

The Army Perspective on Infrastructure

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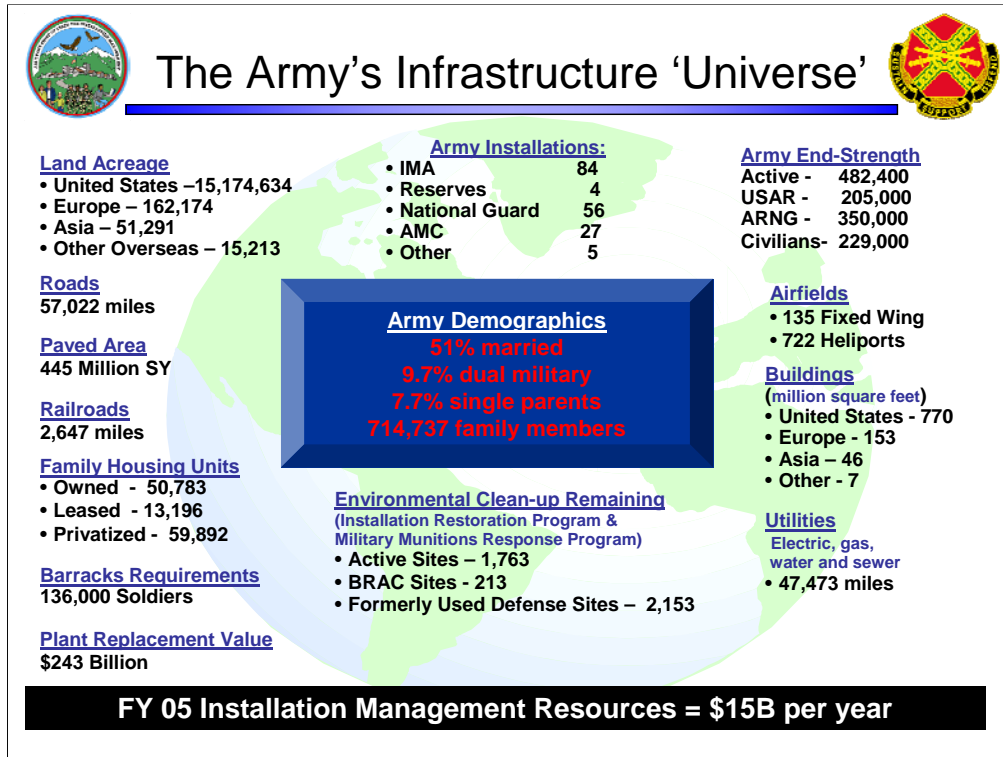
14 November 2006

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Good morning.

Thank you all for being here. As you might expect, I view Army Infrastructure as a key management issue within the Army. I also believe that infrastructure has been given short shrift analytically – and hence our MORS symposium. It is my fervent desire that we will kindle interest among the MORS community.

My goal today is to convince you that the topic is important – and provides a ripe venue for your interest.



This slide shows the Army infrastructure universe and illustrates the huge infrastructure management challenge.

- We are 15.3 M acres, a land mass the size of West Virginia (24,000 sq miles or 15.36M acres)
- 57,000 miles of roads, nearly a billion square feet of buildings
- \$243B of Plant Replacement Value
- We are towns, cities, industrial parks and homes, administrative, technical, training areas, and much more.



