Identification of Savings Opportunities

Various savings opportunities were identified throughout the ABM effort using a variety of techniques. ABC model analysis began with Pareto Analysis where the highest cost activities were graphed and displayed for the functional experts in a Pareto Chart. This allowed them to see the high cost activities at a quick glance and formulate investigative questions as to why they might be so high.

Next, a comparison of the distribution of resources consumed by secondary, overhead-type activities versus the amount consumed by the organization's primary, mission-type activities was made. This is called Primary/Secondary Analysis. To affect this approach, the model was attributed with organizational sustaining attributes separate from the rest of its core (primary) and non-core (secondary) activities in order to highlight their cost impact. All organizational Pareto Charts and Primary/Secondary Analyses for G-4 are in Appendix A. Appendix B contains the charts for G-8. The appendices also contain the organizational flowcharts and organization charts.

Once this analysis was completed, the next step focused on attributing the model to identify areas of duplication. Both the GT representatives and functional leaders accomplished this step. Further attributes were created to identify costs of specific processes and types. These attributes are merely category labels ascribed to activities that have like properties.

Finally, flowcharting was conducted on the high cost activities to identify tasks within activities that may contribute to cost excesses.

Finally, activity and attribute reports were extracted for analysis purposes. Further work in this area is needed as decision-makers come to realize the types of reports that are beneficial to them. Standard reports need to be established and used as the model is continually updated and refined.

Potential Savings Opportunities (FY-01 thru FY-05)

Sustaining Activities

As is the case with most initial ABC models, some organizations may not have allocated sufficient costs to their organizational sustaining activities while others may have allocated more costs than necessary. These issues and others will require managers to review and improve their model structure and information, especially as standard definitions are developed and utilized. The model does, however, provide sufficient evidence to take action in the near-term to reduce resource consumption by secondary or sustaining activities. For example, in examining contributions to sustaining activities, the GT Team found that 21.5 FTEs, at a cost of $1,426,496, were consumed in Public Works attending meetings, managing files, general administration, time and attendance reporting, performing military duties, and performing customer service. Reducing this overhead cost burden on direct production labor can not only save resource dollars, but is critical in achieving a competitive MEO.

Across G-4 and G-8, the amount of cost in secondary activities at MCAS Miramar are noted in the table below.

MIRAMAR'S ORGANIZATION SUSTAINING ACTIVITIES

	G-4		G-8	
SUSTAINING ACTIVITIES	COST	FTE	COST	FTE
Perform Military Duties	$1,718,156	37.54	$231,328	5.60
Supervise Personnel	$2,165,705	33.78	$233,653	3.56
Perform Customer Service	$1,121,655	21.02	$105,672	1.86
Conduct/Attend Training	$914,313	16.63	$82,511	1.50
Perform Administrative Duties	$808,346	14.19	$169,444	3.60
Perform Financial Management	$290,426	6.12	$40565	0.96
Attend Meetings	$276,840	4.19	$91,097	1.44
Manage/Perform Special Projects	$233,486	4.07	$15,924	0.25
Procure Materials and Services	$109,720	2.35	$4,493	0.10
Perform ISC Duties	$55,191	0.91	$12,795	0.25
	$7,693,838	**140.79**	**$971,559**	**18.87**

Table 1. G-4 and G-8 Organization Sustaining Activities

It is important that the Command focus their review on the burden of such high cost secondary activities. Consolidating administrative activities within divisions, as is occurring in the

commercial sector, could produce substantial savings opportunities. As we examined resource contributions to each organization within G-4 and G-8, we noticed that in many cases personnel were devoting as little as 30% of their time performing their primary mission and as much as 70% performing administrative type tasks. Consolidating administration within departments will greatly reduce the administrative burden and allow persons to focus their attention on their primary duties.

Data from commercial sector practices in achieving cost savings in secondary activities has shown that savings of 5-20% are achievable using ABM tools to marginally improve activity performance. By persons just becoming aware of how much time is spent in activities and how many resources are consumed in secondary activities, they become sensitized and search for ways to improve their organizational processes. Commercial sector ratios of primary to secondary activity costs reveal 85% primary and 15% secondary. For military organizations, where the focus is other than the bottom line, typical ratios are 75% primary and 25% secondary. At MCAS Miramar, the above G-4 and G-8 secondary costs consume between 30 and 40% of the resources available resources. This amounts to $11.9 million or 32% of the total resources in performing administrative type activities. Individually, most departments devote between 30-35% of their resources in secondary activities. Reducing this overhead by just 5% can save almost $.6 million.

