FINAL ANALYSIS OF THE VIABILITY OF RECONSTITUTION OF THE TECHNICAL WORKFORCE OF FORT MONMOUTH, NEW JERSEY AND ITS IMPACT ON REGIONAL REVITALIZATION

Fort Monmouth
Military Base Realignment and Closure (BRAC) Study

Submitted by:
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Executive Summary

In its Request for Proposals (RFP), Monmouth County identifies three issues of concern to be addressed by this Study:

- Army mission integrity: the need to protect the current Ft. Monmouth C4ISR capability so that the mission can be transferred to Aberdeen without a major breakdown in the delivery of equipment and services to the war-fighter.
- The impending closures' potentially grave impact on the State and regional economy, and especially on Monmouth County from the impending job losses and their direct and ripple or indirect economic effects.
- The preservation in New Jersey and the regional economy of the skilled members of the workforce who chose not to move to Aberdeen, and the potential for these talents and skills to be put to optimum use supporting the Army’s continuing C4ISR mission and new [and existing] commercial ventures in the State of New Jersey.

Successful revitalization of the Monmouth County regional economy by implementing approaches designed to retain the jobs of some of the current Ft. Monmouth 9,000 strong federal and contractor workforce who do not wish to move to Aberdeen would help protect the impacted communities, Monmouth County and the State from potentially threatening tax revenue impacts, as well as downward pressure on real estate values, and would mitigate labor market impacts.

In the approach recommended in this Study, the workforce will be redeployed via public-private partnerships and private sector expansion to ensure the Army’s capacity to complete the BRAC transition mission to Aberdeen and to provide a basis for subsequent growth into strategically important defense, homeland security and security missions. This private sector growth could provide the impacted communities, Monmouth County and the State of New Jersey substantial benefits from new tax revenues and would also support and positively impact the labor market for high skill, high compensation jobs in Monmouth County and the entire State.

Feasibility Conclusions

The recommended approach contemplates the creation and operation of a public-private entity, The Partnership, that will employ current Ft. Monmouth federal civilian employees who do not want to move to Aberdeen, MD simultaneously with the movement of their Army mission elements to Aberdeen Proving Ground (APG). The Partnership will also provide a platform for coalescing contractor and military personnel desiring to stay in central New Jersey. This public-private entity would enter into a contract with the Army to provide the services of mission critical former Ft. Monmouth employees who would be stationed in New Jersey (NJ) and other required services in New Jersey using former Ft. Monmouth facilities and commercial facilities during and after the transition period of the current Ft. Monmouth missions, currently set to begin in Fiscal Year (FY) 2010.

In addition to satisfying its Army transition mission and any other Army support workload that may develop, this Partnership would deploy its workforce into future strategically important defense,
homeland security and research and development missions. This will benefit the region and provide a viable method for expanding private sector employment to provide defense and homeland security requirements, as well as commercial needs.

Advantages of Public Private Partnership

Our analysis reveals significant advantages for the Partnership [that will employ former Ft. Monmouth employees] if it is properly structured as a public-private partnership – with the public component being a non-profit corporation chartered for a public mission. The Partnership could be formed by a partnership with a current non-profit organization with a related public mission, such as an academic institution of higher learning or formed by a new non-profit entity created for this specific purpose. The Partnership would be established by the State of New Jersey and local government economic development entities, and its workforce would be composed of former employees of Fort Monmouth and its local support contractors.

The current civilian employees of Ft. Monmouth and local support contractor employees impacted by the closure would be eligible to transition voluntarily to potential employment by the public-private Partnership or employment directly by its partners as well as to participation in workforce development programs operated by the Partnership. This transition to public-private partnership employment status or workforce development plan participation would generally be expected to occur concomitantly with the Army’s transfer to APG of mission elements that currently employ the Ft. Monmouth and contractor workers. However, the public-private Partnership would also accept for transition employment and workforce development programs Ft. Monmouth and contractor workers that choose to make the transition earlier than the dates that their current mission elements transfer to APG.

Partnership Business Operations

The Partnership could directly contract with the Army, or it could utilize existing contracting vehicles already currently employed by its public government, academic and non-profit partners and its private sector partners. The contract would be designed to fully reimburse the Partnership for the costs of providing and managing the required mission critical services to the Army, but not to produce surpluses or profits for the entity or its partners. The contract would provide for the future provision of services past the contemplated closure date of Ft. Monmouth. The contract could be modified or extended in the future to facilitate the provision of a wider range of C4ISR services to the Army, including R&D services and other services that may continue to be required even after the completion of missions’ transition to APG.

The proposed Partnership would enter into lease arrangements with the Army, to utilize the Ft. Monmouth facilities and equipment required to provide the mission critical services in NJ under its contract(s). It could potentially also arrange with commercial landlords in the regional economy for commercial office space for management and administrative operations and other facilities that may be more cost effectively obtained. If operations of the public-private entity begin in 2010 or prior,
then the landlord for Ft. Monmouth facilities would be the Army. For operations of the entity that extend into the 2011 timeframe and beyond, into the period where the Army will have completed Ft. Monmouth transition and closure, then the Partnerships’ could continue to lease facilities at the former Ft. Monmouth.

