



NEWSBLAST

U.S. Army Contracting Command

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"Providing global contracting support to war fighters."



(Photo by Spc. John G. Martinez)

Secretary of the Army John McHugh testifies before the House Armed Services Committee during a hearing on Capitol Hill April 25.

Army says fiscal year 2014 budget request 'meets future challenges'

By David Vergun
Army News Service

WASHINGTON – The fiscal year 2014 budget “meets future challenges, strengthens global engagements, provides for resets, sustains the industrial base and fulfills commitments to Soldiers, civilians and families,” the Army’s top civilian leader told lawmakers.

Secretary of the Army John M. McHugh and Chief of Staff of the Army Gen. Ray Odierno testified April 25 before the full House Armed Services Committee regarding the “Fiscal Year 2014 National Defense Authorization Budget Request.”

The \$129.7 billion fiscal year 2014 budget “allows us to plan for and mitigate risk associated with declining defense

budgets,” Odierno said during his opening remarks.

“It is imperative we gain predictability in our budget process,” Odierno continued. “If we don’t, then we’ll be unable to effectively manage our resources and it will be impossible to make informed decisions about the future of our Army.”

The leaders emphasized to Congress the need for a budget and the dangers of an ongoing environment of fiscal uncertainty.

“We’re at a dangerous crossroad,” McHugh said, explaining that shortfalls in the overseas contingency operation budget, coupled with sequestration, continuing resolutions and lack of a budget, are taking a toll on readiness, efforts at modernization and morale.

See CHALLENGES, page 4.

Chinook team drives hard bargain

By Ed Worley
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REDSTONE ARSENAL, Ala. – If you’re thinking about making a major purchase you may want to enlist the help of the team that just saved the government more than \$810 million on a multiyear contract to buy 155 CH-47F Chinook cargo helicopters.

The contract will provide “war fighters with affordable, world-class heavy lift helicopters,” said Rod Matthews, director, CH-47 Cargo Contracts, Army Contracting Command – Redstone.

He said the cost savings were the result of tough negotiations with the Boeing Co., the prime contractor, employing lessons learned from the prior multiyear contract, enlisting a talented evaluation team, and using initiatives in the Department of Defense Better Buying Power program.

According to Matthews, a lot of the savings can be attributed to the Multiyear II Contract Evaluation Team pushing Boeing to provide updated actual costs and “heavily relied on” the program manager, Cargo technical subject matter experts. The team included representatives from

the Defense Contract Management Agency, Defense Contract Audit Agency and ACC-Redstone Pricing and Cargo Contracts divisions.

“A lot of the MY II savings can be attributed to the fact that the MY II evaluation team required Boeing to provide updated actuals,” Matthews said. “The MY II evaluation team insisted that the contractor adopt the government’s maintenance work order standard hours methodology as opposed to the contractor’s labor methodology based on cost estimating relationships and gained an advantage with this approach.”

See CHINOOK, page 4.

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Spotlight on...

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Sgt. 1st Class Andre L. Wilson

639th Senior Contingency Contracting Team
Field Directorate Office-Fort Bragg, N.C.

Sgt. 1st Class Andre L. Wilson is a training noncommissioned officer with the 639th Senior Contingency Contracting Team of the 900th Contingency Contracting Battalion assigned to the Field Directorate Office - Fort Bragg, N.C.

Describe your current position

I am currently working as the training NCO for FDO-Fort Bragg where I am responsible for the training of both the military and civilian workforce.

Describe your passion for the job

My passion comes from within. There is nothing more important to me than ensuring that our contracting professionals receive any and all the training that's available to them.

Where do you call home? Tell us about your family. What you enjoy doing during your spare time?

With me being an Army brat, I call Columbus, Ga., home. I was born in El Paso, Texas, but spent the majority of my life in Columbus. My father served 20 years in the Army as a light-wheeled vehicle mechanic.

I have been married six years to the lovely LaKeita Wilson and we have two wonderful kids, Iyanna, 7, and

Andre, 5.

In my spare time I like spending time with my family. I also enjoy sports (HOW BOUT DEM DAWGS!!!). I am also currently the basketball coach for my daughter's basketball team.

How does your job support the Soldier?

Everything we do as contracting professionals supports the Soldier. I have just recently returned from a deployment in Afghanistan where I was the contracting officer for Special Operations Task Force - South. Knowing that what I was doing made an immediate impact on the Soldiers' well-being was a very humbling experience for me. My well-being didn't matter if one war fighter had to go without. It is my responsibility.

What would you like others to know about you?

That I am humbled and proud to be a part of the 51C field and that I will not be satisfied until all 51C NCOs are at least (Defense Acquisition Workforce Improvement Act) Level 1-certified.



Sgt. 1st Class Andre L. Wilson

Readers are encouraged to submit comments or suggestions to the editorial staff via the mailbox icon to the right. Responses will assist the NewBlast staff in producing a publication to better meet readers' expectations and information needs.



