



DEPARTMENT OF THE NAVY
THE ASSISTANT SECRETARY OF THE NAVY
(INSTALLATIONS AND ENVIRONMENT)
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

24 June 1998

The Honorable Albert Gore, Jr.
President of the Senate
Washington, DC 20510

Dear Mr. President:

The purpose of this letter is to notify you of our decision to study certain functions performed by military and civilian personnel in the Department of the Navy (DON) for possible performance by private contractors.

The DON faces an extraordinary challenge to use its limited resources more effectively and efficiently to support its recapitalization and modernization imperatives. As we seek ways to improve the efficiency and effectiveness of the DON, reduce the overall cost of operations and improve our business processes, we must fully explore opportunities for competition initiatives. In accordance with sub-paragraph (a)(1) and (d) of Section 2461, Title 10 United States Code, the Secretary of Defense is to notify Congress of any decision to study a commercial or industrial type function performed by 20 or more civilian employees for possible outsourcing and to provide an estimate of the costs and length of each study. To provide you with a more comprehensive overview of our most recent competition initiatives, we have enclosed a list detailing all those functions, both above and below 10 USC 2461's reporting threshold, we intend to study. Please note that to ensure we obtain economies of scale, most of the smaller numbers of functions will be consolidated into larger regional or base-wide cost comparisons.

Where required, studies will be performed under the procedures set forth in Office of Management and Budget (OMB) Circular A-76 using cost comparisons between the costs of the most efficient and cost-effective organization for in-house performance and the costs of contracting for these same products or services. The A-76 commercial activities cost comparison process uses competition to drive in-house organizations to streamline operations in order to improve quality, increase efficiency, and focus better on their customers' needs. The estimated cost to study each full-time equivalent position is \$2,000, and the estimated study time for single function studies is 12-24 months and 24-36 months for multi-function studies. For the Navy, competition will not only reduce costs, but also lead to more

rapid delivery of better products and services to the warfighter, thereby, increasing readiness.

Conversion to commercial contracts will occur only if the cost comparison process reveals that contracting is the most cost-effective method of performing the function. We will notify you, per Section 2461, Title 10 USC, if the competition results in a decision to convert to contract performance. Historically, about half the competitions result in our implementing a new, more efficient in-house organization with the other half converting to contract performance. Any career employees affected by conversions to commercial contracts will be given maximum assistance in continuing their Federal careers through reassignment to other positions in the Department of Defense or other agencies. Affected employees will also be given the right of first refusal for employment openings with contractors in positions for which they are qualified. In addition, in cooperation with the Department of Labor and local and state employment services, affected employees will be assisted in locating positions in private industry or afforded opportunities to undertake retraining programs to qualify them for jobs available in local labor markets.

Under current Navy right sizing initiatives, certain military billets, or functions, each year are terminated. In many instances, these functions will be performed by civilian employees or contractors. The military billets listed in the enclosure have been identified for substitution by civilian workers. The A-76 studies in each case will determine whether the function will be contracted out or performed by civilian employees of the Department of the Navy.

Our overall objective in this initiative is to facilitate accomplishing the Navy's support mission in the most efficient and effective manner to free resources to fund our recapitalization and modernization requirements.

A similar letter has been sent to the Speaker of the House of Representatives. As always, if I can be of further assistance, please let me know.

Sincerely,



ROBERT B. PIRIE, JR.

Enclosure

Copy to:
The Honorable Strom Thurmond
Chairman, Committee on Armed Services

The Honorable Carl Levin
Ranking Minority Member, Committee on Armed Services

The Honorable Ted Stevens
Chairman, Subcommittee on Defense, Committee on Appropriations

The Honorable Daniel K. Inouye
Ranking Minority Member, Subcommittee on Defense,
Committee on Appropriations

