



NEWSBLAST

U.S. Army Contracting Command

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“Providing global contracting support to war fighters.”

Furloughs reduced to 11 days, defense secretary says

By Ed Worley

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Department of Defense civilian employee furloughs have been reduced to 11 days, Secretary of Defense Chuck Hagel announced May 14.

The administrative furlough is the result of congressionally mandated automatic budget cuts, known as sequestration, which began March 1. Active-duty Soldiers are not subject to the furlough.

According to Bill Baxter, Army Contracting Command deputy chief of staff, Human Capital G-1, the furlough period will begin July 8. He said employees should expect their furlough notice letters

between May 28 and June 5.

“We will continue to provide assistance and additional training to ensure our employees are aware of all programs to assist them through this difficult time,” Baxter said. “Employees should not feel alone during this period. The command stands by to provide any assistance we can to take care of our workforce.”

ACC’s furlough implementation plan calls for most civil service employees to take their furlough days on Fridays, leaving behind a minimum staff, he explained. Those who work Fridays would take their furlough day on Mondays.

In announcing the furloughs, Hagel said the department is more than \$30 billion short in its operations and maintenance accounts, which are the

funds used to pay most civilian employees, maintain military readiness and respond to global contingencies. He said the department is about \$7 billion to \$8 billion short in additional accounts.

“The department has been doing everything possible to reduce this shortfall while ensuring we can defend the nation, sustain wartime operations, and preserve DOD’s most critical asset – our world-class civilian and military personnel,” he said in a message to all DOD personnel. “To that end, we have cut back sharply on facilities maintenance, worked to shift funds from investment to O&M accounts, and reduced many other important but non-essential programs.”

See FURLOUGHS, page 5.

ACC NCO of the Year readies to compete for AMC title

By David San Miguel

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In what may be the first time the Army has conducted any kind of Soldier’s competition by video teleconference, the Army Contracting Command has set a new precedence.

According to Master Sgt. Michael C. Bonds, ACC G-3 operations noncommissioned officer, this year’s NCO of the Year competition, held May 6-10, was conducted virtually in light of current budget constraints.

“This year was a unique experience as far as planning the event on the same line as a traditional competition,” he said. “Of course, we had those who wanted the competition here at Redstone Arsenal, Ala., but understanding the funding situation we were under, they eventually jumped on board and provided top-quality NCOs to compete.”

See NCOY, page 6.



(Photo by Ed Worley)

Command Sgt. Maj. John L. Murray (left), Army Contracting Command, and Command Sgt. Maj. Angel C. Clark-Davis, Expeditionary Contracting Command, conduct the NCOY board by VTC. Sgt. Ernulfo Cervantes (top center) served as the board recorder.

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Spotlight on...

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Sabin A. Joseph

Sabin A. Joseph

ACC-Aberdeen Proving Ground, Md.

Sabin A. Joseph is a senior contracting specialist assigned with the Belvoir Division at the Army Contracting Command-Aberdeen Proving Ground, Md.

Describe your current position

As a senior contracting specialist, it is my responsibility here to award and manage various acquisitions in support of defense systems and the Soldier. I am responsible for the formation of solicitations and contracts, analyzing proposals, performing cost/price analysis, negotiation, award, administration and closeout of contracts as well as being a business advisor to our various customers in support of the Army's mission.

Describe your professional/education background

I graduated from Pennsylvania State University with a Bachelor of Science degree in psychology with a focus on business. I additionally picked up a minor in business from the university as well.

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

I currently live in Springfield, Va., but would consider my overall home these days to be north Virginia. In my spare time I like to stay in shape and follow the stock market.

How does your job support the Soldier?

My job supports the Soldier in that a lot of the contracts that my office awards and manages are for research and development. These efforts give the Soldier an advantage in the field. In addition, the technologies we help to develop provide life-supporting and life-saving equipment to the war fighter.

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

ACC Command Sergeant Major
Command Sgt. Maj. John L. Murray

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Hale: Sequestration devastates U.S. military readiness

By Cheryl Pellerin
American Forces Press Service

WASHINGTON – During a Senate hearing May 9 on President Barack Obama's \$9.5 billion military construction budget request for fiscal year 2014, Defense Department Comptroller Robert F. Hale said the severe and abrupt budget cuts imposed by sequestration are devastating the U.S. armed forces.

