



the voice of career federal executives since 1980

77 K Street N.E., Suite 2600 • Washington, D.C. 20002 • (202) 971-3300 • Fax (202) 971-3317 • www.seniorexecs.org

SAVINGS ACHIEVED BY 2015 PRESIDENTIAL DISTINGUISHED RANK AWARD WINNERS

DEPARTMENT OF DEFENSE: OFFICE OF THE SECRETARY

Shay D. Assad, Director, Defense Pricing, Defense Procurement and Acquisition Policy

Led the Joint Strike Fighter “should cost review” effort and negotiation of subsequent lots.	\$1 B
Developed action plan to achieve savings, through efficient contracting and acquisition actions, for FY10 and FY11.	\$15 B
Oversaw the development and implementation of a new contracting strategy for the FCS program, a strategy which also enabled the Army to salvage elements of the FCS program that could be fielded.	\$100 M
Intimately involved with the F/A18 and Multi-Year and JSF LRIP 4 negotiation teams.	\$200 M
Leadership in the development and successful execution of the KC-X acquisition strategy, the largest contract (\$30 billion) ever awarded in DOD history. Savings achieved by conduct of the competition:	\$5 B
Developed and implemented in concert with the Director of the Defense Contract Management Agency a new centralized contract pricing capability for use by all contracting officers in the field. Savings for future years are projected in the billions.	\$200 M
Working with the Air Force, oversaw the negotiation of two major procurements associated with the DOD Space program (Advanced Extended High Frequency Satellite and the Evolved Expendable Launch Vehicle Program).	\$3.8 B
Developed and implemented throughout DOD the Peer Review process which requires cross-service critical reviews of all contracts with an estimated value of \$1B or more. In 2012 the review threshold requirement was lowered to \$500 M. Savings from the avoidance of scores of procurement protests.	\$2 B

David W. Duma, Principal Deputy Director, Operation Test and Evaluation

Since 2008, the bilateral agreements he negotiates and managed have brought in savings from allied use of DOD test facilities and promoted sharing of test data, which has reduced DOD costs.	\$32 M
---	--------

Since 2011, reviewed contract support services and effectively obtained additional government billets for what he identified as inherently governmental work. Savings resulting from having reduced the contractor support workforce from 45 to 11. \$9.5 M

Teresa A. McKay, Director, Defense Finance and Accounting Service

Led DFAS completion of the Base Realignment and Closure process in 2010 and accomplished those objectives under budget. \$14 M

In response to Secretary of Defense's Efficiency Initiative, challenged her workforce to solicit ideas for cost savings opportunities and realized additional savings. \$196 M

Led acceleration of DFAS effort to apply Lean Enterprise and Six Sigma tools, methodologies and philosophy to make process improvements, increase efficiency and reduce costs, resulting in completion of over 1131 green and black belt projects. \$200 M

Led DFAS' successful implementation of a Business Activity Monitoring tool to monitor vendor pay systems to detect and prevent illegal, improper or unusual transactions. Since inception, BAM detected over 50,000 potential improper payments. \$9 B

Created an effective financial management presence in theater, implementing ITS.gov to increase payments using Electronic Funds Transfer, promoting use of the DOD cash card, and moving all contract payments greater than \$3K to the DFAS site in Rome, NY. Her efforts reduced the cash on the battlefield from \$1.3 billion at the start of 2010 to less than \$200,000 in December 2012. Savings in reduced Treasury borrowing costs: \$1.7 M

Jointly established with the Army an Expeditionary Support Organization to staff, train and deploy financial subject matter experts to South West Asia. Led the effort to increase civilian staffing levels in Afghanistan. DFAS-led team was instrumental in identifying funds for de-obligation. \$355 M

Established a similar Vendor Pay Support Cell in Afghanistan, increasing vendor pay timeliness with a quarterly cost avoidance of \$412 thousand. \$1.6 M/yr

Took aggressive action to increase use of eCommerce in Contract and Commercial Pay and secured productivity increases. \$27.3 M

