branch (RB)

-Assumed responsibility for [] File Room in October 1979.

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-Established records reduction program which has significantly streamlined file room procedures in anticipation of absorption of all subsidiary files maintained []

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-Implemented "write up of receivings on the dock" procedures to streamline traffic flow.

-Regulated receiving procedures for external direct-delivery points.

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-Arranged for regular input to ICS of current, pertinent Testing and Inspection (T&I) information.

-In conjunction with Office of Communications, regulated T&I scheduling of receivings and, in that way, reduced T&I of receivings by 32 percent.

-In conjunction with Procurement Division and Office of Finance, developed "expedited payment" procedures for selected procurement actions.

d. General

-Depot Core Office Complex has been constructed and occupied. In addition, extensive area over offices affords ample space for much of P&PS packing materials, BSO materials, and a selected quantity of depot stock.

-Automatic treadle-operated doors have been installed at front entrance and the hallways redecorated.

-The Safety and Security Officer has been permanently assigned to an office located near the main entrance for close monitoring of activities there and the Security Guard Control Room has been cleared of unnecessary equipment, the phones replaced, and painting and decorating of that room is expected shortly.

-The automatic file system in the depot central file room has been replaced.

-The Guide-A-Matic Train System has been completely retrofitted and changed to a two-unit system with sidings established at various locations in the depot. The track layout has been completely re-configured and provided with optional paths.

-Reduced overtime by 10 percent over same period last year.

-Additional DACs have been provided to DCU and DAC positions have also been established at CR&DS and RB. Direct access to the computer by these functions should be very cost-effective through the elimination of paperwork and information time-lag.

-Installation of vestibule entrance to Small Purchase Branch (SPB) receiving dock has contributed to employee comfort and energy saving in the cold weather.

-SPB program to combine "buying trips" has resulted in significant reduction of vehicle usage with resulting energy saving.

3. Depot Improvement Programs/Projected

-Enclose both shipping and receiving docks, provide suitable dock equipment, and install inflate-a-seal padding at truck openings to prevent heat loss.

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-Insulate depot roof with suitable reflective aluminum paint to lower summer eave-temperature and promote employee comfort.

-Relocate RB dock activities from front of depot to side of depot next to shipping dock and add second cargo door at that position. This will promote cross-dock activity and bring all RB operations to one area.

-Relocate the refuse compactor to a more suitable spot at the depot.

-Re-surface the depot exterior grounds.

-Provide a long-lasting seal to depot concrete floors.

-Replace the obsolete depot heating units with modern, dependable, energy-saving units.

-Refurbish the exterior Butler Buildings and construct a temperature controlled chamber at the rear end of [] for storage of hazardous materials in accordance with approved OSHA standards.

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-Install energy-saving aircurtains at the three dock doors leading the shipping/receiving docks.

-Re-configure storage racks throughout the depot to provide optimum storage capacity and improve the flow of materials in conjunction with the re-activation of the Guide-A-Matic Train System.

-Reconstitute metal furniture storage, repair, and issue methods used in Butler Buildings [] to ensure adequate support to Logistics Services Division.

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-Develop an emergency power capability that will ensure depot operation during power outages.

-Refurbish old MFB offices and convert them into all-purpose conference room/classroom.

-Re-configure and refurbish storage rooms on westside of depot building to improve controlled storage activities.

-Expand and update restroom facilities at depot in conjunction with re-configured office and laboratory areas.

-Eliminate work-file duplication by combining all files in the depot central file room.

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-Relocate main gate guard-shack to median strip.

-Erect a 20,000 square foot temperature controlled, air supported structure in vacant lot in southeast corner of depot grounds. With its capacity to accommodate twenty foot high racks configured for the Raymond Extended-Reach Fork Trucks, such a structure would provide a storage capacity greater than half the present main building at the depot.



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Orig - Addressee
1 - C/CD
1 - DC/MFB (official)

OL/CD/SD/MFB, [redacted] (15 Jun 81)

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15 JUN 1981

- Capital investment in a new building on the Langley compound for consolidation of the Headquarters organizations can achieve annual savings in excess of \$4 million by 1985. Savings will result from reductions in communications, security, and logistics support and from recovery of man-years currently lost to commuting.

