



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, DC 20380-0001

MCO 5200.25
LFT-2-dt
16 Jan 1987

MARINE CORPS ORDER 5200.25

From: Commandant of the Marine Corps
To: Distribution List

Subj: Installation Management

Encl: (1) Deputy Secretary of Defense memo of 26 Mar 1986
(2) CMC Wash DC R250127Z JUN 1986
(3) DoD Directive 4001.1

1. Purpose. To provide policy and assign responsibility for installation management within the Marine Corps.

2. Background. Through its test sites at the Marine Corps Logistics Base, Albany, Marine Corps Base, Camp Lejeune, Marine Corps Air Station (MCAS), El Toro, and MCAS Iwakuni, the Marine Corps has participated in the Department of Defense (DoD) Model Installations Program (MIP) since 1984. The MIP allows designated installations throughout the DoD to test waivers to regulations or existing policies which the base commander considers an impediment to accomplishing the mission.

a. Based on the successes of the MIP, the Deputy Secretary of Defense expanded the model installation concept to all DoD activities under the Graduate Program, enclosure (1). Enclosure (2) implemented the Marine Corps Model Installation Graduate Program at all major installations and the Reserves.

b. By enclosure (3), the Model Installation Graduate Program concept was established as the installation management policy for the DoD.

3. Policy. The Marine Corps will comply with the DoD installation management policy using a dual approach.

a. All Marine Corps activities designated as a model installation or graduate participant will effect changes to existing policies and regulations through individual initiatives according to current MIP/Graduate Program procedures.

b. Headquarters Marine Corps (HQMC) staff offices will effect changes to cognizant functional area policies and regulations that are contrary to the DoD policy in enclosure (3).

4. Action

a. The Commandant of the Marine Corps (LF) is responsible for installation management policy, and will:

(1) Act as the focal point for all programs relating to installation management.

(2) Request technical assistance, as required, from the cognizant functional staff offices within the HQMC concerning actions necessary for compliance with enclosure (3).

(3) Monitor compliance through periodic evaluations of the changes effected.

b. HQMC agency heads will review, revise, and/or cancel policies/directives that are contrary to enclosure (3).

c. Base commanders shall function according to existing Marine Corps policies and regulations until:

(1) Appropriate waivers are obtained through the Model Installation and/or Graduate Program, or

(2) Existing policies and regulations are revised by the HQMC program sponsors to comply with enclosure (3).

4. Reserve Applicability. This Order is applicable to the Marine Corps Reserve.


J. J. WENT
Deputy Chief of Staff
for Installations and Logistics

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THE DEPUTY SECRETARY OF DEFENSE

3280 WASHINGTON, D.C. 20301

MCO 5200.25

16 Jan 1987

26 MAR 1986

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL
INSPECTOR GENERAL
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS, OSD FIELD ACTIVITIES

SUBJECT: Defense-wide Application of the Model Installation
Management Approach

Two years ago we gave a few so-called model installations an extraordinary degree of freedom from regulations and the added incentive that they could use a share of any money they saved. The model installations have clearly demonstrated that this management approach yields more defense capability for the dollar. While I plan to continue the model installation program, it is time to apply these management principles to all installations. Here are the three things we must accomplish:

First, give more authority to the doers, linking responsibility with authority and push both down to lower organizational levels. Redirect headquarters efforts away from restricting and toward facilitating the work that installation commanders must perform. Cancel or rewrite regulations that limit installation commanders' freedom to do their jobs.

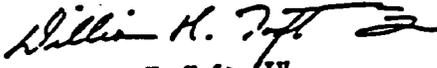
Second, free installation commanders to purchase goods and services wherever they can get the combination of quality, responsiveness, and cost that best satisfies their requirements. This will help the commanders execute with quality, and at the same time improve the quality of government-operated support organizations as they compete for the commanders' business. Obviously we need to preserve the essential wartime capabilities of our support organizations, while giving our commanders as much freedom as possible to make intelligent use of their resources.