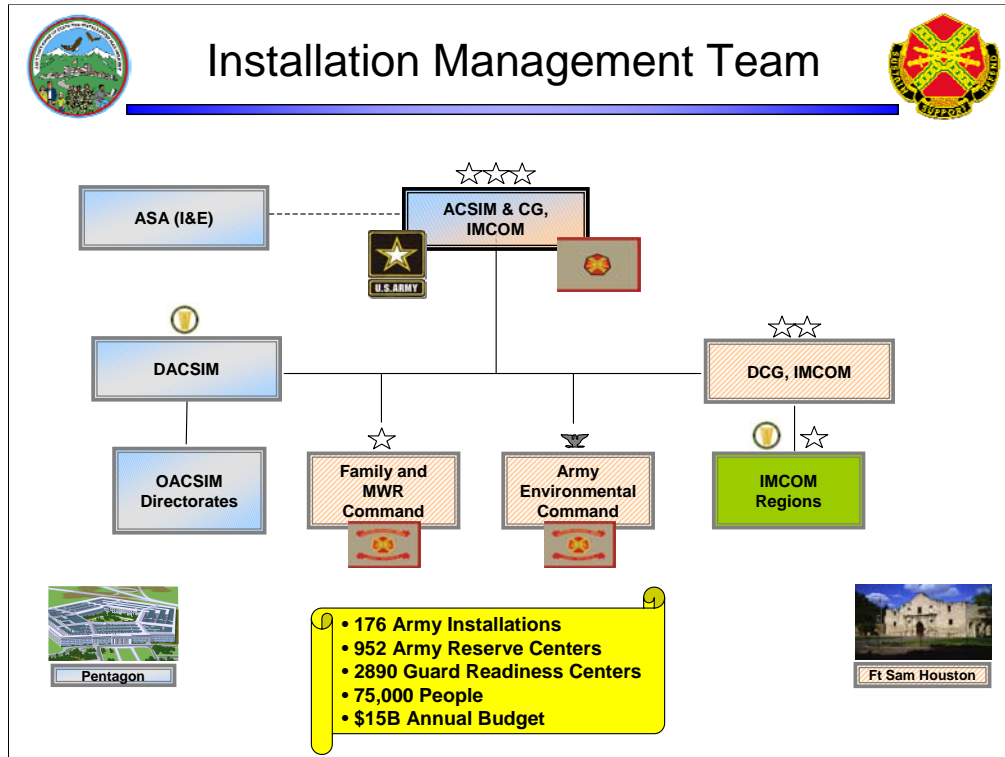
Army Vision for Installations



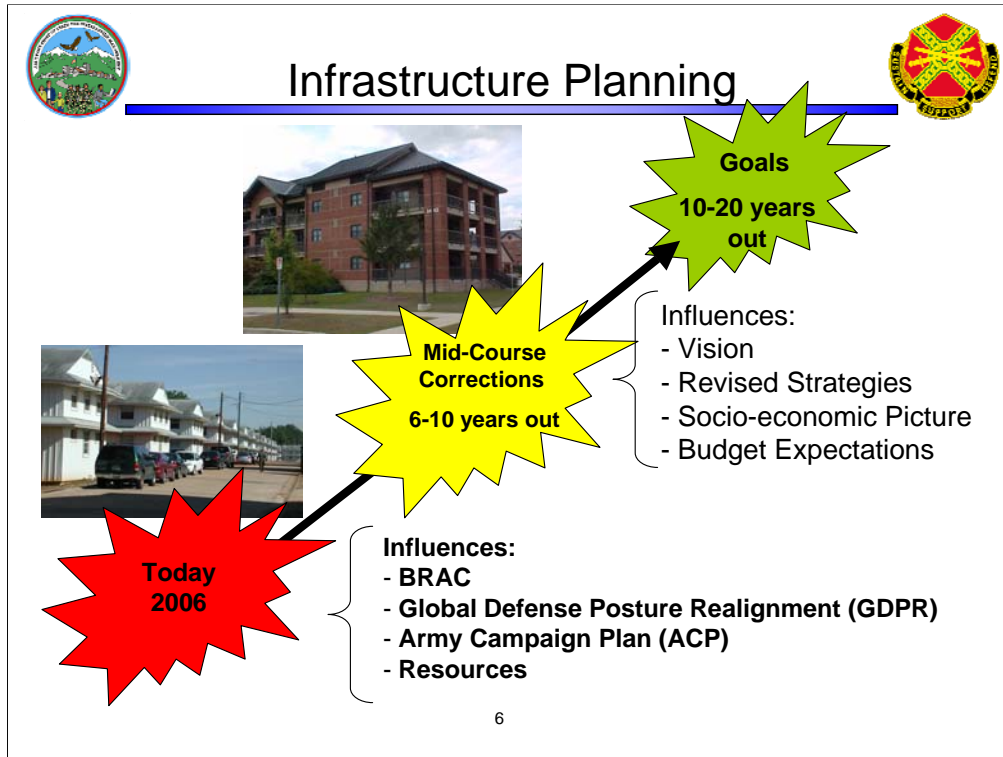
- Army installations are Flagships of Readiness that support an Expeditionary Force where Soldiers train, sustain, mobilize, deploy and redeploy across the full spectrum; sustain deployed Soldiers as they reach back for support; and integrate environmental stewardship and support that minimizes mission constraints due to environmental reasons.
- Soldiers and their families who live on and off the installation deserve the same quality of life as is afforded the society they are pledged to defend.