REAL ESTATE BRANCH - COST SAVINGS + *efficiencies*

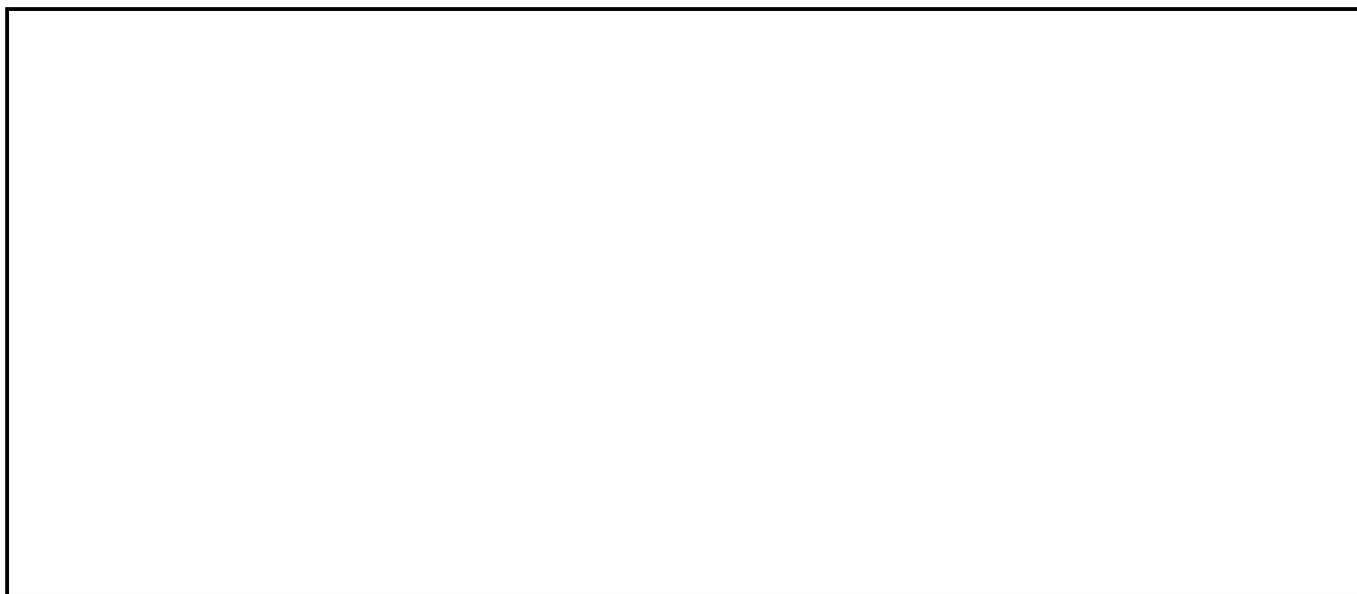
CATEGORY I

1. The specials for the [] construction were proposed at \$1,400,000. As a result of detailed study and negotiations, the cost of the specials was lowered to \$1,100,000 - or a cost savings of \$300,000.

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2. Since the Agency received the Delegation of Authority from GSA for leasing office space of less than 5,000 square feet, considerable cost savings have been realized through effective negotiation techniques. Some examples are:

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There are [] being administered by the Real Estate Branch, RECD. This new responsibility was absorbed by the Branch with no increase in personnel.

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CATEGORY II

1. The Safehouse Section is in the process of accepting the responsibility for [REDACTED]

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[REDACTED] It was decided that the administration of the sites should be centralized in the Safehouse Section of the Real Estate Branch, which ^{will} ~~should~~ result in increased efficiency for supporting the activity.

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2. REB personnel are currently working with GSA to obtain a Delegation of Authority to contract directly with the owner of the [REDACTED] to meet Agency objectives regarding special renovations for a new occupant. It is believed that Agency personnel will be able to negotiate a more favorable contract from a viewpoint of time and cost.