Note 1: study is a supplement to January 1997 Announcement

Note 2: subcomponent of a larger Navywide study

ACTIVITY NAME	ST	FUNCTION	CTV	MIL	TOTAL
<u>NWPNS STA CONCORD</u>					
NWPNS STA CONCORD	CA	BASE SUPPORT (note 1)			
NWPNS STA CONCORD	CA	HOUSEKEEPING SVCS	0	6	8
NWPNS STA CONCORD	CA	PROGRAM MGMT	0	1	
NWPNS STA CONCORD	CA	BLDG & STRUCTURES	0	1	
<u>NOC PD FALLBROOK</u>					
NOC PD FALLBROOK	CA	BASE SUPPORT (note 1)			
NOC PD FALLBROOK	CA	HOUSEKEEPING SVCS	0	2	4
NOC PD FALLBROOK	CA	ELECTRICAL REPAIR	0	2	
<u>NAVYWIDE STUDIES</u>					
<u>ADP SUPPORT (note 2)</u>					
FASWTC SAN DIEGO	CA	ADP SUPPORT			6
<u>ADMIN SUPPORT (note 2)</u>					
FASWTC SAN DIEGO	CA	ADMIN SUPPORT			16
FCTCPAC SAN DIEGO	CA	ADMIN SUPPORT	0	4	
FITCPAC SAN DIEGO	CA	ADMIN SUPPORT	0	2	
FTC SAN DIEGO	CA	ADMIN SUPPORT	0	3	
FTC SAN DIEGO	CA	AV SUPPORT	0	2	
FTC SAN DIEGO	CA	ADMIN SUPPORT	0	2	
NCTC PORT HUENEME	CA	ADMIN SUPPORT	0	3	
SUBTRAFAC SAN DIEGO	CA	ADMIN SUPPORT	0	2	
SUBTRAFAC SAN DIEGO	CA	ADMIN SUPPORT	0	2	
<u>PERS PROPERTY (note 2)</u>					
FISC SAN DIEGO	CA	PERS PROPERTY			64
NAF EL CENTRO	CA	PERS PROPERTY	36	0	
NAS LEMOORE	CA	PERS PROPERTY	1	0	
NSA MONTEREY BAY	CA	PERS PROPERTY	11	0	
CBC PORT HUENEME	CA	PERS PROPERTY	8	0	
CBC PORT HUENEME	CA	TRANSPORTATION OFF	8	0	
<u>TRANSPORTATION (note 2)</u>					
PWC SAN DIEGO	CA	MOTOR VEHICLE MAINT			117
PWC SAN DIEGO	CA	MOTOR VEHICLE MAINT	20	0	
PWC SAN DIEGO	CA	MOTOR VEHICLE OPS (A-O)	54	0	
PWC SAN DIEGO	CA	MOTOR VEHICLE OPS (P-Z)	43	0	
<u>SUPPLY OPERATIONS (note 2)</u>					
NAB CORONADO	CA	SUPPLY OPERATIONS			44
NAS NORTH ISLAND	CA	SUPPLY OPERATIONS	2	0	
NAS NORTH ISLAND	CA	SUPPLY OPERATIONS	2	0	
NADEP NORTH ISLAND	CA	SUPPLY OPERATIONS	13	0	

SUBASE SAN DIEGO	CA	SUPPLY OPERATIONS	2	0
NAWC CHINA LAKE	CA	SUPPLY OPERATIONS	3	0
SSC SAN DIEGO	CA	SUPPLY OPERATIONS	1	0
NAVSTA SAN DIEGO	CA	SUPPLY OPERATIONS	1	0
NAF EL CENTRO	CA	SUPPLY OPERATIONS	5	0
CBC PORT HUENEME	CA	SUPPLY OPERATIONS	5	0
NAS LEMOORE	CA	SUPPLY OPERATIONS	7	0
NSA MONTEREY BAY	CA	SUPPLY OPERATIONS	3	0

