

DEPARTMENT OF THE NAVY [NAVY WAREHOUSE TRANSFER (NWT) INITIATIVE]

CLIENT

The Department of the Navy was charged with an initiative by the Department of Defense (DOD) to reduce the W&S footprint, and costs associated with that reduction. The client sought Kairos' expertise and guidance for deploying the appropriate methodology and pertinent analytical tools; and to function as the overall Project Manager of this significant initiative.

CHALLENGE

Department of the Navy is facing declining dollars to support a growing and more expensive warfare mission throughout the world, but yet, its operating costs continue to restrain its ability to deliver on that mission. Navy leadership focused on the logistical costs associated with inventory investment and warehouse & storage infrastructure as opportunities for freeing up funds that be redeployed to the warfare mission. The Navy requested that Kairos assume the lead contractor role for a study team to propose and define inventory reductions and the corresponding facility footprint adjustments.

RESOLUTION

Kairos' team developed a methodology for analyzing the current warehouse situation which involved **350 buildings** that occupied **12,950,000 square feet**, dispersed across **22 sites**, and spanning 6 geographical areas, some as far away as Sigonella, Italy and Yokosuka, Japan. Kairos developed an informational matrix that had over 100 discrete data requirements utilized during the analysis phase, sent this matrix to all of the sites for initial completion, and then followed up with actual site surveys spread over 18 months. After intense and lengthy analysis, Kairos took the following actions:

- Proposed inventory disposition recommendations based upon data gathered during completion of the matrix and site visits.
- Based upon extensive data gathering, recommended 102 warehouses be scheduled for demolition due to limited habitability and sub-standard quality.
- Additionally, recommended that 108 warehouses, with a total square footage of 5.5 million, be transferred from the Navy to Defense Logistics Agency.
- 149 warehouses were recommended for retention by the Navy based upon economic and strategic reasons.
- Monitored actions to effect a seamless transfer. These actions crossed multiple disciplines and included, personnel and payroll, environmental, legal, acquisition, training, facilities, equipment, and inventory.
- This project crossed 22 sites and required the coordination from agencies throughout DOD.

RESULTS

- Kairos successfully met all schedules and milestones.
- The Navy projects savings over 5 years estimated at **\$23 million**.
- The multiple, phased transfers were accomplished without any disruption to service or readiness, despite transferring 108 individual warehouses, associative functions, and over 400 personnel.
- Based on the success of this effort, the DOD is reviewing the results of the Navy's initiative, and is contemplating the Kairos methodology as a template to deploy across the remaining military departments.