U.S. Army Contracting Command

Commanding General
Maj. Gen. Camille M. Nichols

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NEWSBLAST



(Photo by Ed Worley)

Charles "Chuck" Pennington, an IT specialist at ACC headquarters, is thankful for his friends and family who helped him get through his "fight for life."

Rare tumor slows IT specialist down, but he's not out

By Beth Clemons
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Charles "Chuck" Pennington will tell you serving in the U.S. Marine Corps for four years was tough, but nothing in his military career prepared him for the fight he faced as a civilian.

It all began in 2007, when friends noticed frequent abnormal facial spasms and suggested he see a doctor.

"I had the symptoms for years, the facial expressions and headaches. It turns out I was having mild seizures and didn't know it," said Pennington, an information technology specialist at Army Contracting Command headquarters, Redstone Arsenal, Ala.

After an MRI, his neurologist initially diagnosed Pennington with an enlarged blood vessel and provided a prescription for seizure medicine. For five years the issue seemed under control - then the frequent headaches returned.

"This time I recognized the symptoms and saw the doctor quickly," said

Pennington. "The doctor ordered a new MRI and the next thing I knew they were telling me there was a tumor and I needed to see a neurosurgeon immediately," recalled Pennington, 35.

Electing to act quickly, Pennington's family came to his side and he had surgery less than a month later.

Once under the care of the neurosurgeon, Pennington discovered that the previous diagnosis of an enlarged blood vessel was incorrect and that it was a tumor the entire time.

"For six years I was misdiagnosed and had a tumor growing inside my brain. If I hadn't gone back

to the doctor and had the second MRI it could have grown too large for surgery," said Pennington.

He explained that the tumor growth was visible on the MRI.

"In 2007, it was 3.2 centimeters; on the 2012 MRI it measured 3.7 centimeters. The neurosurgeon said it was growing toward the stem of my brain and surgery was needed immediately."

Electing to act quickly, Pennington's family came to his side and he had surgery less than a month later. The operation took six hours and afterward required an additional procedure, along with 12 weeks of recovery.

"My neurosurgeon was able to completely remove the tumor and sent it to Johns Hopkins Medicine for pathology. The test results showed there are only 27 published cases of this type of tumor so it doesn't even have a name," explained Pennington. "After going through all of this I firmly believe you have to be honest with yourself and your doctor. If you are not happy with the way things are going you need to get a second opinion."

Pennington's tumor is considered low-grade so he didn't need chemotherapy or radiation. He's back at work and says he feels like his old self again.

"I'm still under medical supervision," he said. "I have reoccurring appointments with my specialists and get an MRI every three months. But I'm feeling great these days and am very thankful for my wonderful friends and family who helped get me through this ordeal."



(Courtesy photo)

AMC leader pays visit to RCO-Fort Wainwright

Last week, Gen. Dennis Via (left), commanding general, Army Materiel Command, visited the Regional Contracting Office at Fort Wainwright, Alaska. There he met with the staff and fielded questions on current budget issues; discussed the unit's unique mission due to extreme temperatures and its remote location; and was briefed on ongoing contracting work for the garrison and U.S. Army Alaska.

CHALLENGES

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One congressman said he was “deeply troubled” not only by the Army’s fiscal difficulties but by its shrinking force.

He asked if the end strength continues to fall – coupled with the effects of continued sequestration – would the Army be able to respond effectively were two major contingency operations to occur simultaneously, or at least one major contingency and a smaller one.

“We’d have significant issues meeting anything more than one contingency – if we can meet even one contingency,” Odierno replied.

Just two years ago the Army had 45 brigades. Soon it will be down to between 32 and 37, he said.

CHINOOK

continued from page 1

Material evaluation was another area where the negotiators created savings.

“Boeing was reluctant to accept any decrements to their pricing bases, insisting that their subcontractor memorandums of understanding were firm-priced documents not subject to change,” he said. “To mitigate the government’s risk, the MY II team negotiated a clause that requires Boeing to make adjustments to MY II contract pricing if Boeing benefits from range pricing or quantity discounts in the future.”

The MY II evaluation team benefitted from increased competition in subcontracting. In the prior CH-47 MY the material/subcontracted competitive base was less than 5 percent. In this MY it is 56 percent due to Boeing increasing competition of their subcontractors. This increased competition resulted in substantial savings.

Another contentious negotiation concerned the material requirements list.

“The MRL parts are used as replacement parts during the recapitalization/overhaul process. Instead of going with Boeing’s extensive material requirements list, the government negotiated a reduced list of high-risk MRL parts that Boeing would have to buy and those not consumed for the program would go to the government inventory for future use. This was not the case on the first multiyear contract.”