G-4, Inventory Management

The GT Team, upon interviewing personnel in the Inventory Management Division, found that many of the comments centered around the manual nature of the requisitioning and inventory processes. Adopting modern business practices could minimize how long it takes to complete their activities and reduce redundancies and paperwork. It was not uncommon to hear that 3 or 4 copies of requisitions were made, stapled together, sent to various places and filed. The volumes of paper resulting from the process make research virtually impossible due to the time it takes to sort through the files. The cost of the requisitioning process is currently $221,370. It is estimated that 75% of those costs could be reduced through automation. This amounts to $166,028 and should be spread over 5 years, with each year reflecting $33,206.

Introduction of technology to the requisitioning and inventory processes through modern equipment is necessary. The organization will have to investigate their requirement for investment and maintenance costs of bar-coding equipment and electronic counters, as well as software to link databases. Once the costs are known, they can be compared to the projected savings to see if the purchases are feasible.

Training is both important to the person performing a process as well as for the individuals responsible for submitting requests. We noticed that the individuals in inventory management spend a lot of time on rework by correcting errors in purchase orders and requisition paperwork. Training the customer on how to correctly fill out their requests can eliminate this rework.

Development of a formal customer training course would benefit the organization, reducing the cost of customer service attributable to fixing mistakes by half, resulting in savings of

approximately $45,000. The course can be developed in-house, using subject matter expert knowledge.

Division: Inventory Management Processes: (1) Requisition and Inventory (2) Customer Service									
ABM Solution: (1) Purchase software, bar-code equipment and electronic counters. Investigate maintenance contracts for same. (2) Develop formal customer training in-house.									
FY01 Cost Savings		FY02 Cost Savings		FY03 Cost Savings		FY04 Cost Savings		FY05 Cost Savings	
(1)	$ 33,206	(1)	$ 33,206	(1)	$ 33,206	(1)	$ 33,206	(1)	$ 33,206
(2)	$ 45,000	(2)	$ 45,000	(2)	$ 45,000	(2)	$ 45,000	(2)	$ 45,000
	$ 78,206		**$ 78,206**		**$ 78,206**		**$ 78,206**		**$ 78,206**

G-4, Material Management

Material Management is personnel laden with 20 military and 9 civilians to handle a very small workload. The military supervisor is the first to admit personnel can be reduced. Of the 20 military, 3 are FAPed. The reductions can come from the non-FAPed workforce and would not affect any reduction in customer service.

The supervisor also agreed that about 14% of their activities were non-value added and could be either eliminated, minimized, or accomplished by others on base who provide the same service. These activities include: Perform Re-Packaging, Perform Technical Research, Perform Re-Warehouse, Screen for Self-Life, and Dispose Material/HAZMAT. The rework activities account for $166,486. These can be reduced by 15% per year. The activities accomplished by others on base account for $95,641. Agreements will have to be entered to transfer the workload, resultling in phase-in savings in FY01 and FY02.

With respect to customers, the Material Management group indicated that 30% of their requests for issuing material comes from off the base. Because the base has an agreement with FISC, the Material Management warehouse serves as a warehouse for the FISC. They store supplies and issue them as requested by the customer. Another organization actually ships or delivers the materials. A more thorough investigation of the FISC contract should be accomplished to establish that the MCAS Miramar customers are being serviced.

Division: Material Management
Processes: (1) Perform Re-Packaging, Perform Technical Research, Perform Re-Warehouse, Screen for Shelf-Life, Dispose of HAZMAT
(2) None

ABM Solution: (1) Reduce rework activities and eliminate activities accomplished by others.
(2) Reduce staff by one NE-5 in FY00 and one NE-3 in FY01.