C4ISR Applied R&D Center

The Partnership can develop a C4ISR applied R&D Center. This non-profit R&D Center could be operated in partnership with one or more current NJ academic institutions of higher learning such as Monmouth University or Rutgers University. This non-profit R&D Center would continue its operations even after the completion of all future Army mission transition workloads, and would serve applied R&D requirements of other DOD agencies, including DARPA, the broader intelligence community, the Department of Homeland Security (DHS) and the government contracting and commercial sectors. Over time, the R&D Center could eventually join its academic partner(s) and become an operating affiliate of those partners, contributing directly to accomplishing the R&D objective of the Governor’s Economic Growth Strategy for New Jersey.

Deployment of Partnership Workforce to the Private Sector

In addition to satisfying its Army transition mission and other Army support workload, the Partnership would seek to deploy its workforce into future strategically important defense, homeland security and research and development missions. The Partnership and its individual partners would mount a business development effort in the government and commercial sectors, to develop new sources of contract revenues. These new contracts will employ those members of the public-private partnership workforce that are not required to provide services under the core Army contract.

It is possible that such workforce resources will become available in the initial term of the Army contract, if efficiencies in the provision of mission critical services can be obtained by utilizing private sector business practices, and such practices could also provide cost savings to the Army over the current cost of such services at Ft. Monmouth. If such efficiencies are not forthcoming, then expansion to serve other customers will occur when the Partnership’s workforce resources are available based on the Army’s completion of the transition to APG of each mission element. Thus, new business can be expected to be forthcoming no later than the end of calendar year 2011, when the transition to APG of some mission elements should be completed.

The Partnership will also provide a vehicle for its workforce and those in its Workforce Development programs to make the transition to private sector commercial employment. This can be accomplished by two methods.

One is for the private sector partners of the public-private Partnership, which can be expected to be government contractors providing both services and products to the DOD, to absorb the Partnership’s technical workforce and those completing their workforce development programs. Current Ft. Monmouth support contractors can be expected to devote efforts to maintaining their current contracts and workload by providing services at APG. Not all of the required APG services would
need to be provided by embedded contractors on site full time at APG, and thus it can be expected that support contractor positions would be created that could utilize the proven skills and capability of the former FT. Monmouth workers who are now employed in the NJ public-private partnership and who would be available for temporary duty (TDY) at APG.

In addition to the professional and technical skills inherent in the BRAC impacted workforce; their secure work methods, background checks and security clearances, as well as their institutional knowledge of the Army’s C4ISR and procurement operations are extremely valuable and very difficult to duplicate. Current government contractors who support DOD and DHS are publicly reporting difficulty in recruiting employees with both security clearances and requisite technical knowledge and experience. The Partnership can develop a program to identify which current employees have the clearances and skills that meet the requirements of current NJ government contractors as well as other contractors who have the interest to establish operations in NJ in order to access the capabilities of the workforce.

The second is the establishment of new private sector companies. These ‘start-ups’ have been utilized, for example, by other transitioning government entities from the Office of Personnel Management, Office of Federal Investigation’s transition into US Investigative Services, and the Navy’s Environmental Detachment’s (NAVSEA) transition into EEG, Inc. of South Carolina. The feasible approaches recommended in this Study draw heavily on the successful NAVSEA experience. This New Company, would be a new private sector government and commercial services contractor, based in the region, that would employ some or all of the former Ft. Monmouth employees now serving the public-private entity and providing service to the Army.

This contractor could enter into strategic partnership with existing Ft. Monmouth support contractors and other contractors providing services in the C4ISR and government procurement support areas. This new private sector entity could also undertake independent efforts to develop business and contracts with DOD and DHS and subcontracts with existing contractors or other commercial entities utilizing applicable technologies Both DHS and DOD are offering grants and competitions for smaller innovative companies to deliver new solutions to problems. This new commercial entity could be partly or wholly owned by its employees, thus providing a means to achieve economic rewards from ownership, which can be substantial in relation to current compensation and provide retirement benefits that may equal or exceed those available under the current federal system.
**Figure 1**, BRAC Workforce Transition, illustrates these methods and vehicles for transitioning the BRAC impacted workforce into Partnership transitional employment and workforce development programs and for the transition of the workforce served by the Partnership to the private sector.

![BRAC Workforce Transition Diagram]

- **Private Sector**
  - Ft. Monmouth Support Contractor
  - Ft. Monmouth Equipment Contractor
  - Other New Jersey Based Government Contractors
  - Government Contractors not based in NJ
  - Other High Technology Companies

- **General Economy**

- **Non Profit Corporate Entity**

- **Workforce Development Program**

- **Fort Monmouth Civilian Workforce**
  - Within 4 years of retirement when ordered to move to Aberdeen
  - Not within 4 years of retirement when ordered to move to Aberdeen

- **Fort Monmouth Military Workforce**

- **Fort Monmouth Contractor Workforce**

- **Potential C4ISR New Company**

- **Applied C4ISR R&D Center Affiliated with NJ Academic Institution**

- **Partnership Army Mission Transition Assurance Contract**

- **Partnership Civilian Workforce**
  - Within 4 years of retirement when ordered to move to Aberdeen
  - Not within 4 years of retirement when ordered to move to Aberdeen

- **Ft. Monmouth Contractor Workforce**

- **General Economy**