Hale and John Conger, acting deputy undersecretary of defense for installations

and environment, testified on military construction and family housing before the Senate Appropriations subcommittee on military construction, veterans affairs and related agencies.

The officials described for the panel the impact of sequestration in the current year.

"While sequestration and related problems do not affect most military construction projects, they are devastating military readiness," Hale said. "I just can't believe what we're doing to the military right now."

"We're requesting \$526.6 billion in discretionary budget authority," he said. "It's about the same as our 2013 request but about 8 percent higher than we're executing right now in 2013 under sequestration."

Beyond 2014, he said, "If we're able to carry out the president's plan, we anticipate increases of about 2 percent a year, roughly enough to keep up with inflation."

The overall budget request represents the amount the president and the defense secretary believe is needed to support national security interests in a time of very complex challenges, Hale noted.

"Our request does not take into account a possible \$52 billion reduction if sequester becomes an annual event," the comptroller said, "but the president has submitted a budget with a balanced deficit reduction plan of \$1.8 trillion over 10 years – more than enough to meet the targets of the Budget Control Act."

Hale added, "We strongly hope that Congress will pass this plan or another plan that the president will sign, and then repeal sequestration."

For fiscal 2014 the department is seeking \$11 billion for military construction and family housing, an amount which is on par with the fiscal 2013 requests, he said.

On the military construction side, DOD is seeking \$3.3 billion for operational training facilities, as well as \$900 million for modernizing medical facilities, 17 dependent school projects and many others; and \$1.5 billion for the family-housing program to provide quality, affordable housing for military families.

In terms of sequestration's effects on military construction, the comptroller said most accounts won't experience sequester-related cuts in 2013 because of special crediting provisions in the current law that apply when Congress enacts major cuts in an appropriation.

"The law says, 'cuts are big enough, there's no further sequestration,'" Hale said.

But facilities sustainment and restoration and modernization projects already have been cut severely in fiscal 2013, he added, "We're essentially down to pretty much safety-of-life and property projects for the rest of the year."

See SEQUESTRATION, page 4.



(Photo by Mark Cleghorn)

Maj. Gen. Camille Nichols, commanding general, Army Contracting Command (third from right), tours Anniston Army Depot's Combat Vehicle Repair Facility accompanied by Col. Brent Bolander, ANAD commander, and David Bunt, director of Anniston's contracting office.

CG visits Anniston, holds town hall

By Jennifer Bacchus
AMC

ANNISTON ARMY DEPOT, Ala. – Maj. Gen. Camille Nichols, commanding general, Army Contracting Command, visited Anniston Army Depot May 2.

Nichols, who took command of ACC in May 2012, held a town hall meeting with Anniston Contracting Office employees at the close of her tour, listening to concerns of the employees and answering questions regarding the Army budget and furloughs.

"We are working on furlough letters now, with the hope that we will never issue them," said Nichols, adding that the Department of Defense is still determining the number of furlough days employees will be required to take.

She also addressed the possibility of furlough in fiscal year 2014, saying it is a possibility, but not at the beginning of the year.

"Do I think at the end of 2014 I'll be having the same conversation with you? I hope not," said Nichols.

The general told the group of contracting employees she had an agenda filled with plans when she took command last year, but, due to budgetary constraints, many projects have not been accomplished.

Chief among those unfinished projects are construction and repairs for many ACC facilities, including the ACC headquarters, which is currently operating out of trailers.

She praised the Anniston facilities as well as the personnel, calling employees a "national treasure."

See ANNISTON, page 4.

GPC efficiencies yield greater savings

By Daniel P. Elkins

MICC Public Affairs

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JOINT BASE SAN ANTONIO-FORT SAM HOUSTON, Texas – As installation garrison leaders continue to search for cost savings in today's uncertain fiscal environment, more are finding it in an unlikely source – their Government Purchase Card program administration.

Mission and Installation Contracting Command GPC program officials are helping ensure Army and federal customers across the country are capitalizing on available rebates through diligent

administration of their GPC accounts.

"Rebates are paid quarterly based on the volume of transactions for that quarter and timely payment," said Guy Hunneyman, a business manager with the MICC Oversight and Assessment Branch. "So the faster billing officials certify accounts and the bank is paid, the higher the rebate."