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[] ENGINEERING [] COST SAVINGS

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CATEGORY I

1. Package boiler~~s~~ allows use of smaller more efficient boiler~~s~~ during low steam demand in summer months.
2. Installation of package air handlers allows cooling of small special-use areas without operation of main air handlers. Savings of overtime utilities and is more energy efficient during normal working hours.
3. A&E study of HVAC systems/energy conservation. Studies completed to determine potential energy savings resulting from various building modifications. The study identifies a list of modifications and projects cost savings for each proposal. The engineers are working with GSA to incorporate the proposed changes.
4. UPS installations - Reduces the number of power-related computer problems.
5. Chilled Water System for Key Building - FEB/RECD has initiated the design for a chilled water system which will reduce the maintenance and repair costs to maintain the various types of air-conditioning systems that presently exist. The proposed chilled water system will also allow for A/C add-on, and in most instances it will eliminate the need for turning on the entire house A/C for overtime or weekend work.

CATEGORY II

1. Chilled water loops - Allows installation of more package air handlers which will permit cooling of special use areas without operation of main air handlers and result in savings of overtime utilities.
2. Upgrading to automatic HVAC controls - Allows more efficient operation of building.
3. Computer-controlled building systems - Increases energy efficiency, reduces monitoring and operating man-hours.
4. Computerize engineering drawings - Increases record keeping efficiency and reduces drafting time.
5. In lieu of Saturday work, offices, where appropriate, should be encouraged to extend the hours during the normal Monday through Friday schedule. This could result in considerable savings in the cost of air conditioning.

Items 1 & 2 - Enhanced budget items

Items 3 & 4 - Ideas for consideration

18 FEB 1981

REAL ESTATE AND CONSTRUCTION DIVISION

"How can we streamline and save money?"

The above tasking has been examined within the context of a significantly understaffed Division with an ever increasing workload in all engineering and real property management functions.

The Division's budgeted monetary resources include predominantly centralized funding items such as SLUC for GSA standard services and leasing costs; reimbursable overtime heating, ventilating, and air conditioning costs, including energy and extra manpower/labor costs; minimum levels of daily engineering support costs, preventive maintenance costs, and special data distribution support costs. At the present time, no facilities engineering projects exist in the RECD budget.* All new facilities engineering projects are essentially funded by the appropriate requesting Agency component.

Division slots must be fully staffed in order to be totally responsive to this increasing workload, and such human resources will continue to accomplish work directly or through others for our Agency clients essentially using centralized or client funding.

Accordingly, reduction in costs might be achieved in the following ways:

- (a) Conduct a survey of total Agency component functional requirements to operate on an overtime

*Except SAFE backfill

"Areas of problems and needs"

RECD is severely understaffed and in need of professional engineering resources to fill its vacancies and those engineering positions available in various Agency operational components in order to be totally responsive to the operational needs of the Agency.

Although Agency recruitment efforts have been extensive, results have been dismal. Competition with the private sector for engineers, extensive and unrealistic time taken for processing, security turndowns, medical turndowns, candidate loss of interest, and candidate acceptance of employment elsewhere have resulted in loss of good talent and a continuing existence of vacant Division engineering positions.

Hiring quotas, hiring moratoriums, and hiring freezes have continued to exacerbate the Agency's rising recruitment shortfall. They not only add to the inherent losses of potential candidates ready for processing but do so after the expenditure of time and money to arrive at a decision to accept and hire such employees.

The dwindling number of opportunities for overseas assignments and travel for Division engineers and technicians has frequently resulted in their leaving the Division to accept such opportunities with other Agency components or with the private sector. The vacancy notice system has also perpetuated such transiency of Division engineers and technicians to other

Agency components as a painful example of internal Agency pro-elytisation of human resources in a tight recruitment market. The result has been a further deterioration of the Division's understaffed engineering posture and its ability to respond in the manner it deems necessary.