FY01 Cost Savings		FY02 Cost Savings		FY03 Cost Savings		FY04 Cost Savings		FY05 Cost Savings	
(1)	$ 54,973	(1)	$ 51,227	(1)	$105,200	(1)	$105,200	(1)	$105,200
(2)	$ 50,100	(2)	$ 34,250	(2)	$ 84,350	(2)	$ 84,350	(2)	$ 84,350
	$105,073		$ 85,477		$189,550		$189,550		$189,550

G-4, Contracting

The subject matter experts agreed that while much of their contract work is electronic, they are on a server with Camp Pendleton that slows their procurement processing down. While the flowchart does not depict the wait time for screens to come up or the number of times a buyer is "kicked out of the system", it became clear to us during the walkthrough that there is an excessive amount of wait time. This could amount to 5 hours per day across the organization. When evaluating the Contract Award Process, it could be established that 60% of the process is accomplished electronically, amounting to $103,810. If a server would double each contract specialist's processing time, a savings of approximately $51,000 could be achieved. These savings will, of course be offset by the investment cost of the initial purchase and recurring annual maintenance, which have not been calculated.

During the walk-through of the organization, the GT Team noticed there were different operating procedures among the three contract specialists, resulting in confusion when workload had to be picked up by each other due to absences. Standard Operating Procedures would alleviate the confusion and help improve the customer service process as well. Currently, Customer Service amounts to $18,500. A conservative projected cost savings of 5% could be achieved through the writing of SOPs.

Division: Contracting
Processes: (1) Contract Award Process
(2) Customer Service

ABM Solution: (1) Purchase a server for the Contracting Division
(2) Write SOPs for the Contracting Division

FY01 Cost Savings		FY02 Cost Savings		FY03 Cost Savings		FY04 Cost Savings		FY05 Cost Savings	
(1)	$ 51,000	(1)	$ 51,000	(1)	$ 51,000	(1)	$ 51,000	(1)	$ 51,000
(2)	$ 1,000	(2)	$ 1,000	(2)	$ 1,000	(2)	$ 1,000	(2)	$ 1,000
	$ 52,000		**$ 52,000**		**$ 52,000**		**$ 52,000**		**$ 52,000**

G-4, Ordnance

The Ordnance Division has one of the highest supervisor to employee ratios (1:4) in any of the organizations analyzed and cost savings could be achieved by decreasing the number of supervisors. More important to the organization, however, is the amount of duplication in their Ordnance Magazine Branch. Interviews uncovered the fact that their customers, namely 3rd MAW and MALS 11 and 16, all store ordnance at warehouses maintained by them. If the Ordnance Division were to eliminate the duplication, they could easily decrease those activities currently performed by their customers. Assuming a 20% reduction results in a cost savings of $35,908. This does not even consider a reduction in personnel due to the reduced workload, thus allowing the Ordnance Division to achieve even greater savings.

The Ordnance Division is also currently operating with communications equipment that does not reach a great distance. As a result, they are forced to attend meetings or stop what they are doing to answer problems that could be solved through better communications. The runway is even an impediment to their communications via hand-held devices. While the potential savings is a modest $4,000 - $5,000, the investment costs will have to be investigated based on their requirement and compared with the savings.

Division: Ordnance
Processes: (1) Store Ordnance, Inspect/Inventory Ordnance, Maintain Tech Library, Manage HAZMAT
(2) Attend Meetings

ABM Solution: (1) Reduce and eliminate duplicative activities
(2) Purchase communications equipment

FY01 Cost Savings		FY02 Cost Savings		FY03 Cost Savings		FY04 Cost Savings		FY05 Cost Savings	
(1)	$ 35,908	(1)	$ 35,908	(1)	$ 35,908	(1)	$ 35,908	(1)	$ 35,908
(2)	$ 4,000	(2)	$ 4,000	(2)	$ 4,000	(2)	$ 4,000	(2)	$ 4,000
	$ 39,908		**$ 39,908**		**$ 39,908**		**$ 39,908**		**$ 39,908**

G-4, PWD

If ever there was an organization ripe for reorganization and streamlining, this organization is. The three-week analysis of the Division provided a picture of an organization that appears to have as its main function the charter to pass dollars through to PWC. The contract with PWC, as well as others, needs to be thoroughly evaluated to find the optimal mix of personnel and method for delivering public works service to the base. Upon interviewing sources that have received services from PWC on base, it became clear that the amount of time to do a job and the quality with which it is accomplished is lacking. An efficient running organization is highly dependent on evaluating the PWC contract.