Led the utilization of myPay, a secure web-based application, to make leave and earning statements available electronically. \$3 M

Allen Middleton, Deputy Director, Defense Health Agency

Led the development of 10 shared services from common functions across Army, Navy and Air Force medicine. In their first year the DHA achieved cost savings and paid for initial investments in FY 2014, with a net savings: \$236 M

Led all healthcare budget efficiency efforts in DoD. \$1 B

For the Task Force on Governance of the Military Health System, led initial strategic meetings and was instrumental in shaping the final report that will result in sweeping organizational changes in military medicine. \$200 M/yr

Steven R. Miller, Director, Advance Systems Cost Analysis Division

Developed innovative and creative Evolutionary Acquisition for Space Efficiency initiative in 2009 to procure satellite systems at lower costs. Air Force implemented EASE in 2012, subsequently achieving savings in 2013 in contracting for two satellites in the Advanced Extremely High Frequency program. \$1.9 B

In 2014 EASE provided savings in the Air Force's Space-Based Infrared System program contracts for two satellites. \$1.3 B

Led the analysis of capability/cost trades to define alternatives to reduce the cost of the Ohio replacement ship from the initial Navy estimate of about \$15 billion per ship. Showed that Navy could pursue the Ohio Replacement program submarine with an average procurement unit cost of about \$11.5 billion per ship. Navy intends to buy 12 of these ships. \$40 B

Proposed a groundbreaking initiative in which DOD would work with private sector firms in the US space industrial base to collect information on workforce demographics to provide insight into the capabilities of each firm. In return, participating firms would gain insight into the Department's planning for future space programs. As a result of the knowledge gained from this effort, along with use of creative acquisition strategies and contracting techniques, DOD achieved savings in the latest procurement contracts for a block-buy of the Evolved Expendable Launch Vehicle program for launch of satellite systems. \$1.5 B

DEPARTMENT OF DEFENSE: DEPARTMENT OF THE AIR FORCE

**Michael A. Gill, Executive Director, Air Force Materiel Command
Wright-Patterson Air Force Base**

Planned and executed the largest reorganization of a Major Air Force Command in 20 years, consolidating the organizational structure of the Command from 12 Centers to five, and reducing manpower by more than 1,000 personnel. \$100 M/yr
\$6 B
Additional cost savings and efficiencies.

Established a Center-level services office and launched a \$5B acquisition to merge all advisory and assistance services support across the Center's 77 locations. Partnered with GSA to change their strategic sourcing contract to accommodate total small business award strategy for the AF efforts. \$8 M

As Director of Contracting at Headquarters Air Force Materiel Command, drove the development and deployment of a predictive scheduling tool that enabled insight and tracking of service contracts valued at \$160 B. Reduced the threshold for use from \$100M to \$100K, gaining visibility into over 640 service contracts. Reduced the number of contracts from 57 to 1. \$18 M

Yielded additional savings by closing out 1,700 other contracts.

Richard K. Hartley, Assistant Deputy Chief of Staff of the Air Force for Strategic Plans and Requirements

Conceived and initiated first of its kind sophisticated affordability analysis, integrating cost/engineering trades to drive unaffordable requirements out of acquisition programs, including cutting excess capabilities cut from the Space Fence program.

\$4 B

Built the premier DoD weapons system total ownership cost database to curb persistent life cycle cost growth. From 2008-2012, database operations were consolidated.

\$150 K/yr

Led the AF “should-cost” charge to reduce major acquisition program contract cost.

Evolved Expendable Launch Vehicle
F-35 fighter low-rate production

\$2 B
\$200 M

In 2011, led a task force that produced 8 complex business case analyses of AF-wide information technology, generating savings over 5 years:

\$1.3 B

Initiatives led to the highest ever AF acquisition portfolio probability of success, with cost growth risk down \$19B across an \$87B portfolio, a 90% decline in five years. A 2012 Rand Corporation study and Institute for Defense Analysis study indicated savings of up to 8% of program acquisition costs by avoiding cost growth due to unrealistic estimates.