A positive accommodation with GSA is necessary reasonably soon to ascertain our relative roles in order to ensure the most efficient use of our mutual resources and maximization of joint efforts in order to provide an adequate human and operational environment for our Agency employees and functions. The time, effort, and money required to get things done through others is sometimes more costly and difficult than the cost of implementing the project internally. An exceptions approach agreeable to all will allow the Agency and GSA to supplement each other's efforts in a viable manner which will allow work to be accomplished in a realistic way consistent with available resources, specific skills, funding availability, operational needs, timing, relative authorities, and applicable federal regulations.

Specifically, the Division should provide additional engineers to such functions as OC, [] NPIC, [] and [] in providing engineering support as projected. Only one OC slot is presently available, but this Division believes the remaining slots should be formalized to meet the growing engineering support needs of these organizations.

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basis beyond standard work hours. Since the Agency pays additional costs for such overtime use and consumption of utilities and tradesman labor, any reduction of significant hours of overtime use of space by shifts, weekend operations, etc., would save money for the Agency in energy and associated labor costs and also conserve energy.

(b) For those Agency components who must continue to operate on an extended overtime bases, provide project funding and implement installation of localized efficient utilities support systems serving these functions only and, accordingly, eliminate excessive overtime costs of operating large scale systems supporting large zones of space a small portion of which are occupied by these special overtime functions.

Procurement Division

1. Policies or other initiated ^{§ introduced} and/or implemented ^{over the} ~~in the~~ past two to three years which have resulted in cost savings and/or increased efficiencies. ^{and}

a. Increased Efficiency:

ADP acquisition familiarization courses were given to create user understanding of and education in ADPE acquisition.

An Automatic Data Processing Equipment and Services checklist was developed consolidating for the first time the myriad of documentation requirements, coordinations and certifications prerequisite to acquisition of ADPE.

ADP&EB internal administration was reorganized within the Branch by Directorate versus the previous contract/vendor breakdown, thus emphasizing responsiveness to customer rather than contractor needs.

ADP&EB established itself as the coordinator and focal point for presentation of ^{VENDOR} product lines and services. Centralization of this service assured exposure of market items to the Agency ADP community as a whole in preference to limited special-interest groups as was previously the case.

ADP&EB established monthly user working group meetings to provide a form for advanced planning methodology, identification of potential acquisition problems, and information and status on requisitions.

Automated RFP processing was introduced by ADP&EB.

Automated system life evaluation procedures were introduced by ADP&EB.

PD is concluding developmet of a management information system that provides visibility into critical areas of work in process, and ^{permits} ~~premits~~ the development of a predictive decision process.

PD is currently developing acquisition procedures that will permit a consistent and coherent treatment of each procurement.

b. Cost Savings:

ADP&EB-directed NPIC revalidation study resulted in system life savings of approximately \$4 million.

2. Future points or ideas that can be undertaken which may result in cost savings and/or increased efficiency are:

Extend automation within the procurement process as rapidly as possible.

Establish a senior Agency capital projects review board to review and approve proposed new starts or substantial additions to ongoing programs with estimated values of \$300,000 and require that a cost benefits study, based on total life cycle costs, be prepared in each such case.

Consolidate multi-office equipment/services requirements on a programmatic basis to achieve maximum economy of scale and standardization.

Establish a coordinated planning and forecasting mechanism that will permit early identification of procurement requirements thereby enabling the development of more coherent acquisition strategies.

CORE Support to the DD/L

1. We, OL/B&FB, have initiated no actions outside of our own Office.

2. A. STA - based on a discussion with [REDACTED] Audit Staff; establishment of a computer system to enable OL/CD/FTB to obligate, liquidate and monitor cargo shipments paid under the STA account on an individual Bill of Lading basis. Currently there is no system to monitor any one particular Bill of Lading to see if it has been invoiced and paid.

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B. Insure that within LIMS there is a provision to permit the commitments and obligation of the MPA allotment. This Office currently manually commits (utilizing a Burroughs Bookkeeping Machine) and obligates the MPA allotment. Use of either the LIMS system or a small VM stand-alone system would be time saving and a much more efficient operation than the manual system currently in use.