Interviews also revealed that many of the activities PWD is engaged in are duplicated across the base, especially in the Admin and ADP area. PWD Admin mainly exists for conducting the financial business of the organization. However, RPO&A has financial oversight of PWD and, in

fact, does much of what PWD does. A more efficient method of operation would be to consolidate the resources in PWD Admin with those in RPO&A, resulting in a reduction of cost to PWD of $273,718. Of course, RPO&A would see an increase in cost of the same amount. PWD ADP activities are duplicated in G-6. Three individuals were handling the computer hardware and software needs of the entire PWD group to include the final implementation of MAXIMO. With the approaching completion of MAXIMO implementation, one individual whose billet is currently vacant, does not need to be filled. The resulting cost avoidance from not filling the vacancy is $49,637. Further analysis needs to be conducted to determine whether the remaining two persons are needed. In light of the approaching completion of MAXIMO implementation, an additional person may not be needed in PWD, but transferred to G-6 to utilize his skills.

Within the Planning and Maintenance Branches, a planner and maintenance technician can be reduced as a result of achieving efficiencies through a cradle-to-grave operation as described in the section following.

The PWD Director, before his departure, advocated a departure from the current practice of breaking up a customer's request for construction when it comes to PWD. Currently, new construction or construction modification comes into PWD Planning. A 1391 is accomplished and then passed to Engineering for work-up. When the 1391 is first accomplished in the Planning Branch, an initial attempt is made to outline what the customer desires and when he wants it accomplished. When it comes to the Engineering Branch, the workup starts all over again, as the customer has to reeducate a new person about what he wants. There is essentially no interface between the two branches and the customer finds the situation unsatisfactory. A suggestion to involve the Engineering Branch in the planning phase was offered and shows promise as a cradle-to-grave concept allowing the customer one interface, saving time and reducing rework. The maintenance function is also involved in the process as construction moves to acceptance and hand-off. This concept has the potential of reducing personnel by 2 in the planning and maintenance areas with a cost savings of $120,000.

One of the final areas talked about was the Manage Energy activity. This activity is currently not being performed except on a minimal basis, as there exists a vacancy with a projected fill date of June 19. Between mandated reduction in energy usage of 25% from the baseline year of 1985 and the UCAB challenge to each building owner to use utilities at non-peak times and challenge the base to adopt a load shedding plan, the Manage Energy activity should be able to realize a reduction in energy costs of 10% over the next two years.

Division: PWD
Processes: (1) Admin Process
(2) ADP Process
(3) Engineering Consultation, Planning, Maintenance
(4) Manage Energy

ABM Solution: (1) Consolidate Admin functions within RPO&A
(2) Perform no fill action on the current vacancy
(3) Adopt a cradle-to-grave focus on serving customer's request for
(4) Reduce utility consumption by 10% over two years

FY01 Cost Savings		FY02 Cost Savings		FY03 Cost Savings		FY04 Cost Savings		FY05 Cost Savings	
(1)	$273,718	(1)	$273,718	(1)	$273,718	(1)	$273,718	(1)	$273,718
(2)	$ 49,637	(2)	$ 49,637	(2)	$ 49,637	(2)	$ 49,637	(2)	$ 49,637
(3)	$120,000	(3)	$120,000	(3)	$120,000	(3)	$120,000	(3)	$120,000
(4)	$400,000	(4)	$457,816	(4)	$857,816	(4)	$857,816	(4)	$857,816
	$843,355		**$901,171**		**$1,301,171**		**$1,301,171**		**$1,301,171**

G-4, TMO

The Traffic Management Office is a very well run organization. While no recommendations for cost savings are advocated in short-term savings, a recommendation for evaluating the amount of warehousing across the base is advocated. As a holder of warehouse space, TMO may be able to contribute to long-term savings.

G-4, Fuels

The Fuels Division has a high supervisor to employee ratio that is one of the worst in the Department. Short of reorganization, the political realities of reducing the number of supervisors is slim. The GT Team recommends that as retirements occur in the supervisory ranks, they not be replaced and an effort be made to start realigning and defining positions in other than supervisory terms.