Third, strengthen the commander's incentive and ability to save money. Let commanders keep some of the money they save and decide how to spend their share. You will have to work out the details of how to do it and leave room for judgment during periods of Defense-wide retrenchment. In addition, I would like a unified installation budget to be tested at one or two bases in each Military Department. By "unified" I mean a budget that does not have predetermined subdivisions for various purposes such as equipment procurement, building repair, construction, etc. I would like the commanders of these test bases to have the greatest flexibility that we can provide them within the law to use money wisely.

Please let me know within 45 days how you plan to implement the guidance and the basis on which I can measure your progress from time to time during the year.

I have established a committee of former model installation commanders who are now general and flag officers. They will assist all of us in evaluating the Department's success in implementing this guidance.

I know I can count on your personal leadership in this effort to get the most capability we can from every Defense dollar.


William H. Taft, IV

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ARLINGTON ANNEX
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SECTIONAL MESSAGE
MCO 5200.25
16 Jan 1987

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UNCLAS //MDS206// SECTION 01 OF 02
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SUBJ: MODEL INSTALLATIONS PROGRAM "GRADUATE PROGRAM"
1. THE MODEL INSTALLATIONS PROGRAM (MIP) HAS BEEN UNDERWAY NOW FOR ABOUT TWO AND ONE HALF YEARS. BY ALL INDICATIONS IT IS A SUCCESS AT OUR FOUR INSTALLATIONS (MCB ALBANY, MCB CAMP LEJEUNE, MCAS EL TORO, AND MCAS IAWAKUNI). IN FACT THE MIP HAS SO DEMONSTRATED THAT GIVING COMMANDERS MORE FREEDOM AND INCENTIVE PRODUCES MORE DEFENSE FOR THE DOLLAR. THAT THE MIP CONCEPT HAS BEEN EXTENDED BY THE DEPUTY SECRETARY OF DEFENSE (DEPSECDEF) TO INCLUDE THE MIP "GRADUATE PROGRAM"

2. THE FOLLOWING IS A 26 MARCH 1986 MEMO, SIGNED BY THE DEPSECDEF QUOTED IN ITS ENTIRETY:
MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS,
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL
INSPECTOR GENERAL
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS, OSD FIELD ACTIVITIES

SUBJECT: DEFENSE-WIDE APPLICATION OF THE MODEL INSTALLATION MANAGEMENT APPROACH
(A) TWO YEARS AGO WE GAVE A FEW SO-CALLED MODEL INSTALLATIONS AN EXTRAORDINARY DEGREE OF FREEDOM FROM REGULATIONS AND THE ADDED INCENTIVE THAT THEY COULD USE A SHARE OF ANY MONEY THEY SAVED. THE MODEL INSTALLATIONS HAVE ALREADY DEMONSTRATED THAT THIS MANAGEMENT APPROACH YIELDS MORE DEFENSE CAPABILITY FOR THE DOLLAR. WHILE I PLAN TO CONTINUE THE MODEL INSTALLATION PROGRAM, IT IS TIME TO APPLY THESE MANAGEMENT PRINCIPALS TO ALL INSTALLATIONS. HERE ARE THE THREE THINGS WE MUST ACCOMPLISH:

(B) FIRST, GIVE MORE AUTHORITY TO THE DOERS, LINKING RESPONSIBILITY WITH AUTHORITY AND PUSH BOTH DOWN TO LOWER ORGANIZATIONAL LEVELS. REDIRECT HEADQUARTERS EFFORTS AWAY FROM RESTRICTING AND TOWARD FACILITATING THE WORK THAT INSTALLATION COMMANDERS MUST PERFORM. CANCEL OR REWRITE REGULATIONS THAT LIMIT INSTALLATION COMMANDERS' FREEDOM TO DO THEIR JOBS.
(C) SECOND, FREE INSTALLATION COMMANDERS TO PURCHASE GOODS AND SERVICES WHEREVER THEY CAN GET THE COMBINATION OF QUALITY, RESPONSIVENESS, AND COST THAT BEST SATISFIES THEIR REQUIREMENTS. THIS WILL HELP THE COMMANDERS EXECUTE WITH QUALITY, AND AT THE SAME TIME IMPROVE THE QUALITY OF GOVERNMENT OPERATED SUPPORT ORGANIZATIONS AS THEY COMPETE FOR THE COMMANDERS' BUSINESS. OBVIOUSLY WE NEED TO PRESERVE THE ESSENTIAL WARTIME CAPABILITIES OF OUR SUPPORT ORGANIZATIONS, WHILE GIVING OUR COMMANDERS AS MUCH FREEDOM AS POSSIBLE TO MAKE INTELLIGENT USE OF THEIR RESOURCES.
(D) THIRD, STRENGTHEN THE COMMANDER'S INCENTIVE AND ABILITY TO SAVE MONEY. LET COMMANDERS KEEP SOME OF THE MONEY THEY SAVE AND DECIDE HOW TO SPEND THEIR SHARE. YOU WILL HAVE TO WORK OUT THE DETAILS OF DEFENSE-WIDE RETRENCHMENT. IN ADDITION, I WOULD LIKE PERIODS OF DEFENSE-WIDE RETRENCHMENT TO BE TESTED AT ONE OF TWO BASES IN A UNIFIED INSTALLATION BUDGET TO BE TESTED AT ONE OF TWO BASES IN EACH MILITARY DEPARTMENT. BY "UNIFIED" I MEAN A BUDGET THAT DOES NOT HAVE PREDETERMINED SUBDIVISIONS FOR VARIOUS PURPOSES SUCH AS EQUIPMENT PROCUREMENT, BUILDING REPAIR, CONSTRUCTION, ETC. I WOULD LIKE THE COMMANDERS OF THESE TEST BASES TO HAVE THE GREATEST FLEXIBILITY THAT WE CAN PROVIDE THEM WITHIN THE LAW TO USE MONEY WISELY (E) PLEASE LET ME KNOW WITHIN 45 DAYS HOW YOU PLAN TO IM-

PLEMENT THE GUIDANCE AND THE BASIS ON WHICH I CAN MEASURE YOUR PROGRESS FROM TIME TO TIME DURING THE YEAR.

(F) I HAVE ESTABLISHED A COMMITTEE OF FORMER MODEL INSTALLATION COMMANDERS WHO ARE NOW GENERAL AND FLAG OFFICERS. THEY WILL ASSIST ALL OF US IN EVALUATING THE DEPARTMENT'S SUCCESS IN IMPLEMENTING THIS GUIDANCE.

(G) I KNOW I CAN COUNT ON YOUR PERSONAL LEADERSHIP IN THIS EFFORT TO GET THE MOST CAPABILITY WE CAN FROM EVERY DEFENSE DOLLAR (SIGNED BY WILLIAM H. TAFT, IV).

3. IMPLEMENTATION GUIDANCE FOR THE MARINE CORPS "GRADUATE PROGRAM" IS AS FOLLOWS:

A. FOR MCB ALBANY, MCB CAMP LEJEUNE, MCAS EL TORO, AND MCAS IAWAKUNI:

(1) ALL MODEL INSTALLATION COMMANDERS SHALL EVALUATE THEIR APPROVED MIP WAIVERS ON A QUARTERLY BASIS, AND RECOMMEND THOSE INITIATIVES SHOWING PROMISE FOR IMPLEMENTATION ON A MARINE CORPS-WIDE BASIS. NOTE THE FIRST EVALUATION IS DUE 10 JUL 1986 AS REQUIRED BY CMC 2801252 APRIL 86 (NOTAL).

(2) THIS HEADQUARTERS HAS SELECTED MCB ALBANY AS OUR TEST SITE FOR THE "UNIFIED INSTALLATION BUDGET" MENTIONED IN DEPSECDEF'S MEMO.