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- Our mission is to provide Army installations that Generate and Project Power – in order to set the conditions for the Army at War, through Mobilization, Training, Reach-back and Family support.
- Army ACSIM sees four essential tasks:
 - Develop strategies to posture installations as deployment platforms with robust reach-back capabilities.
 - Adjust installation support to meet the needs of the Army at war and transforming.
 - Support Well-Being of all Soldiers and their families by increasing quality of life on camps, posts and stations.
 - Exercise sound stewardship over all Installation resources.
- Installation management is a team effort from the ACSIM on down to the Garrison Commander.



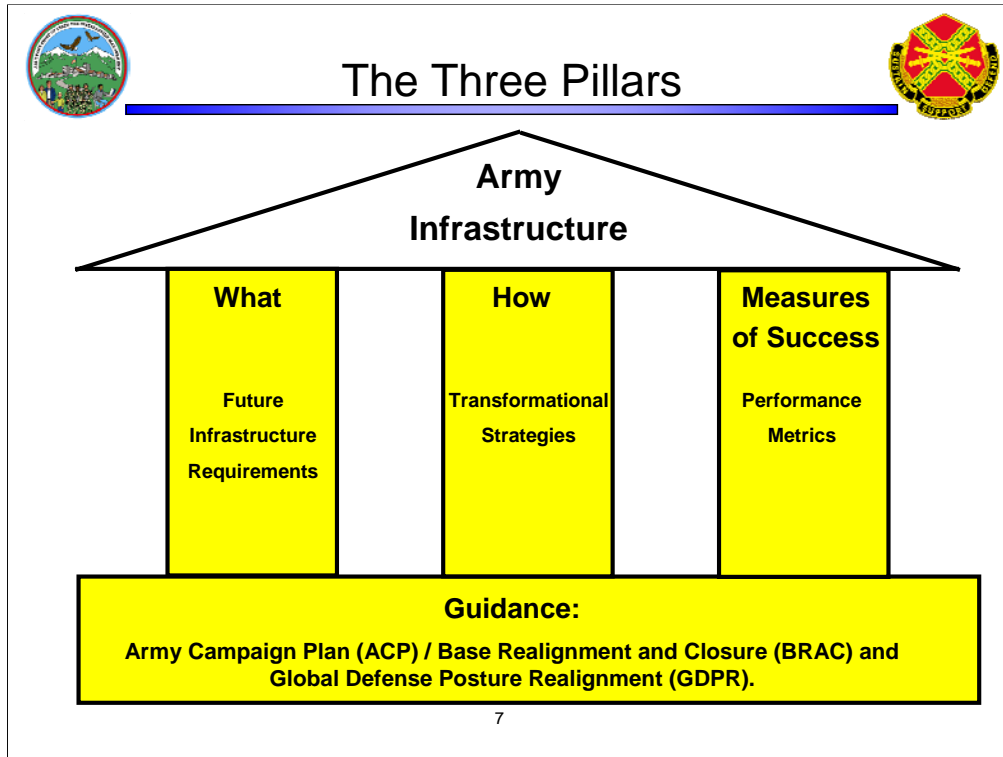
- This chart shows the new Army Installation Management Command (IMCOM), activated on 24 OCT 06
- The current ACSIM is also the CG, IMCOM and located in the Pentagon.
- OACSIM is comprised of 7 staff components:
 - Facilities & Housing
 - Plans & Ops
 - Environmental Programs
 - Base Realignment and Closure
 - Resource Integration
 - Management Support
 - Army Reserve programs
- The former IMA Director is now the IMCOM DCG, responsible for IMCOM regions and their subordinate garrisons.
- The former Director, Community and Family Support Center (CFSC) is now CG, Family and MWR Command (FMWRC).
- The former Director, Army Environmental Center is now CDR, Army Environmental Command (AEC).
- The offices of the IMCOM DCG, FMWRC, and AEC will be moving to Ft Sam Houston, San Antonio, TX in 2010.




Infrastructure planning has many influences. It has short-term, mid-term, and long-term components.