One of the remarkable aspects of the Fuels Division is the amount of standby time in the fueling process. Standby time accounts for 17,000 hours per year and costs $283,743 dollars. Assuming a standard year is 1776, the manhour equivalent is 9.5 FTEs. If standby time were reduced by one quarter, the Fuels Division would save 4,250 hours or 2.3 FTE and incur a cost savings of $70,935 dollars per year. This is possible if Fuels conducted better annual, monthly and weekly planning and communicated better with the aircraft squadrons and air traffic

controllers. Whether the Division Chief used the savings in FTEs in another area or reduced personnel, depends on the requirements. If mission critical activities are currently not being performed, personnel can be diverted to perform them. If there is no need for the personnel, reductions can take place.

Another alternative for reducing standby time is to contract out the fueling function. Private industry does not incur as much standby time because they use personnel on an on-call basis. He also has flexible work schedules available to him based on peak time and off peak time. The Fuels section is using flexible work schedules in some capacity but not like a contractor.

Division - Fuels Processes: (1) Standby time				
ABM Solution: (1) Develop a communication plan between the squadrons and Fuel Division that optimizes the time aircraft come in for fueling, thereby reducing standby time by one quarter.				
FY01 Cost Savings	FY02 Cost Savings	FY03 Cost Savings	FY04 Cost Savings	FY05 Cost Savings
(1) $ 70,935	(1) $ 70,935	(1) $ 70,935	(1) $ 70,935	(1) $ 70,935
$ 70,935	**$ 70,935**	**$ 70,935**	**$ 70,935**	**$ 70,935**

G-4, Billeting

Billeting is currently serviced with the right amount of persons and, for the most part, has taken advantage of commercial billeting practices. They have, however, failed to adopt one of the more common practices of requiring credit cards for the confirmation of hotel rooms. As a result, they must deal with "no shows" for temporary rooms requested by customers. Unlike commercial hotel practices, which require a credit card upon reservation, the Billeting section requires only a TAD order. Once a room is reserved with a TAD order, it becomes unavailable to others in the hopes that the customer shows up. "No shows" account for about 3%-5% of their reservations. In addition to the "no shows", Billeting has customers walk out without paying their bills. Since they don't always have a credit card on file, recovering this money takes time and effort by an accounting technician who has to spend time researching the customer and recovering lost dollars. Again, requiring credit cards for reservations alleviates this problem. In addition, it will save time on research and Billeting will be better able to provide good customer service by accommodating those customers who they turn down when the room is booked and the customer never shows up.

Billeting also has a number of minor process improvements that could be made. Dollar savings would not be appreciable, but would benefit the customer. This occurs in the Perform Customer Service activity. Currently, every individual in Billeting performs this activity and respond to just about any question. Since there are not any standard operating procedures in place, phone calls and walk-ins may be directed to just about anyone in Billeting, making this activity time-consuming and the customer unsatisfied because they don't know whom to speak with regarding their questions. Both the Billeting director and assistant manager spend a lot of time answering questions their staff could respond to instead of them. By having standard operating procedures in place, requests can be directed to the proper person. Additionally, having a central number with an automated operator can reduce the number of requests and take the burden off the director and assistant manager. A final way to improve the process is to provide the Billeting staff

with the necessary training to respond to most requests and provide better service to their customer.

Division: Billeting Processes: (1) Provide Transient Room Services (2) Front Desk Services and Perform Customer Service									
ABM Solution: (1) Adopt commercial practice of using credit cards for reserving transient rooms (2) Develop SOPs and offer training to front desk personnel									
FY01 Cost Savings		FY02 Cost Savings		FY03 Cost Savings		FY04 Cost Savings		FY05 Cost Savings	
(1)	$ 36,742	(1)	$ 36,742	(1)	$ 36,742	(1)	$ 36,742	(1)	$ 36,742
(2)	$ 30,000	(2)	$ 30,000	(2)	$ 30,000	(2)	$ 30,000	(2)	$ 30,000
	$ 66,742		**$ 66,742**		**$ 66,742**		**$ 66,742**		**$ 66,742**

G-4, Food Services

Food Services is currently slated to be regionalized in January 2001. While savings may accrue as a benefit of regionalization, they cannot be attributed to ABM. One thing that an be instituted as a result of ABM study is the use of performance metrics to monitor contractor performance of the food services process.