WEAPONS CTRS

BOS SUPPORT

WPNSUPFAC DET CONCORD	CA	ADMIN SUPPORT	1	0	197
WPNSUPFAC DET CONCORD	CA	PROGRAM MGMT	1	3	
WPNSUPFAC DET FALLBROOK	CA	ADMIN SUPPORT	1	0	
WPNSUPFAC DET FALLBROOK	CA	PROGRAM MGMT	1	1	
WPNSUPFAC DET FALLBROOK	CA	SAFETY & OTHER PM	1	0	
WPNSUPFAC SEAL BEACH	CA	MWR SVCS	14	0	
WPNSUPFAC SEAL BEACH	CA	BOQ/BEQ	1	0	
WPNSUPFAC SEAL BEACH	CA	NAT RESOURCE SVCS	1	0	
WPNSUPFAC SEAL BEACH	CA	CONTS EQUIP OP	2	0	
WPNSUPFAC SEAL BEACH	CA	MOTOR VEHICLE MAINT	14	0	
WPNSUPFAC SEAL BEACH	CA	A/E SVCS	10	0	
WPNSUPFAC SEAL BEACH	CA	AV INFO SVCS	1	0	
WPNSUPFAC SEAL BEACH	CA	PASS AND ID SUPPORT	6	0	
WPNSUPFAC SEAL BEACH	CA	ENG TECH SVCS	8	0	
WPNSUPFAC SEAL BEACH	CA	ADMIN SUPPORT	13	0	
WPNSUPFAC SEAL BEACH	CA	MAIL SVCS	1	0	
WPNSUPFAC SEAL BEACH	CA	OTHER ADMIN SUPPORT	1	0	
WPNSUPFAC SEAL BEACH	CA	MGMT STUDIES	3	0	
WPNSUPFAC SEAL BEACH	CA	PROGRAM MGMT	6	0	
WPNSUPFAC SEAL BEACH	CA	SYSTEMS & EQUIP MGMT	3	0	
WPNSUPFAC SEAL BEACH	CA	PERSONNEL MGMT	0	1	
WPNSUPFAC SEAL BEACH	CA	REAL PROPERTY MGMT	4	0	
WPNSUPFAC SEAL BEACH	CA	SAFETY & OTHER PM	49	0	
WPNSUPFAC SEAL BEACH	CA	OTHER FUNCTIONS	2	0	
WPNSUPFAC SEAL BEACH	CA	ELECTRICAL REPAIR	0	1	
WPNSUPFAC SEAL BEACH	CA	BLDG & STRUCTURES	32	0	
NOC PACDIV SEAL BEACH	CA	RELIGIOUS PRGM SVCS	0	1	
WPNSUPFACSB NON-NWCF	CA	HOUSEKEEPING SVCS	0	9	

WPNSUPFACSB NON-NWCF	CA	PROGRAM MGMT	0	1	
WPNSUPFACSB NON-NWCF	CA	ELECTRICAL REPAIR	0	1	
NWPS STA SEAL BEACH	CA	PERSONNEL MGMT	0	3	
<u>NAVYWIDE STUDIES</u>					
SUBASE NEW LONDON	CT	(note 2)			23
SUBSCOL GROTON	CT	PERS PROPERTY	11	0	
SUBSCOL GROTON	CT	ADMIN SUPPORT	0	5	
NSSF NEW LONDON	CT	AV SUPPORT	0	3	
	CT	SUPPLY OPERATIONS	4	0	
NAVSTA GTMO	CUBA	TRANS OFFICE (note 2)	2	0	2
NAVSTA ANACOSTIA	DC	PERS PROPERTY (note 2)	10	0	10
<u>NAVYWIDE STUDIES</u>					
<u>ADP SUPPORT (note 2)</u>					
NAS PENSACOLA	FL	ADP SUPPORT	0	3	13
NASC PENSACOLA	FL	ADP SUPPORT	0	6	
NATTC PENSACOLA	FL	ADP SUPPORT	0	2	
NETPDTC PENSACOLA	FL	ADP SUPPORT	0	2	
<u>ADMIN SUPPORT (note 2)</u>					
HELTRARON 18, PENSACOLA	FL	ADMIN SUPPORT	0	4	46
HELTRARON 8, PENSACOLA	FL	ADMIN SUPPORT	0	4	
NASC PENSACOLA	FL	ADMIN SUPPORT	0	5	
NATTC PENSACOLA	FL	ADMIN SUPPORT	0	3	
NAVDIVESALVATRACEN	FL	ADMIN SUPPORT	0	2	
NCT'S PENSACOLA	FL	TELEPHONE SVCS	0	1	
NETSAFA RSNF PENSA	FL	ADMIN SUPPORT	0	1	
TRARON 10, PENSACOLA	FL	ADMIN SUPPORT	0	4	
TRARON 2, PENSACOLA	FL	ADMIN SUPPORT	0	5	
TRARON 3, PENSACOLA	FL	ADMIN SUPPORT	0	5	
TRARON 4, PENSACOLA	FL	ADMIN SUPPORT	0	3	
TRARON 6, PENSACOLA	FL	ADMIN SUPPORT	0	5	
TRARON 86, PENSACOLA	FL	ADMIN SUPPORT	0	4	
<u>PERS PROPERTY (note 2)</u>					
FISC JACKSONVILLE	FL	PERS PROPERTY	35	0	56
NAS KEY WEST	FL	PERS PROPERTY	8	0	
NAS PENSACOLA	FL	PERS PROPERTY	10	0	
NAS WHITING	FL	PERS PROPERTY	1	0	