Regarding planning:


- Current tools are fairly good for day-to-day operations.
- However, tools for future infrastructure planning are not so good.
- The vision for future infrastructure must be in line with future doctrine and warfighting.
- We need a strategy and roadmap that lets us get from here to there.
- Because of such things as environmental issues, endangered species, urban sprawl, sustainable design, etc., any planning must be done in consonance with other agencies such as USDA, BLM, Dept of the Interior, EPA and local government



- Infrastructure planning is based on current doctrine and policy such as the Army Campaign Plan (ACP), Base Realignment and Closure (BRAC), and Global Defense Posture Realignment (GDPR).
- With this basis, there are three pillars supporting Army Infrastructure Planning:
 - Future Requirements
 - Transformational Strategies
 - Performance Metrics



Future Infrastructure Requirements



- Objective 1-1: Identify the key drivers affecting infrastructure supply and demand.
- Objective 1-2: Catalogue the appropriate capacities needed by the Army to meet future demands and hedge against risk.

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Installations play a key role as deployment platforms that provide continuous support to the warfighter. This support is a fundamental requirement.

We need to establish long-term strategies to satisfy future infrastructure requirements.

Over the years, the Army will implement fundamental changes in force structure, use spiral technology insertion and refine business practices.


Army installations will continue their role as deployment platforms with the necessary support capabilities.

Installations, with the attendant infrastructure, must be state-of-the-art places where Soldiers can live, train, mobilize, and deploy.


But what does state-of-the-art mean and how do we get there?

1-1 provides an intellectual basis for what is

1-2 asks what should be?



Automated Infrastructure Systems



- Installation Status Report (ISR)
 - Annual report to assess condition of installation infrastructure
 - Evaluates over 150,000 Army facilities worldwide
 - Defines infrastructure readiness and estimated restoration costs
 - Serves as model for DOD Common Delivery of Installation Support (CDIS) report

- Real Property Planning and Analysis System (RPLANS)
 - Automated master planning tool to calculate installation space allowances
 - Validates stationing, construction and maintenance programs
 - Supports BRAC process
 - Uses same cost factors as ISR


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Bottom Line


Do they assist with Objective 1-1? Yes, for today

Do they assist with Objective 1-2? Not at all

- What would such a tool look like?
- Is it a tool or a way of thinking?
- What are its data inputs?



Transformational Strategies



- Objective 2-1: Assess private sector corporate real estate management best practices for potential application to the Army.
- Objective 2-2: Seek new and innovative ways to deliver future infrastructure goods and services and recommend principles upon which alternative methods should be selected.

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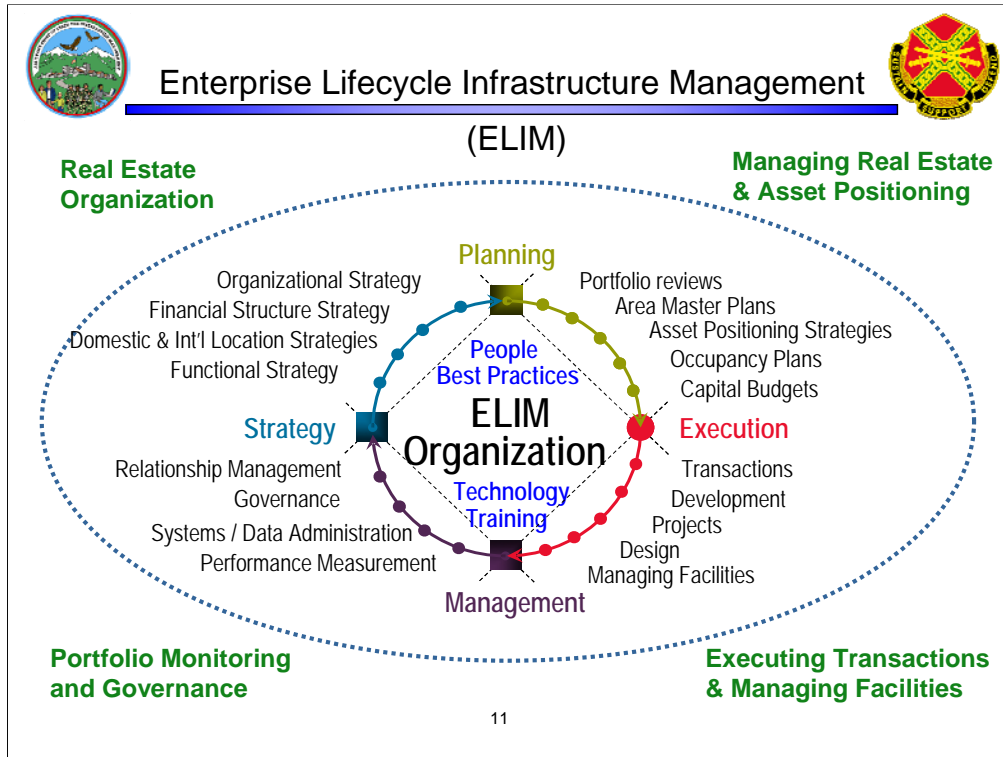
Resources are finite, so we need long term strategies based on identification of best practices to enhance use of these scarce resources.