The GPC program allows individuals at the lowest level of government organizations and agencies greater efficiency in the procurement of commercial goods and services from merchants. With a single purchase limit of less than \$3,000, Hunneyman said

accounts typically generate rebates of 1 to 1.3 percent. Accounts that are delinquent get little or no rebate.

In fiscal 2012, the MICC managed more than 1.2 million GPC transactions valued at \$1.3 billion, said Gary Pinion, who leads a group of four business managers at the MICC headquarters. To date, GPC cardholders have made more than 525,000 transactions totaling more than \$575 million this fiscal year.

"When you consider the number of accounts to manage and installations across the continental United States, we're the largest Army GPC program," he said.

See REBATES, page 5.

SEQUESTRATION

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In his remarks to the panel, Conger underscored the negative effects of sequestration on facilities' sustainment and restoration accounts.

Because operation and maintenance dollars are more discretionary and thus more flexible, he said facilities' sustainment was cut more deeply to make up the difference.

"In FY '13 we are deferring all but the most critical repairs. We're deferring routine maintenance. We're holding off on major purchases and accepting risk by looking for building equipment to hold out longer," he said.

Frankly, the undersecretary said, "we can accommodate this for a short period of time but facilities will break if we short-change these accounts for multiple years. Building systems will begin to fail. The cost to repair broken systems is much higher than that to maintain them.

Keep in mind, he added, this includes more than 500,000 facilities and a plant-replacement value of more than \$800 billion. "If we don't invest in keeping it up, it will deteriorate and we will end up with a steady increase in failing or unusable facilities."

Hale said the department is still researching specific impacts of sequestration on military construction, but for those that so far are affected, "mainly Navy and defense-wide, we believe we can absorb most of the sequestration reductions with available ... savings. We don't intend to reduce the scope of any

construction projects. At least (right) now we don't believe that will be necessary."

The department also plans to minimize the number of projects deferred or cancelled as a result of sequestration, Hale said. "We will have to do a larger-than-normal number of reprogrammings, which will add to our work load and also to yours."

The proposed DOD base budget was built on several guiding principles, Hale said, in particular the need to continue to serve as good stewards of taxpayer dollars.

In that effort, he said, proposed initiatives range from health care and energy efficiency to weapon terminations, and include a new round of base realignment and closure.

To cut long-term costs we need to consolidate infrastructure and reduce it. The only effective way to do that is for Congress to authorize a new round of BRAC in 2015, the comptroller said.

ANNISTON

continued from page 3

"It is unbelievable to be your commander," said Nichols. "It is an honor I don't take lightly."

Nichols has worked throughout her time in command to tell the story of contracting, enabling the Soldiers and civilians who benefit to learn what it takes to get goods, services and parts where they need to be.

"As a service organization, you want your customers to be happy," said Nichols. "You also want your customers to appreciate what you do."

"BRAC does save money. We're saving \$12 billion a year from the past BRAC rounds," he said. "I hate to think what I'd be doing right now as comptroller of the Department of Defense if, especially in this environment, I had to find another \$12 billion of savings in the fiscal '14 budget."

The department needs congressional support, Hale said, "so we can make further cuts in infrastructure in 2015 and hold down the dollars the American taxpayers have to give us to meet their national security needs."

In addition to being good stewards of public funds, he said, "We are seeking to strengthen our alignment to the president's defense strategy that was announced last year. We also seek a ready force and try to put emphasis on people. But frankly, sequestration is seriously undermining both of those goals."

In addition to telling the story of contracting, Nichols hopes to educate Army installations and organizations, enabling them to manage contracts once they have been awarded.

"These are not our contracts. They are not your contracts," she told the Anniston employees. "We just help facilitate the process."

Following the town hall, several employees were recognized for their extraordinary service.

REBATES

Through the second quarter of this fiscal year, MICC GPC administrators have helped return more than \$6 million to its military and federal customers through rebates. This amount is trailing an annual trend of between \$15 and \$19 million in rebates.

“Rebates are down because we’re spending less; the sequestration is impacting everybody,” Pinion said. “So what we’re getting back in rebates and transactions is based on what’s being spent by the customers. As money is released, we’ll see spending go up and rebates increase if managed in a timely manner.”