NCSC PANAMA CITY	FL	PERS PROPERTY	2	0	
<u>SUPPLY OPERATIONS (note 2)</u>					
NAS KEY WEST	FL	SUPPLY OPERATIONS	4	0	44
NETPDT C PENSACOLA	FL	SUPPLY OPERATIONS	1	0	
NADEP JACKSONVILLE	FL	SUPPLY OPERATIONS	30	0	
NAS PENSACOLA	FL	SUPPLY OPERATIONS	4	0	
NTTC PENSACOLA	FL	SUPPLY OPERATIONS	1	0	
NAS WHITING	FL	SUPPLY OPERATIONS	1	0	
NAS JACKSONVILLE	FL	SUPPLY OPERATIONS	3	0	
NAS KEY WEST	FL	MWR SVCS	0	24	24
<u>NAVY WIDE STUDIES</u>					
<u>ADMIN SUPPORT (note 2)</u>					
NAVSCSCOL ATHENS	GA	ADMIN SUPPORT	0	2	10
TTF KING BAY	GA	ADMIN SUPPORT	0	8	
<u>PERS PROPERTY (note 2)</u>					
NSCS ATHENS	GA	PERS PROPERTY	3	0	3
<u>SUPPLY OPERATIONS (note 2)</u>					
NAS ATLANTA	GA	SUPPLY OPERATIONS	4	0	17
TRF KINGS BAY	GA	SUPPLY OPERATIONS	12	0	
NSCS ATHENS	GA	SUPPLY OPERATIONS	1	0	
<u>NAVY WIDE STUDIES</u>					
FISC PEARL HARBOR	HI	(note 2)			112
NCTAMS EAST PAC	HI	PERS PROPERTY	43	0	
NAVSUBTRACEN PAC	HI	SATELLITE COMMS	0	61	
PWC PEARL HARBOR	HI	ADMIN SUPPORT	0	1	
	HI	SUPPLY OPERATIONS	7	0	
<u>NAVY WIDE STUDIES</u>					
<u>ADMIN SUPPORT (note 2)</u>					
NTC GREAT LAKES	IL	ADMIN SUPPORT	0	1	26
RTC GREAT LAKES	IL	ADMIN SUPPORT	0	20	
SSC GREAT LAKES	IL	ADMIN SUPPORT	0	4	
SSC GREAT LAKES	IL	ADP SUPPORT	0	1	
<u>SUPPLY OPERATIONS (note 2)</u>					
NTC GREAT LAKES	IL	PERS PROPERTY	32	0	33
NTC GTREAT LAKES	IL	SUPPLY OPERATIONS	1	0	