(3) CMC HAS AUTHORIZED SAVINGS FROM APPROVED MIP INITIATIVES TO BE RETAINED BY MIP COMMANDERS FOR REAPPLICATION TO OTHER REQUIREMENTS WITHIN EXISTING STATUTORY AND POLICY CONSTRAINTS GOVERNING THE USE OF THE VARIOUS APPROPRIATIONS/FUNDS. AS WITH ALL FUNDING REQUIREMENTS, THE REUTILIZATION OF THOSE SAVINGS WILL BE SUBJECT TO REVIEW BY HIGHER COMMAND ECHELONS DURING THE ANNUAL BUDGET AND MIDYEAR REVIEWS. UPON RECEIPT OF ADDITIONAL GUIDANCE FROM THE OSD AND NAVCOMPT COMPTROLLERS, CMC WILL ISSUE RULES FOR THE "UNIFIED INSTALLATION BUDGET" EXPERIMENT AND MCB ALBANY WILL RECEIVE ADDN GUIDANCE FROM THIS HEADQUARTERS, VIA SEP CORRES.

B. FOR ALL:
(1) A DOK MODEL INSTALLATIONS GRADUATE PROGRAM GENERAL/FLAG STEERING GROUP WAS ESTABLISHED WITHIN DOW ON 4 JUN 86. THIS STEERING GROUP WILL MEET QUARTERLY TO REVIEW RECOMMENDATIONS FROM MODEL INSTALLATION COMMANDERS, INITIATIVES FROM NON-MIP COMMANDS, AND SUMMARIES OF ARMY/AF WAIVERS WHICH HAVE BEEN ADOPTED SERVICEWIDE. THE STEERING GROUP WILL FORWARD THEIR QUARTERLY RECOMMENDATIONS VIA CMC TO POSH(S&I) ON THOSE INITIATIVES WHICH SHOULD BE IMPLEMENTED AND THOSE FOR WHICH LEGISLATIVE RELIEF IS JUSTIFIED.

(2) BASE COMMANDERS OTHER THAN MODEL INSTALLATION COMMANDERS, MAY SUBMIT PROPOSED CHANGES TO REGULATION THROUGH THEIR CHAIN OF COMMAND FOR CONSIDERATION BY THE APPROPRIATE HMC ACTION CODE. (REQUEST COPIES OF PROPOSED CHANGES ALSO BE FORWARDED TO CODE LFF). PROPOSED CHANGES TO REGULATIONS ARE ESPECIALLY ENCOURAGED IN THE THREE AREAS THE DEPSECDEF MENTIONED: (1) GIVE MORE AUTHORITY TO FIELD, (2) FREE COMMANDERS TO PURCHASE GOODS AND SERVICES TO BEST SATISFY THEIR REQUIREMENTS, AND (3) STRENGTHEN COMMANDERS INCENTIVE/ABILITY TO SAVE MONEY. A DETERMINATION WILL BE MADE BY THIS HQTRS AS TO WHETHER THE PROPOSAL SHOULD BE TESTED AT ONE OF OUR MODEL INSTALLATIONS. IN ORDER TO GAIN MAXIMUM EFFECT, AN ENVIRONMENT MUST BE CREATED WHICH ALLOWS IMPEDIMENTS TO BE REMOVED QUICKLY WHEREVER FEASIBLE. THIS HQTRS WILL ACT ON REQUESTS FOR MAT'ERS OR RELIEF THAT ARE BEYOND INTERMEDIARY COMMAND AUTHORITY EITHER BY TAKING ACTION HERE, OR BY SURFACING THE REQUEST TO BT

CMC WASH DC
ACTION L-5(8) (U.M.C)
INFO A-3(1) CC-S(10) CL-S(1) FD-S(5) HQS-S(1) HQSC-S(1)
HQSR-S(1) IG-S(1) INT-S(2) JA-S(2) M-S(1) MED-S(1)
MM-S(6) MS-S(8) MPEA-S(6) P-S(1) PL-S(1) RES-S(3)
RD-S(2) RP-S(1) DEN-S(1) REL-S(1) OLA-S(1) ACME-S(1)
CS-S(1) MP-S(4) MH-S(3) MR-S(1) QLA-S(1) PA-S(3)
SPD-S(1) MHP-S(2) MCUB-S(1) POC-S(1) T-S(10) PO-S(6)
WRC-S(1) AMRD(1) TFK CR-S(1)