Studies should guide future infrastructure planning and policy to ensure sound use of resources and optimal support to the warfighter.

Strategies developed must posture installations as deployment platforms with robust capabilities and support the well-being of Soldiers and their families.

The Army needs to seek new and innovative ways to deliver future goods and services.

The Army has no one person dedicated to long term infrastructure strategies.



ELIM is one representation of industry best practice.

It is instructive but not rigidly so.

Army is largely in synch.

I&E/ACSIM split duties but not w/o overlap.

Strategy: I&E* and ACSIM

Planning: ACSIM*, USACE, OGC, ASA(I&E) - IH PP, & ESOH



Execution: IMA*, USACE OGC,, ASA(I&E) - IH PP, & ESOH

Management: I&E*, IMBOD, EOH, SRG

*Primary

Bottom Line – How transformed are we? Again, we are focused on management, not transformation. Not meeting Obj 2-1.

Lean Six Sigma will bring us to meeting Obj 2-2 much better.

IMCOM Business Transformation

- On-going IMCOM Business Transformation (BT) projects expected to save over **\$5B** by FY13
- Examples
 - US Contract Security Guards (\$455M)
 - Stabilization of Natural Gas Prices (\$26M)
 - Centralized Aerobic Equipment Purchasing (\$7M)
 - Local installation BT initiatives (~\$1.1B)
 - Europe Centralized Non-Appropriated Funds (NAF) Contracting (\$9.5M)
 - Fort Knox Reimbursable Work Order Process (\$1.2M)

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The current estimate of \$5 billion in financial benefits by FY13 is significant, given the relatively newness of IMCOM's Lean Six Sigma deployment. In the private sector, it generally takes companies about 2-4 years to realize a return on investment for Lean Six Sigma programs. (It took GE about 3 years to realize a return on its investment when it rolled out its Six Sigma.) IMCOM's program is less than one year old.

IMCOM US Contract Security Guards: This project, sponsored by the Operations division, replaced US National Guard and US Army Reserve base security with contract security guards as permitted by legal codes. Not only does this project save money, it frees up Soldiers for other essential duties. This project was completed in FY06 and will deliver financial benefits of \$455M through FY13.

IMCOM Stabilization of Natural Gas Prices: This project, sponsored by the Public Works division, tackled the problem of natural gas spikes, which wreaked havoc on budgets. This project implemented a natural gas risk management program to provide price stability to installations by protecting their budgets from price volatility in the natural gas market. As more installations implement the findings of this project, the savings will increase proportionately. Current savings realized in FY06 are \$5 million; savings are projected to reach a minimum of \$26 million by FY13.

IMCOM Centralized Aerobic Equipment Purchasing: This project, sponsored by the MWR division, will leverage the Army's buying power by standardizing the purchase, maintenance, and replacement of equipment at IMCOM physical fitness facilities. In addition to standardizing equipment purchase and maintenance, this project will provide predictable levels of service and performance at IMCOM facilities. The project was completed in FY06 and will deliver financial benefits of \$7M through FY13.


Centralized Non-Appropriated Funds (NAF) Contracting

This project was sponsored by IMCOM Europe, MWR division. Under the current process, NAF contracting was de-centralized, resulting in multiple contracting entities that were not able to negotiate the best price for NAF operations overall in Europe. This project eliminated redundant operations and introduced blanket purchases orders as a way to leverage purchasing power. This centralization also allowed NAF operations to reduce staff through attrition. The project has saved \$1.2 million in FY06 and is projected to save \$9.5 million by FY13.