<u>NAVYWIDE STUDIES</u>					
NWSC CRANE	IN	(note 2)			15
	IN	PERS PROPERTY	6	0	
NSWC CRANE	IN	SUPPLY OPERATIONS	9	0	
<u>NAVYWIDE STUDIES</u>					
NSA NEW ORLEANS	LA	(note 2)			
	LA	PERS PROPERTY	13	0	13
<u>NAVYWIDE STUDIES</u>					
<u>PERS PROPERTY (note 2)</u>					
USNA ANNAPOLIS	MD	PERS PROPERTY	7	0	13
NAS PAX RIVER	MD	PERS PROPERTY	6	0	
<u>ADMIN SUPPORT (note 2)</u>					
NTTCDET FT MEADE	MD	ADMIN SUPPORT	0	1	1
<u>SUPPLY OPERATIONS (note 2)</u>					
NAVSTA ANNAPOLIS	MD	SUPPLY OPERATIONS	1	0	8
NAS PATUXANT RIVER	MD	SUPPLY OPERATIONS	7	0	
<u>NAVYWIDE STUDIES</u>					
NAS BRUNSWICK	ME	(note 2)			8
	ME	PERS PROPERTY	6	0	
NAS BRUNSWICK	ME	SUPPLY OPERATIONS	2	0	
<u>NAVYWIDE STUDIES</u>					
<u>PERS PROPERTY (note 2)</u>					
CBC GULFPORT	MS	PERS PROPERTY	1	0	7
NAS MERIDIAN	MS	PERS PROPERTY	6	0	
<u>ADMIN SUPPORT (note 2)</u>					
NAVCONSTRACEN GP	MS	AV SUPPORT	0	1	24
NAS MERIDIAN	MS	ADMIN SUPPORT	0	4	
NAVCONSTRACEN GP	MS	ADMIN SUPPORT	0	2	
NTTC MERIDIAN	MS	ADMIN SUPPORT	0	2	
TRARON 19, MERIDIAN	MS	ADMIN SUPPORT	0	5	
TRARON 23, MERIDIAN	MS	ADMIN SUPPORT	0	5	
TRARON 7, MERIDIAN	MS	ADMIN SUPPORT	0	5	
<u>SUPPLY OPERATIONS (note 2)</u>					
CBC GULFPORT	MS	SUPPLY OPERATIONS	6	0	6
<u>NAVYWIDE STUDIES</u>					
NAVSHIPYARD PH	NH	(note 2)			5
	NH	SUPPLY OPERATIONS	5	0	

<u>NAVYWIDE STUDIES</u>					
NAES LAKEHURST	NJ	(note 2)			14
NATTC DET LAKEHURST	NJ	PERS PROPERTY	3	0	
NAES LAKEHURST	NJ	ADMIN SUPPORT	0	1	
	NJ	SUPPLY OPERATIONS	10	0	
<u>NAVYWIDE STUDIES</u>					
NAS FALLON	NV	(note 2)			8
NAS FALLON	NV	PERS PROPERTY	3	0	
	NV	SUPPLY OPERATIONS	5	0	
<u>NAVYWIDE STUDIES</u>					
NAVADMINU SCOTIA	NY	(note 2)			9
NAVADMINUNIT SCOTIA	NY	PERS PROPERTY	8	0	
	NY	ADMIN SUPPORT	0	1	
<u>NAVYWIDE STUDIES</u>					
NASJRB WILLOW GROVE	PA	(note 2)			19
NAVICP PHILADELPHIA	PA	PERS PROPERTY	3	0	
NAS JRB WILLOW GROVE	PA	PERS PROPERTY	10	0	
	PA	SUPPLY OPERATIONS	6	0	
NAVSTA ROOSEVELT ROADS	PR	TRANS OFFICE	8	0	8
<u>NAVYWIDE STUDIES</u>					
NCTAMS LANT NEWPORT	RI	(note 2)			53
NETC NEWPORT	RI	TELECOM CENTER	0	25	
SWOS	RI	ADMIN SUPPORT	0	5	
NETC NEWPORT	RI	ADMIN SUPPORT	0	3	
NETC NEWPORT	RI	PERS PROPERTY	17	0	
	RI	SUPPLY OPERATIONS	3	0	
NAVSTA CHARLESTON	SC	PERS PROPERTY	12	0	12
<u>NAVYWIDE STUDIES</u>					
NSA MEMPHIS	TN	(note 2)			4
NAVSUPPACT MEMPHIS	TN	ADMIN SUPPORT	0	2	
	TN	SUPPLY OPERATIONS	2	0	
<u>NAVYWIDE STUDIES</u>					
<u>ADMIN SUPPORT (note 2)</u>					
MINEWARTRACEN	TX				29
NAS CORPUS CHRISTI	TX	ADP SUPPORT	0	2	
NAS CORPUS CHRISTI	TX	ADMIN SUPPORT	0	1	
NAS KINGSVILLE	TX	ADMIN SUPPORT	0	6	
	TX	ADMIN SUPPORT	0	2	