\$2 B/yr

Marilyn M. Thomas, Director, Business Transformation and Deputy Chief Management Officer, Headquarters

Galvanized the Secretary of the Air Force campaign to “Make Every Dollar Count,” spearheading 13 initiatives, ranging from better contract price negotiation, improved energy usage, an Airmen innovation program, improved supply chain management and more aggressive audit follow-up.

\$1 B

Supported Planning, Programming, Budgeting and Execution by chartering a cross-functional group to review the entire end-to-end process and systems used to support PPBE. The effort allowed the Air Force to terminate an antiquated system, while streamlining processes and utilizing a modernized system that had already been developed by the Department of the Treasury.

\$3 M/yr

DEPARTMENT OF DEFENSE: DEPARTMENT OF THE ARMY

John B. Nerger, Executive Deputy to the Commanding General, U.S. Army Materiel Command

Brought best business best practices into the Army’s portion of the industrial base (repair, manufacturing and ammunition production centers) to create a continuous process improvement culture, with savings resulting (2012-2014) from thousands of lean six sigma events.

\$0.8 B

and savings as a result of value engineering:

\$2.1 B

Led multiple transformational reorganizations, chief among them moving 93 stand-alone base-level logistics elements from another Army organization into the Army Materiel Command, where he unified them into a single organization while driving costs down.	\$200 M
Developed plans to reduce all headquarters staffs by 25% over 5 years and oversaw consolidation of contracting elements across the country, including closing a district office.	\$13 M/yr
Led efforts to move equipment out of the Kuwait desert into leased space, saving caretaker costs.	\$274 M
Scaled back contracts by 40% (\$465 to \$279 million) after instituting contract review boards and directed all military bases to review active service contracts.	\$50 M

DEPARTMENT OF ENERGY

Jack R. Craig, Jr., Director, Environmental Management Consolidated Business Center

As the Director of the Federal Environmental Management Project (FEMP), developed a competitively awarded Cost-Plus Incentive Fee site closure contract, improving performance through Integrated Safety Management systems, worker involvement, and enhanced work planning. Established a Stakeholder Involvement Program. Savings on the successful FEMP cleanup and closure in 2006, years ahead of schedule.

\$4 B

As the Ohio Field Office Deputy Manager, led initiatives and developed strategies which accelerated schedule and reduced the cost of cleanup at five DOE field sites. Initiatives included: reducing project overhead activities and streamlining Environmental Safety and Health and regulatory requirements, developing contract strategies which focused on project acceleration and risk reduction, developing fee incentives for the 5 sites.

\$5 B

Steven C. Erhart, Manager, National Nuclear Security Administration Production Office

To facilitate the consolidation of the Pantex and Y-12 contracts, successfully completed the merger of the former Pantex Site Office and the Y-12 Site Office.

\$1 B

Transformed and unified the NNSA Production Office into a single lean organization with a common set of goals, expectations, and policies, with 25% less staff, with annual savings in salaries, benefits, travel, and support service contractor costs.

\$7 M/yr

Dennis Miotla, Chief Operating Officer and Acting Principal Deputy Assistant Secretary, Office of Nuclear Energy

Conceptualized and directed a third-party construction strategy that added over 300,000 square feet of new, award winning, energy efficient laboratory space to the Idaho National Laboratory, valued at approximately \$130 million, at essentially no cost to the government.	\$130 M
Negotiated and executed a five-year laboratory contract extension that will save in award fees.	\$12.5 M
Responsible for managing the achievement of cost savings and cost avoidances in the Idaho National Laboratory contract that involved restructuring pension plans, negotiating longer term union contracts, renegotiating site service agreements, and managing several targeted reductions in force.	\$270 M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Jane A. Axelrad, Associate Director for Policy, Center for Drug Evaluation and Research, Food and Drug Administration

Leadership in the successful negotiation and implementation of the Prescription Drug User Fee Act. Savings – in FY13 alone – from the revenue stream from this law and the system she established:	\$725 M
--	---------