G-4, RPO&A

RPO&A, as discussed previously, is the administrative arm of G-4. One of the activities they perform is "Manage Information Systems." The activity is defined as the provision of "trouble-shooting" services, technical assistance, and guidance to AC/S G-4 (I&L) staff regarding applicable hardware/software applications in G-4 operations. Currently, RPO&A is serving as

"middleman" for G-6. If a technical problem cannot be resolved by the RPO&A Division person, the problem is pushed to the G-6 Department. To save time and effort and improve customer service, if the RPO&A Division directly contacted the G-6 when a problem arose, support would be provided in a more timely manner. Additionally, there are various individuals in the G-4 department performing ISC duties as part of their job and this is increasing the cost of providing IT support and lowering customer service. By eliminating or consolidating the ISC activity in G-6, there would be a savings of at least $46,817 dollars per year. Also, we feel service would be improved because there would be a central point of contact in G-6, responsible for all technical questions and problem resolutions for G-4.

Division: RPO&A
Processes: (1) ISC Duties
(2) Various

ABM Solution: (1) Reduce personnel in the ISC function
(2) Do not hire against vacant accounting technician vacancy

FY01 Cost Savings		FY02 Cost Savings		FY03 Cost Savings		FY04 Cost Savings		FY05 Cost Savings	
(1)	$ 46,817	(1)	$ 46,817	(1)	$ 46,817	(1)	$ 46,817	(1)	$ 46,817
(2)	$ 45,000	(2)		(2)		(2)		(2)	
	$ 91,817		**$ 46,817**		**$ 46,817**		**$ 46,817**		**$ 46,817**

G-4, MC Property

A thorough investigation of the Fund Administrator duties was conducted as related in the Comptroller section. One of the outcomes of the analysis was that consolidation of Material and Supply (M&S) activities would provide opportunities for cost savings, improved services to customers, and better tracking of supplies and materials. Currently, approximately $376,323 is spent on procuring, obligating, and tracking funds related to M&S. This includes resources spent in monitoring actual spending against the budget for M&S. This amounts to about 7.5 FTEs. Operationally, MC Property incurs costs of about $108,577 related to receiving and issuing supplies. This is accomplished by "chasing" supply purchase requisitions and trying to anticipate delivery of purchases by customers who often leave MC Property out of the loop. They are not currently included as a recipient of ordering documents and therefore have no idea when property is coming in or who ordered what. They have been able to manage this by being proactive, but a formalized system that includes them in the ordering process is necessary. This organization goes so far to say that they need to be co-located with requisitioning. After researching the decentralized M&S purchasing habits of G-4, it appears the activity would be more efficiently operated by 2-3 individuals, vice 7.5, and generate cost savings of about $334,371. This would be phased over two years due to writing SOPs and transferring personnel.

Recycling is another activity with the potential for large savings. While the pickup of recyclables is accomplished by station Marines, the sorting and compacting is done with prison labor. The manager admitted that the Marines performing pickup are those that have usually had two non-judicial punishments (NJPs) and are not the most motivated to accomplish their tasks. Consequently the work may take longer than necessary or some rework may occur. In order to alleviate this situation, he is considering contracting this function out.

Contracting the function out involves turning over the operation to private industry who performs all of the functions currently performed in-house. At the contractor's disposal is not only the latest technology to perform the recycling, but ad campaigns, literature and marketing. The in-house labor force brings back approximately $150,000 in cash. The private sector almost guarantees $240,000 after they have taken their money out for reimbursement and profit. The return to the base is $90,000 more than previous years.