Fort Knox Reimbursable Work Order Process

This project, sponsored by the Southeast USAG Knox Public Works division, happens to be the first certification project completed by an IMCOM Green Belt. The project focused on the work order process, as the current process resulted in inaccurate billings to customers for engineering service. The incorrect billings often were to the favor of the customer – in other words, customers did not pay for all the services provided. The process was improved to better track work orders and align them more closely to customer billings. Savings to date in FY06 are about \$200K, with projected savings of \$1.2 million by FY13.

As IMCOM's Lean Six Sigma deployment continues to mature, project selection will be more closely aligned with critical strategic goals and savings will increase exponentially.



Performance Metrics



- Objective 3-1: Assess the ability of the Army's current infrastructure data processes (elements, accuracy, frequency of update, level of detail) to support Army enterprise-wide lifecycle infrastructure management.
- Objective 3-2: Establish a dynamic process of continuous measurement and performance improvement in support of Army enterprise-wide lifecycle infrastructure management.

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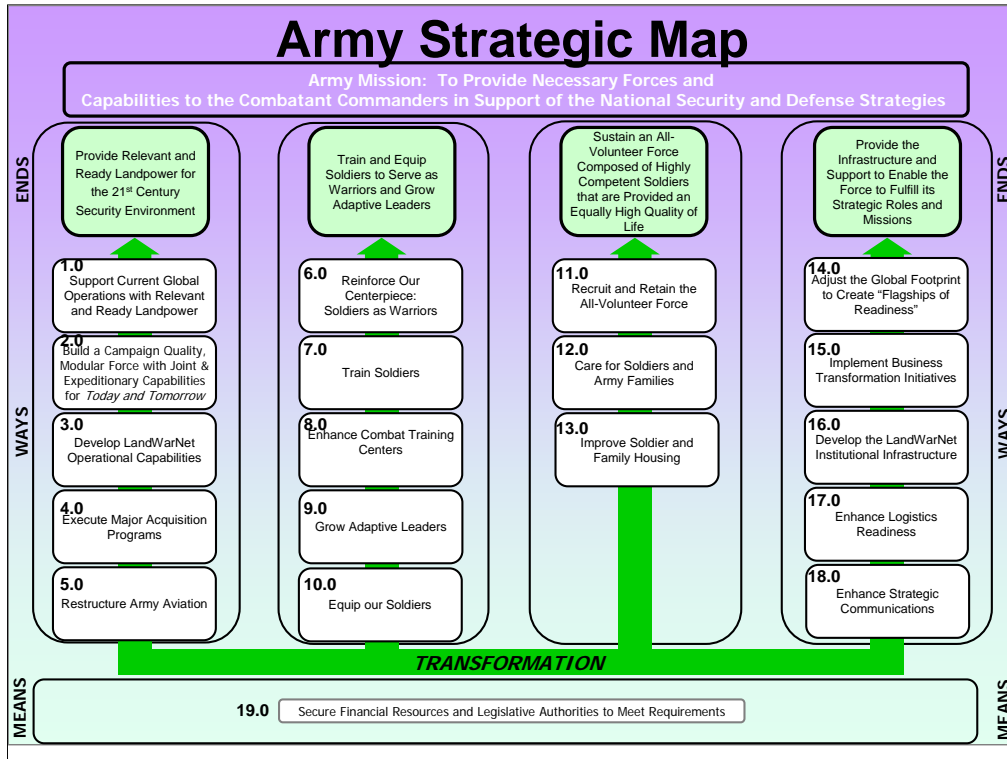
An infrastructure strategy would be worthless without a means to monitor and measure progress. We need to examine what metrics and tools we have today and what we will need in the future.

We must understand how to best evaluate and forecast the condition, capacity and military value of our infrastructure.

The Army currently has tools such as the Installation Status Report (ISR) and the Real Property Planning and Analysis System (RPLANS)

However, to track progress and measure effectiveness of an infrastructure enterprise strategy, new tools will be needed.


Regularly scheduled infrastructure assessments, along with command emphasis, will be needed




This chart depicts the Army’s map for implementing its Strategic Plan to accomplish the mission of providing relevant and ready land power to Combatant Cdrs, while simultaneously transforming.

