

Enid News & Eagle

New Offer on Vance Simulator Instruction on the Table

By *Jeff Mullin, Senior Writer* *September 22, 2010*

ENID — The battle to keep the Air Force from converting contract simulator instructors at Vance Air Force Base to government employees continued Wednesday with a new offer from the contractor's parent company.

Kevin Denny, vice president for contracts for URS Federal Support Services, parent company of Lear Siegler Services, sent a letter to Stephen Pritchett, contracting officer for Air Education and Training Command, offering to reduce its bid to continue providing simulator instruction at Vance and four other Air Force training bases.

“URS will reduce our Firm-Fixed Price by \$1.4 million annually, which equates to a total savings of \$7 million over a five-year period,” the letter reads. “In addition to these reductions, we commit to an additional \$600,000 of annual reductions, bringing the total annual savings to \$2 million, and an effective five year-savings of \$10 million.”

The letter goes on to say the savings can be accomplished “without impacting employee wages/security.”

During a visit to Enid Monday, Garry Richey, AETC director of logistics, installations and mission support, met with state Sen. Patrick Anderson, R-Enid, and said the decision to in-source the contract simulator instructor jobs was strictly driven by economics.

Richey told Anderson the Air Force would save \$6.9 million over five years by converting the simulator instruction positions to government service jobs. However, in an e-mail to Jeremy Hayes, an aide to Oklahoma Sen. Tom Coburn who is dealing with the in-sourcing issue, Denny pointed out \$5.6 million of that involves training at Sheppard AFB, Texas, home of the Euro-NATO Joint Jet Pilot Training Program. NATO reimburses the U.S. government for that training.

Thus, the Air Force projects \$1.3 million in savings at Vance, Columbus AFB, Miss., Laughlin AFB, Texas, and Randolph AFB, Texas, if the in-sourcing continues as planned.

But according to documents from URS, the government has overstated the cost of continuing with contract simulator instructors as opposed to government employees.

For the last six months of fiscal year 2010, the government estimated the cost of the URS LSI-employed instructors at \$22.3 million. The actual delivery order issued by the government for Vance, Columbus, Laughlin and Randolph shows a cost of \$18.9 million, a difference of some \$3.4 million.

For fiscal year 2011, the government estimated URS' cost at \$46.6 million. According to the contract

and the 2010 level of service, URS shows a cost of \$37.8 million for FY11, a difference of \$8.9 million.

Over the four and one-half years considered under the government's analysis, the URS document states, the government has overstated projected savings from in-sourcing the simulator instructor jobs by some \$40 million.

"So the only logical conclusion is that the government is about to make a \$40 million mistake and lower the level of service to the Air Force at the same time," Denny wrote.

Anderson said he contacted Hayes, who was scheduled to meet with Air Force officials Wednesday afternoon.

"I am very encouraged that we've got an opportunity here to solve this problem," Anderson said, "and in a way that everyone achieves a positive outcome. It allows the Air Force to achieve its cost reduction objective, the taxpayers benefit through lower cost and the employees and their families benefit because they have certainty about their employment futures. And the community benefits because there will not be a reduction in the incomes of these employees."

Lear Siegler Services, which employs some 400 simulator instructors throughout AETC, was informed in December the company's three-year contract, which expires at midnight Sept. 30, would not be renewed and the jobs converted to government service. This happened under the auspices of Resource Management Decision 802, announced by Defense Secretary Robert Gates in early 2009, which called for hiring 34,000 new civil service workers in place of contractors over the next five years.

Simulator instructors at Vance and other undergraduate pilot training bases were told they would have to re-apply for their jobs and there was no guarantee they would be re-hired. Some 10 percent of the 85 instructors and support personnel under the current LSI contract have not been re-hired. Those who have will take an average pay cut of \$18,000, according to Vance sim instructors, which will have an estimated negative economic impact on Enid of \$1.5 million to \$2 million annually.

"I cannot imagine how the Air Force can say they will not accept this particular offer," Anderson said. "It would make no sense. They told us the issue is totally cost-related. If we found a way to save more money than they can save themselves, and keep the system in place that has been in place for the past 20 years, how could they not accept that?"