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ENCLOSURE (2)

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ENCLOSURE (2)

MESSAGE

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SECTIONAL MESSAGE

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UNCLAS //N05200// FINAL SECTION OF O2
SECNAV/OSD. RELIEF MAY BE OBTAINED FROM SOME ENCUMBRANCES WHILE
OTHER MAY HAVE TO STAND. THE SUCCESS OF THE MODEL INSTALLATION
"GRADUATE PROGRAM" IS DEPENDENT UPON YOUR INNOVATIVE SUPPORT.
(3) REQUEST CONTENTS OF THIS MESSAGE BE WIDELY DISTRIBUTED
TO ALLCON TO INSURE MAXIMUM BENEFIT IS REAPED FROM THE MIP GRADUATE
PROGRAM AS IT IS IMPLEMENTED.
(4) THE NMIC POC FOR THE SUBJECT PROGRAM IS MRS. JO ANN
CALLAWAY AT AUTOVON 224-2171. SECNAV POC IS MR. BILL DAVIS
(PDASN:S&L) AT AUTOVON 222-2259. BT

CMC WASH DC (U.M.C)
ACTION L-S(9)
INFO A-S(9) CC-S(10) CL-S(1) FD-S(5) HQS-S(1) HQSC-S(1)
HQSR-S(1) IG-S(1) INT-S(2) JA-S(2) M-S(1) MED-S(1)
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RD-S(2) RP-S(1) DEN-S(1) REL-S(1) CMC-S(1) ACMC-S(1)
CS-S(1) MP-S(4) M4-S(3) ME-S(1) OLF-S(1) PA-S(3)
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MRC-S(1) AMRD(1) TFK CK-S(1)

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ENCLOSURE (2)



Department Of Defense
DIRECTIVE

MCO 5200.25
16 Jan 1987

September 4, 1986
NUMBER 4001.1
ASD (A&L)

SUBJECT: Installation Management

Reference: (a) Deputy Secretary of Defense Memorandum,
"Defense-wide Application of the Model
Installation Management Approach," 26 March 1986

A. PURPOSE

This Directive establishes the DoD installation management policy.

B. APPLICABILITY

This Directive applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Organization of the Joint Chiefs of Staff (OJCS), and the Defense Agencies (hereafter referred to collectively as "DoD Components").

C. POLICY

1. The Commanding Officer of an installation is responsible for accomplishing the mission assigned to the installation, and should be delegated broad authority to decide how best to accomplish the mission, and is accountable for all resources applied to the mission.

2. Headquarters staff activities shall be directed toward facilitating any installation commander's ability to accomplish the mission. Regulations that limit installation commanders' freedom to do their jobs are contrary to the basic DoD installation management policy, and shall be cancelled or revised. Exceptions should be rare.

3. Except where required to preserve essential wartime support capability, or constrained by law or federal regulation, installation commanders shall be free to purchase goods and services wherever they can get the combination of quality, responsiveness, and cost that best satisfies their requirements.

4. Unless prohibited by law, a share of any resources saved or earned at an installation should be made available to the installation commander to improve the operations and working and living conditions at the installation.

D. RESPONSIBILITIES

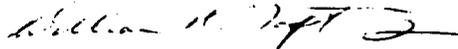
1. Heads of DoD Components shall ensure that all regulations for which they are responsible comply with the policies contained in this Directive.

ENCLOSURE (3)

2. The Inspector General, DoD shall review and report compliance with these policies.

E. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward one copy of implementing documents to the Assistant Secretary of Defense (Acquisition and Logistics) within 120 days.



William H. Taft, IV
Deputy Secretary of Defense

ENCLOSURE (3)