The 4 top boxes in each column are the Army’s strategic objectives or “Ends.” The numbered 19 boxes are the strategic initiatives or “Ways” which will achieve those objectives.

Of course the foundation or “Means” for this entire strategic map is #19 - securing the necessary financial resources and legislative authorities to meet mission requirements.



Army Strategic Management System



- **13.0 - Improve Soldier and Family Housing**

Objective Description: Provide a safe, secure community that provides quality housing for service members, their family members, and civilian workforce.

- **14.0 - Adjust Global Footprint and Create Flagships of Readiness**

Objective Description: Provide installations which are Flagships of Readiness with the facilities, infrastructure, and environmental sustainability needed to support an Expeditionary Army's ability to effectively train, sustain, mobilize, deploy, and redeploy across the full operational spectrum.

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Army Strategic Plan Work Groups (WG) cover each of the 19 initiatives shown on the previous slide.

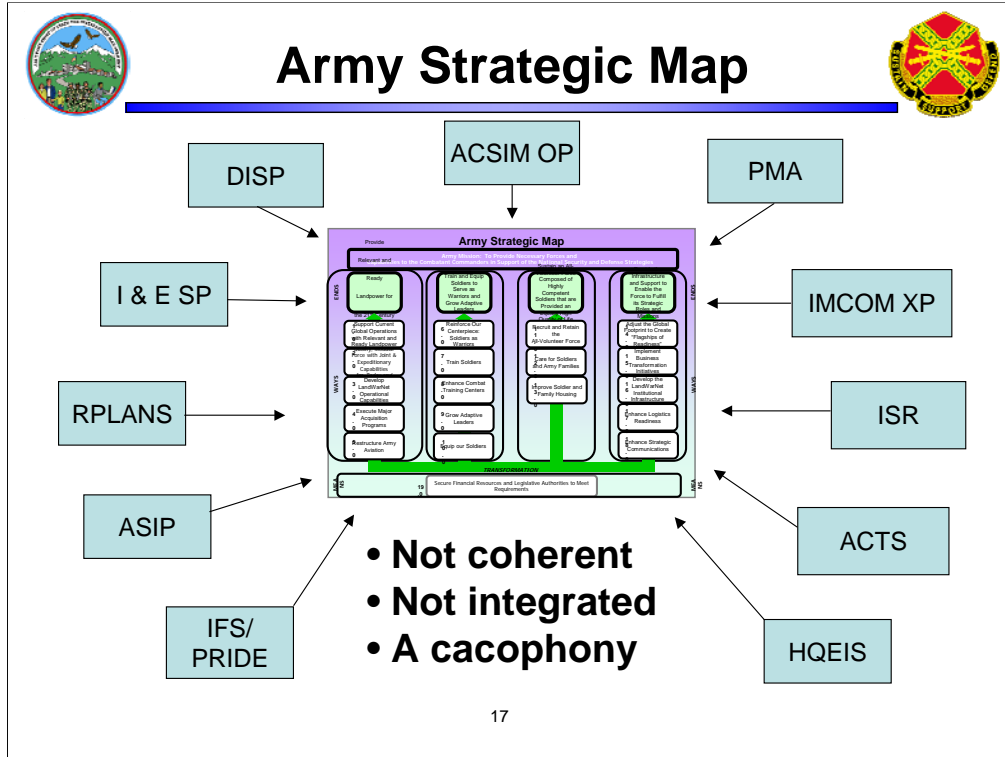
As stated, OACSIM and ASA(I&E) are the lead for

WG # 13 (Improve Soldier and Family Housing)

WG #14 (Adjust Global Footprint and Create Flagships of Readiness)

Focus on day-to-day management of what we have.

Should focus on what we ought to have in 20 years, i.e. what will the requirement for housing be after we've adjusted Army's global footprint?



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- This is an incomplete listing of the various sources of metrics and performance measures for installations in the SMS....
- Not coherent
- Not integrated
- A cacophony of good ideas



Summary



- Army can't accomplish the mission without Infrastructure
- We have the vision and organization, but current Info Management structure needs improvement
- Problem Areas
 - Large and complex organizations and systems
 - Too "Current Ops" focused
 - Need to improve long range planning
- Working to tighten performance measures and improve long range planning tools and capabilities