In fiscal 2012, \$15 million was returned in GPC rebates. Although savings this year lag those from the previous year due to decreased spending, today’s budgetary conditions underscore a critical importance of realizing every potential savings opportunity and developing responsive contracting solutions.

The amount of rebates represents a little more than 75 percent of what is available, according to Pinion. If you do the math, approximately \$4 million in rebates go uncollected each year. Bringing greater emphasis to this oversight is a new approach of using big data.

GPC business managers at the MICC set out to first make the program more efficient by taking a closer look at activity across all of its account activity. They found that about half of the GPC card accounts were not necessary and instead posed an administration burden.

“We’ve been reducing the number of cardholders the last couple of years to make it lean by eliminating accounts that were excessive, duplicate and inactive,” Pinion said. “The fewer number of cards also make for less risk.”

An initial review of the program identified more than 30,000 cardholders and 15,000 billing officials, all administered by slightly more than 100 MICC personnel responsible for managing the day-to-day GPC operations. Following a scrub, Hunneyman said the number of active cardholders and billing officials were each reduced by 43 percent to less than 13,000 and about 6,500, respectively, with a negligible change in the spending activity.

During this process, they teamed with the MICC Knowledge Management

continued from page 4

Branch to create the Card Transaction Analysis Tool, or CATALYST, to analyze activity across the GPC Program.

“I saw the amount of data that was available to the GPC team and the possibility of creating such a tool,” said Harry Staley Jr., a procurement systems analyst with the knowledge management branch. We brought our skills together to develop this tool, because it was taking several weeks to conduct surveillance on GPC accounts.”

Staley added the no-cost, Microsoft Excel-based tool pulls information and reporting data at the U.S. Bank billing official level and applies MICC codes to yield more than a dozen reports that break down data to the major command, installation and cardholder levels, which prove vital in decision making. Due to its effectiveness and value in analyzing data at the installation level, he said the tool will be fielded to MICC contracting offices in the coming months.

“It identifies the types of business the transactions fall into as well as provides analysis breaking down the data - outlining delinquent accounts, inactive accounts, rebates, fraudulent, suspended, possible split purchases, contract opportunities, span of control, questionable spend patterns, top merchants and other reports giving the analyst the ability to uncover trends previously concealed,” Staley said.

See SAVINGS, page 8.

FURLOUGHS

“Still,” he said, “these steps have not been enough to close the shortfall. Each of the military services has begun to significantly reduce training and maintenance of non-deployed operating forces - steps that will adversely impact military readiness. And even these reductions are not enough. Since deeper cuts to training and maintenance could leave our nation and our military exposed in the event of an unforeseen crisis, we have been forced to consider placing the majority of our civilian employees on administrative furlough.”

The secretary said the budget “got to a point where I could not responsibly go any deeper.”

Hagel said the department will continue to work the budget in hopes of



(Photo by David San Miguel)

ACC-Redstone executive director bids farewell

During a farewell ceremony held at Redstone Arsenal, Ala., May 13, Michael R. Hutchison, Army Contracting Command deputy to the commanding general, presents Cathy Dickens with a commemorative plaque containing coins from ACC’s major subordinate organizations.

Dickens leaves ACC-Redstone as its executive director for an assignment as deputy to the commanding general, U.S. Army Aviation and Missile Command.

continued from page 1

finding more relief for the furlough.

“If we can do better, then we might be in a position to knock that back,” he said, emphasizing that he wasn’t making any promises.

Originally announced as 22 days of unpaid days off, Hagel said in late March that the number of days would be reduced to 14. The change followed congressional approval of a defense appropriations bill that prevented an additional \$6 billion in cuts, ordered under sequestration, from taking effect. The furloughs are set to expire at the end of the fiscal year.

Go to <http://www.dodlive.mil/index.php/2013/05/message-from-secretary-hagel-on-furloughs/> to read Hagel’s message.

Rising to the top of that heap was Staff Sgt. Miguel Martinez of the Mission and Installation Contracting Command Field Directorate Office-Fort Knox, Ky.