Dr. Patrick H. Conway, Deputy Administrator for Innovation and Quality and Chief Medical Officer, Centers for Medicare and Medicaid Services

Led the national multi-billion dollar Quality Improvement Organization program which reduced Medicare beneficiary admissions and readmissions to the hospital through better care coordination.	\$1 B
Led the first major redesign of the over 30 year-old program to increase the competition for contracts.	\$200 M
Launched over 20 major service delivery models, including the Pioneer accountable care organization program. Year one savings from that program: Year two savings:	\$100 M \$100 M

DEPARTMENT OF HOMELAND SECURITY

Thomas D. Homan, Executive Associate Director for Enforcement and Removal Operations, US Immigration and Customs Enforcement

In response to record surges in illegal border crossings by Central Americans in the Texas Rio Grande Valley, immediately responded and worked with the governments of Honduras and Guatemala to establish Pilot Initiatives to speed the removal process. This streamlined process significantly decreased the time these nationals were detained prior to removal from a national average of approximately 30 days to less than 5 days, freeing up detention space for other illegal border crossers. Savings in the first year: **\$75 M**

Kevin K. McAleenan, Deputy Commissioner, US Customs and Border Protection

Led automation of the DHS Arrival/Departure Record, a form used by over 25 million travelers a year. CBP now captures travelers' arrival and departure information automatically from their electronic travel records, decreasing the time spent processing visitors by an average of 6 seconds per visitor, eliminating data entry processing cost. **\$12 M**

In pre-clearance, CBP inspections are performed within foreign nations, through Bilateral Agreements between the US host countries. McAleenan recognized that preclearance operations funded by a reimbursable agreement in place between the United Arab Emirates and the US would provide substantial security, capacity, and resource benefits for CBP. Under his reimbursement model, since its inception in January 2014, CBP's preclearance operations in Abu Dhabi have intercepted over 577 individuals who were inadmissible to the US, resulting in direct cost savings: **\$1.4 M**

DEPARTMENT OF THE INTERIOR

James W. Kurth, Chief, National Wildlife Refuge System

Invested approximately \$5 million annually for Refuge System staff to coordinate volunteers, resulting in donated services worth: **\$31 M**

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

William H. Gerstenmaier, Associate Administrator, Human Exploration and Operations Directorate

Led an intensive agency technical and programmatic review process to replace Constellation with a new effort aimed at returning American and international partner astronauts to deep space faster at significantly less cost. Re-organized existing exploration development efforts around three programs based at 3 NASA Centers under the leadership of a Headquarters Exploration Systems Development office. A small office was established at headquarters to perform the day-to-day management of the portfolio of each Center's contracts. Savings in integration overhead cost: **\$100 M**

SOCIAL SECURITY ADMINISTRATION

Nancy A. Berryhill, Deputy Commissioner for Operations

Led the implementation of the <i>my Social Security</i> portal, a platform for self-service for the public, then worked to increase the number of online services provided. To date, SSA has redirected 2.2 million workload actions from local field offices to online services, saving staff resources.	\$11.6 M
Directed the consolidation of 19 field offices, reducing the agency's footprint by 313,000 square feet.	\$79 M
Opened Cooperative Disability Investigation units across the nation. Through September 2014, projected savings to SSA's disability programs and projected savings to non-SSA programs:	\$2.8 B \$1.9 B
Established national "Fraud Prevention Units". In the first year of operation, the unit found overpayments, saving:	\$102 M
Since May 2013, the fraud detection protocols embedded in the <i>mySocial Security</i> portal intercepted more savings from identifying attempted direct deposit fraud And approximately 3000 suspicious internet claims were identified, intercepted and referred for investigation. Savings from claims not paid:	\$33 M \$7 M
Implemented the "Regional Shared Service" concept, under which two regions are paired to support each other with specific workloads. Savings in salary cost:	\$1.6 M
<hr/>	
GRAND TOTAL	\$121 B