Matthews said the best practices and lessons learned can be applied to future contract negotiations. He also said the

Also, were a conflict to break out, “we’d have to figure out how we’re able to use our National Guard brigades much quicker than we can now,” as it takes longer to get those Soldiers trained.

The congressman followed up with another question, asking if the Army is as prepared today as it was on Sept. 10, 2001, a day before the terrorist attacks.

“We’re not as ready as we were in 2001,” Odierno responded.

He added that “history has taught us that if we are off balance, the enemy will seek advantage.”

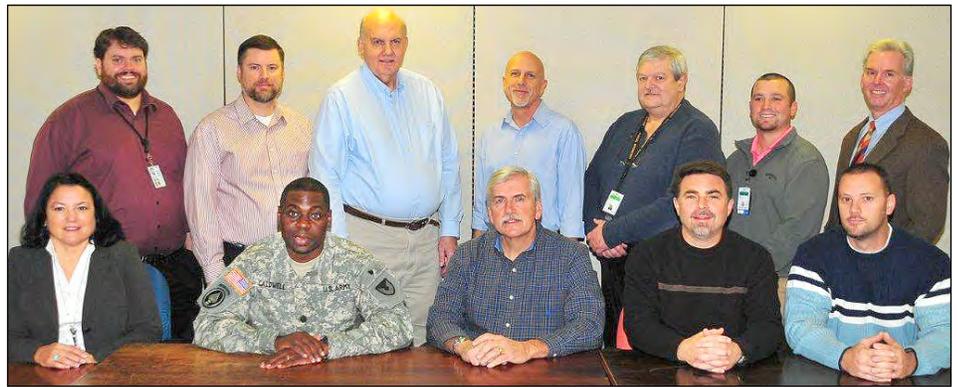
Another congressman asked about the state of the organic industrial base and how the Army’s proposed budget would

address concerns associated with a reduced workflow caused by budget shortfalls.

McHugh said he’s been working with the Defense Department on that issue and initiated a study a year ago, with the data now being refined and being prepared for release.

The analysis, he said, examines where the failure points are and examines the efficiency processes at the depots and arsenals. He said highly skilled workers have been identified as well.

The results of the study will help the Army “identify single points of failure” to more effectively align dollars with efforts.



(Courtesy photo)

The CH-47F Chinook Multi-year II Contract Evaluation Team includes (front row, left to right) Ingrid Walden, Lt. Col. Jeffrey Caldwell, Richard Savastana (Boeing), Steve Chisgar and Steven Allison. Back row: Jonathan Hitt, Derrick Phillips, Lloyd Smith, Mark Stenger, Mike Heath, Jordan White and Pat Earles.

team’s efforts were recognized by senior defense procurement officials.

Matthews said Shay Assad, director of Defense Procurement, Acquisition Policy and Strategic Sourcing, sent the MY II evaluation team a memo acknowledging its exemplary efforts during the negotiation process and post award business clearance preparation. Assad also sent an email Frank Kendall, the undersecretary of Defense for Acquisition, Technology and Logistics, with copies to several senior officials, acknowledging the MY II evaluation team.

The CH-47F provides improved situational awareness and dramatically improved flight control capabilities, Matthews said. It is purchased as either a new build or renewed—rebuilt— aircraft,

Matthews explained. The new build is a completely new aircraft. The renewed aircraft uses 74 recapitalized components from a CH-47D. Both aircraft have an all-new monolithic airframe, tuned to significantly reduce vibration. They come equipped with a common avionics architecture system cockpit and digital advanced flight control system.

Under the contact, the Army plans to buy 34 new build, 121 rebuilt Chinooks, with an option to buy another 60 new aircraft. The contract includes advance procurement of required long-lead items, implementation of engineering change proposals and recapitalization of CH-47D aircraft components.

The Army anticipates contract award of CH-47 Multiyear II in May.

Top acquisition official unveils ‘Better Buying Power 2.0’

By Jim Garamone
American Forces Press Service

WASHINGTON – Defense acquisition professionals need to apply common-sense thinking as they make decisions, the undersecretary of Defense for acquisition, technology and logistics said here April 24.

Frank Kendall issued a memo on the “Better Buying Power 2.0” that re-emphasized the power people have in the acquisition process and seven common-sense ways that acquisition and contracting personnel can achieve greater efficiencies and productivity.

Kendall is building on the original Better Buying Power memo issued three years ago. He stressed that the 2.0 version is a continuous improvement process.

“It’s not about acquisition reform, or transformational change,” he said during a media roundtable at the Pentagon. “It’s really about attacking all the many problems that exist in how we do acquisition and making incremental improvements wherever we can.”

The memo directs personnel to achieve affordable programs, to control costs throughout products’ life cycles, to provide incentives for industrial productivity and innovation, to eliminate unproductive processes and bureaucracy, and to promote effective competition.