He beat out 11 other acquisition, logistics and technology contracting NCOs who hailed from as far away as Italy, Germany, Korea, Hawaii and various stateside installations to become this year's title-bearer.

A native of Inglewood, Calif., Martinez had only reclassified into the 51C career field in June 2012.

Previously, he served as a dental assistant, then NCO-in-charge of a dental clinic in Germany.

He now moves on to represent ACC in the Army Materiel Command's Best Warrior Competition at Rock Island, Ill., Aug. 19-22.

This year, competitors were required to complete the physical fitness test and 12-mile road march at their home stations and to forward the results to the graders at ACC headquarters. The formal boards and exams were evaluated through VTC.

First-time competitor and native of

Fayetteville, N.C., Staff Sgt. Lucinda S. Archer of the 414th Contracting Support Brigade, Vicenza, Italy, said the "NCO of the Year competition was one of the most challenging military events" she had ever encountered in the 14 years she's been in the Army.

"The toughest part of the competition by far was the road march," she said. "I had many from my unit out there supporting me. My battle buddy even got hurt but after all that was said and done; it showed me how to persevere and just keep going."

"The experience to me was very real and I was nervous every time I had to get in front of the camera," she said. "For those who want to participate in next year's event, my advice would be to please prepare yourself, physically train up for the road march and, as with any military board, make sure your uniform is squared away."

Staff Sgt. Gregory M. Graham, a native of Somerset, N.J., had only recently reported for duty with the 411st CSB, Osan Air Base, Korea, when he "jumped into the competition."

"Fortunately, I had just gotten done with the NCO of the Quarter boards with my previous unit, so I had already retained quite a bit of information," he said. "Competing via VTC, however, was extremely different, especially when the system was delayed or went down. I personally like to see the board members' reactions to better assess my situation and how I am doing. This made it a lot tougher."

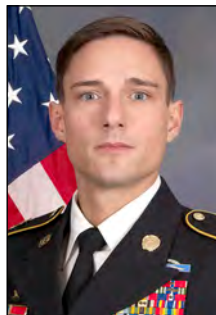
Nonetheless, Graham encourages anyone to compete.

"I challenge anyone to compete at these boards," he said. "They are a great way to put yourself out there and meet with senior leadership that you may not get to meet until later on. I did it within two weeks of becoming a contracting NCO, no one in the field knew me before. They will know me now, though."

The NCOY runner-up was Staff Sgt. Booker L. Jordan Jr., of the 409th CSB, Kaiserslautern, Germany; and third was Staff Sgt. Billy J. Carrillo of MICC-Joint Base Lewis-McChord, Wash.



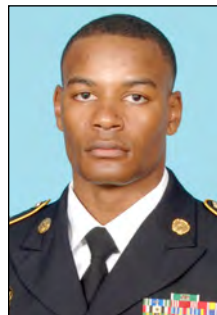
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414th CSB
Vicenza, Italy



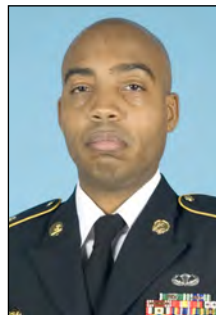
Staff Sgt. Joe Carrillo
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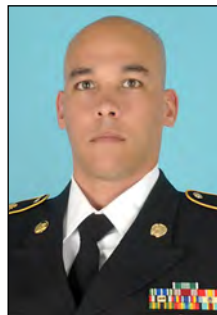
Staff Sgt. Lloyd C. Cueto
413th CSB
Fort Shafter, Hawaii



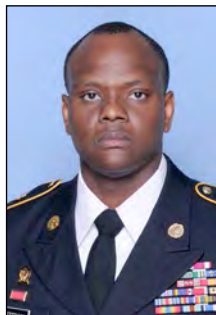
Staff Sgt. Desmond Culler Jr.
410th CSB
Fort Sam Houston, Texas



Staff Sgt. Daniel Dash
906th CCBn, 411th CSB
Camp Coiner, Korea



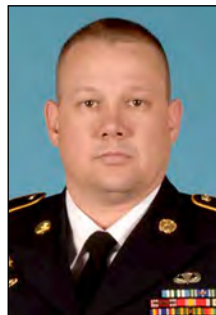
Staff Sgt. Gregory M. Graham
906th CCBn, 411st CSB
Osan Air Base, Korea



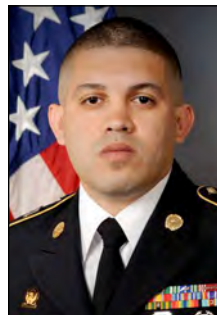
Sgt. 1st Class La Chad C. Jefferson
408th CSB
Shaw Air Force Base, S.C.