NATMSACT CORPUS	TX	ADMIN SUPPORT	0	2	
TRARON 22, KINGSVILLE	TX	ADMIN SUPPORT	0	5	
TRARON 27, KINGSVILLE	TX	ADMIN SUPPORT	0	5	
TRARON 28, KINGSVILLE	TX	ADMIN SUPPORT	0	3	
TRARON 31, KINGSVILLE	TX	ADMIN SUPPORT	0	3	
PERS PROPERTY (note 2)					
NAS CORPUS CHRISTI	TX	PERS PROPERTY	18	0	26
NAS KINGSVILLE	TX	PERS PROPERTY	2	0	
NASJRB FORT WORTH	TX	PERS PROPERTY	6	0	
<u>SUPPLY OPERATIONS (note 2)</u>					
NAS KINGSVILLE	TX	SUPPLY OPERATIONS	2	0	12
NAS CORPUS CHRISTI	TX	SUPPLY OPERATIONS	4	0	
NAS JRB FT WORTH	TX	SUPPLY OPERATIONS	6	0	
<u>NAVYWIDE STUDIES</u>					
<u>ADP SUPPORT (note 2)</u>	VA				
FCTCLANT NORFOLK	VA	ADP SUPPORT	0	11	20
FTC NORFOLK	VA	ADP SUPPORT	0	9	
<u>ADMIN SUPPORT (note 2)</u>					
FCTCLANT NORFOLK	VA	ADMIN SUPPORT	0	8	28
FTC NORFOLK	VA	ADMIN SUPPORT	0	12	
NMITC DAM NECK	VA	ADMIN SUPPORT	0	5	
SUBTRAFAC NORVA	VA	ADMIN SUPPORT	0	3	
<u>PERS PROPERTY (note 2)</u>					
FISC NORFOLK	VA	PERS PROPERTY	48	0	49
NWS DAHLGREN	VA	PERS PROPERTY	1	0	
<u>SUPPLY OPERATIONS (note 2)</u>					
NAS OCEANA	VA	SUPPLY OPERATIONS	1	0	2
FTC NORFOLK	VA	SUPPLY OPERATIONS	1	0	
NAVSTA DET NORTHWEST	VA	SATELLITE COMMS	0	33	33
<u>NAVYWIDE STUDIES</u>					
<u>PERS PROPERTY (note 2)</u>	WA				
FISC PUGET SOUND	WA	PERS PROPERTY	16	0	16
<u>ADMIN SUPPORT (note 2)</u>					
TTF BANGOR	WA	ADP SUPPORT	0	4	6
TTF BANGOR	WA	ADMIN SUPPORT	0	2	
<u>SUPPLY OPERATIONS (note 2)</u>					
					7

TRIREFFAC BANGOR	WA	SUPPLY OPERATIONS	0	0
TTF BANGOR	WA	SUPPLY OPERATIONS	1	0
NAS WHIDBEY ISLAND	WA	SUPPLY OPERATIONS	3	0
NAVSTA EVERETT	WA	SUPPLY OPERATIONS	3	0
		SUBTOTAL	908	424