The memo also calls on personnel to improve tradecraft in the acquisition of services and to improve the professionalism of the total acquisition workforce.

“There is a flavor that runs through 2.0 of, ‘Here are the tools you need, and here is the way you should be thinking about the problems that you have to solve. But you have to solve them,’” Kendall said.

The memo tells acquisition personnel first to think – to apply their education, training and experience to the process. It also talks about good decision making and the need to streamline the decision-making process.

“People, to me, are central to this (process),” Kendall said. “I’ve also made it a point that it will take cultural change to do a better job.”

It sounds like an oxymoron, but money has value, Kendall said. And while the Defense Department always has tried to be a good financial steward, the incentives often seem to work against that.

“Obligation rates as a key example of that – where we effectively punish people for not spending their money,” he said. “That’s not how you negotiate a good contract.”

If acquisition professionals can return money to the department or buy additional product for their service or program, that should be rewarded, Kendall added.

“People shouldn’t just take the budget as a given and take it as their job to spend that budget,” the undersecretary said. “Their job is to get as much value as they possibly can – one way is to get more content for that money, and another is to not spend as much.”

Kendall said he believes contracting personnel are embracing that idea and that it’s becoming institutionalized throughout DOD.

Leadership is part of the whole process, and Better Buying Power 2.0 emphasizes the need for people to lead, he said.

“We have a lot of very good people, but I think we can improve,” he added. “We need to build our professionalism.”

The importance of DOD getting its money’s worth is especially important now that money is tight and sequestration has hit, Kendall said.

“Even though the workforce is out there trying to come to grips with sequestration, we also have to improve how we do our business in general,” he said. “This is not going to go away, no matter what the fiscal situation is.”



(Courtesy photo)

Supporting a great cause!

Several runners from the Mission and Installation Contracting Command-Fort Leavenworth, Kan., participated in the Kansas City Color Me Rad 5K Race April 13, benefiting the Special Olympics. From left, team members included Jennifer Jordan, Lynn Coupel and Kelly Davidson. The 3-member team was dubbed Britt’s Brigade in honor of Davidson’s nephew who participates in Special Olympics basketball. The run was the first 5K for Davidson and Jordan while Coupel, whose final day with the office was April 12, is a seasoned runner.

Leader recognizes Fort Jackson contracting support

By Daniel P. Elkins
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JOINT BASE SAN ANTONIO-FORT SAM HOUSTON, Texas – Mission and Installation Contracting Command staff members at Fort Jackson, S.C., were recognized for their contributions leading to the Hilton Field ribbon cutting ceremony April 16.

During the ceremony, Brig. Gen. Bryan Roberts, commanding general, Army Training Center and Fort Jackson, presented awards to MICC-Fort Jackson members involved with the acquisition for their support in awarding several contracts for services and construction renovations.

“The newly renovated Hilton Field will benefit the many families and friends of future graduating Soldiers,”

said Cynthia Hall, the contract management division chief at MICC-Fort Jackson.

MICC-Fort Jackson was responsible for the solicitation and award of contracts valued at more than \$5 million on behalf of the Army Training and Doctrine Command. Hall said requirements included renovations to the stadium, construction of a pedestrian promenade, permanent restrooms, a bus turnaround, resurfacing the entry way, parking lots for distinguished visitors and those with disabilities as well as a new gate.

Fort Jackson serves as the Army’s main production center for basic combat training. Its mission involves training more than 36,000 basic training and 8,000 advanced individual training Soldiers every year.



(Photo by Maj. Ina Jackson)

Brig. Gen. Bryan Roberts, Fort Jackson commanding general, recognizes Robert Coney, contracting officer with MICC-Fort Jackson, for his role in support of the Hilton Field contract.



ACC in the News

These articles mention Army Contracting Command.

KBR jousts with Defense Department over its FOIA request

By Mike Francis
(Published in *The Oregonian*, April 23, 2013)

It’s not just journalists and activists who lean on the Freedom of Information Act (FOIA) to pry information out of the federal government: It’s defense contractors, too.

http://www.oregonlive.com/business/index.ssf/2013/04/kbr_jousts_with_defense_depart.html

Chinook team drives a hard bargain in \$810 million purchase of 155 helicopters

By Leada Gore
(Posted on *AL.com*, April 26, 2013)

HUNTSVILLE, Alabama – Coupon clippers have nothing on a team of contracting professionals at Redstone Arsenal. The team’s efforts recently saved the government more than \$810 million on a multiyear contract to buy 155 CH-47F Chinook cargo helicopters. The contact, expected to be signed in May, will provide warfighters with “affordable, world-class heavy lift helicopters,” said Rod Matthews, director, CH-47 Cargo Contracts, Army Contracting Command at Redstone Arsenal.

http://www.al.com/business/index.ssf/2013/04/chinook_team_drives_a_hard_bar.html



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