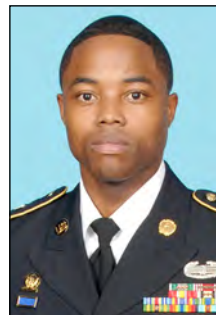
Staff Sgt. Booker L. Jordan Jr.
903rd CCBn, 409th CSB
Kaiserslautern, Germany



Staff Sgt. Justin J. Mansfield
918th CCBn
Fort Carson, Colo.



Staff Sgt. Miguel Martinez
MICC FDO-Fort Knox
Fort Knox, Ky.



Staff Sgt. Antonio D. McMillian
410th CSB
Fort Sam Houston, Texas

GPC business managers apply this data when engaging resource management personnel at the major command level to identify areas requiring attention. Their analysis is also communicated at the leadership level when the MICC commanding general meets with leaders throughout the Army.

“We can calculate best-case scenarios on the amount of potential rebates a major command could have received and the amount they have lost,” Hunneyman said. “Now that we can break everything out, we’ve got a better set of data to analyze and can provide more accurate information to resolve challenges all the while building better relationships with major commands.”

MICC leaders can also capitalize on the data analytics by gaining insight valuable in managing its GPC workforce at a time of declining resources. Following the activation of the MICC in 2009, the number of agency or organization program coordinators at the headquarters and across the command has grown in order to keep pace with administering the expanding number of

accounts fixed to the program.

The MICC’s primary supported activities include the U.S. Army Installation Management Command, U.S. Army Forces Command, U.S. Army Training and Doctrine Command, U.S. Army North, U.S. Army Reserve Command and the U.S. Army Medical Command. GPC Program administrators also support university ROTC detachments, recruiting centers and Military Entrance Processing Stations across the country.

“In order to fully manage our manpower, having the right number of cards out there allow us to have the right number of people out there,” Pinion said. “All of the inactive cards were giving a false manpower review.”

Most of the MICC program managers are dedicated to the GPC program full time, but often must rely on the assistance of analysts or other contracting personnel when the number of accounts they manage exceed a regulatory 300-to-1 ratio. Thus, larger installations that call for larger programs also require a greater number of billing officials and alternates.

A reduction in the number of cardholders can lead to a reduced workload and shift of manpower resources to other contracting priorities.

By leveraging the efficiencies gained through increased oversight and innovative tools, MICC officials hope to achieve 85 percent of all available GPC program rebates or greater. That command benchmark takes into account that some challenges leading to delays are beyond their control. Chief among those are hurdles with the General Fund Enterprise Business System, or GFEBES, which shares financial data across the Army; and a constant need for training resulting from personnel rotations.

“Training is critical not only for cardholders and billing officials, but also for our program coordinators as this process becomes more complicated and systems driven,” Pinion said. “Agency or organization program coordinators require a skill set of program management and oversight to manage those programs. That’s why it’s important that we get the right people at the right locations.”



ACC in the News

This article mentions Army Contracting Command.

PSI, government reach settlement in contract dispute

By Becky Purser

(Posted on *The Telegraph*, May 7, 2013)

Byron-based Pyrotechnic Specialities Inc. and the U.S. Army Contracting Command reached a verbal settlement Tuesday in a contract dispute over millions of dollars.

<http://www.macon.com/2013/05/07/2469707/psi-government-reach-verbal-settlement.html>

Faces of the Force: Working to ensure mission readiness

By Susan L. Follett and Tara A. Clements

(Posted on the U.S. Army Acquisition Support Center website, May 14, 2013)

From logistician to contracting officer, Master Sgt. Perryman’s drive is fueled by her passion to take care of Soldiers – providing them what they need, when they need it to accomplish the mission at hand.

<http://asc.army.mil/web/perryman-faces-of-the-force/>



Click on the image for ACC safety messages.