Division: MC Property Processes: (1) Receive/Issue Supplies (2) Provide Recycling Service									
ABM Solution: (1) Consolidate RA duties related to M&S on the base (2) Outsource recycling business									
FY01 Cost Savings		FY02 Cost Savings		FY03 Cost Savings		FY04 Cost Savings		FY05 Cost Savings	
(1)	$150,000	(1)	$184,371	(1)	$334,371	(1)	$334,371	(1)	$334,371
(2)	$ 90,000	(2)	$ 90,000	(2)	$ 90,000	(2)	$ 90,000	(2)	$ 90,000
	$240,000		**$270,371**		**$424,371**		**$424,371**		**$424,371**

G-8, Comptroller

As part of the analysis of the G-8 Department, the ABM Team focused on the resource management process, which includes developing, executing, accounting and fund administration for the budget. Through use of the ABM improvement process, several areas were identified as having potential cost savings opportunities. Using the Miramar ABC model as well as conducting personal interviews, it was determined that approximately $1.7 million in salaries (33 FTEs) was consumed to program, execute and account for the Command's budget. Of this amount, $791,605 is spent on fund administration activities outside the Comptroller's office.

The Budget Division develops the budget for the station based on the input of the station's departments. After the Budget Division receives the feedback from the departments, funds are distributed throughout the air station. It is then the responsibility of each department to allocate, obligate and monitor their funding. At the same time, the Budget Division is monitoring the department's budgets while FRASD is reconciling problem disbursements. There tends to be a duplication of effort and, at times, a lack of communication between all parties involved. Implementing a "cradle-to-grave" concept may resolve many of these issues.

Further analysis revealed that improving following processes would result in increased effectiveness and efficiency within resource management:

Supplies and Materials: A thorough analysis of this process revealed that the majority of an FA's time was consumed with activities associated with the procurement of supplies and materials, such as administrative products. One of the outcomes of the analysis was that the consolidation of these activities would provide opportunities for cost savings, improved services to customers, and better tracking of supplies and materials. Currently, approximately $376,323 is spent on procuring, obligating, and tracking funds for these types of purchases. This includes resources spent in monitoring actual spending against the budget for M&S, which amounts to about 7.5 FTEs. Consolidating these activities into a centralized location, such as Marine Corps Property, would reduce the number of FTEs required. This could lead to a cost savings of approximately $334,371. An analysis of the procurement source (Corporate Express) revealed that further savings could be achieved by using a different vendor. Three vendor sources were compared against a variety of commonly ordered items procured through Corporate Express. On average,

the items were 10% higher at Corporate Express compared to the other sources. MCAS Miramar spends approximately $4.5 M on supplies and materials each year. Centralizing this activity, with personnel carefully analyzes each purchase for "least cost", a savings of 10% per year may be possible. This would result in annual savings of $450,000.

TAD: The current TAD process is time consuming and involves five different organizations, which include the originating organization for travel, G-1, TMO, Finance, and Budget. This puts an undue burden on the traveler and lengthens the time required to process TAD actions. Additionally, this process is prone to errors, which results in re-work.

An interview with the FRASD supervisor indicated that almost 60% of the errors they reconcile are travel errors. The Travel Branch concurred with this statement but also believed it was because the current process is set up in a decentralized and disaggregated manner. Because of the lack of communication and the number of people involved in the process, more errors are made in reconciling TAD orders than any other type of document.

An improvement to the travel process would be to centralize it completely by having a person, possibly in Finance, take over the role of the fund administrators for the travel process. One or two people could be responsible for the TAD orders, which would completely centralize and streamline the process, thereby reducing costs. Revising this process would have a trickle effect across the base. Possible effects to the base would be:

- Less fund administrators across the base because the process would be consolidated in Finance
- Reduction in the number of problem disbursements by about 50% (This would reduce the workload in FRASD)
- Centralized travel office
- Improved customer service

An estimated savings of $105,000 per year can be achieved by reducing FA duties from 3.5 to 1 person in the consolidation of the travel process.

Department: Comptroller
Processes: (1) Travel
(2) Resolve Problem Disbursements
(3) Provide Customer Service

ABM Solution: (1) Consolidate travel process in Finance
(2) Consolidate M&S FA process in MC Property

FY01 Cost Savings		FY02 Cost Savings		FY03 Cost Savings		FY04 Cost Savings		FY05 Cost Savings	
(1)	$105,000	(1)	$105,000	(1)	$105,000	(1)	$105,000	(1)	$105,000
(2)	$784,371	(2)	$784,371	(2)	$784,371	(2)	$784,371	(2)	$784,371
	$889,371		**$889,371**		**$889,371**		**$889,371**		**$889,371**