DoD VPP CX

Development, Validation, Implementation and Enhancement of a Voluntary Protection Programs Center of Excellence (VPP CX) Capability for Department of Defense (DoD)

Why VPP is Important To DoD

DoD Day at BAE Systems Ship Repair Facility

April 2, 2009 San Diego, CA

DoD Lead Agent:
Office of the Assistant Secretary of the Army (Installations and Environment)

Department of Defense
Voluntary Protection Programs
Center of Excellence

Operated by:

CTC Concurrent Technologies Corporation

Why is VPP Important to DoD?

- Preventable injuries and illnesses cost the DoD an estimated $10 to $21 billion annually, according to the National Safety Council
- VPP chosen due to proven mishap and worker's compensation claim reductions in both private and federal sectors

"We can no longer tolerate the injuries, costs and capability losses from preventable accidents"

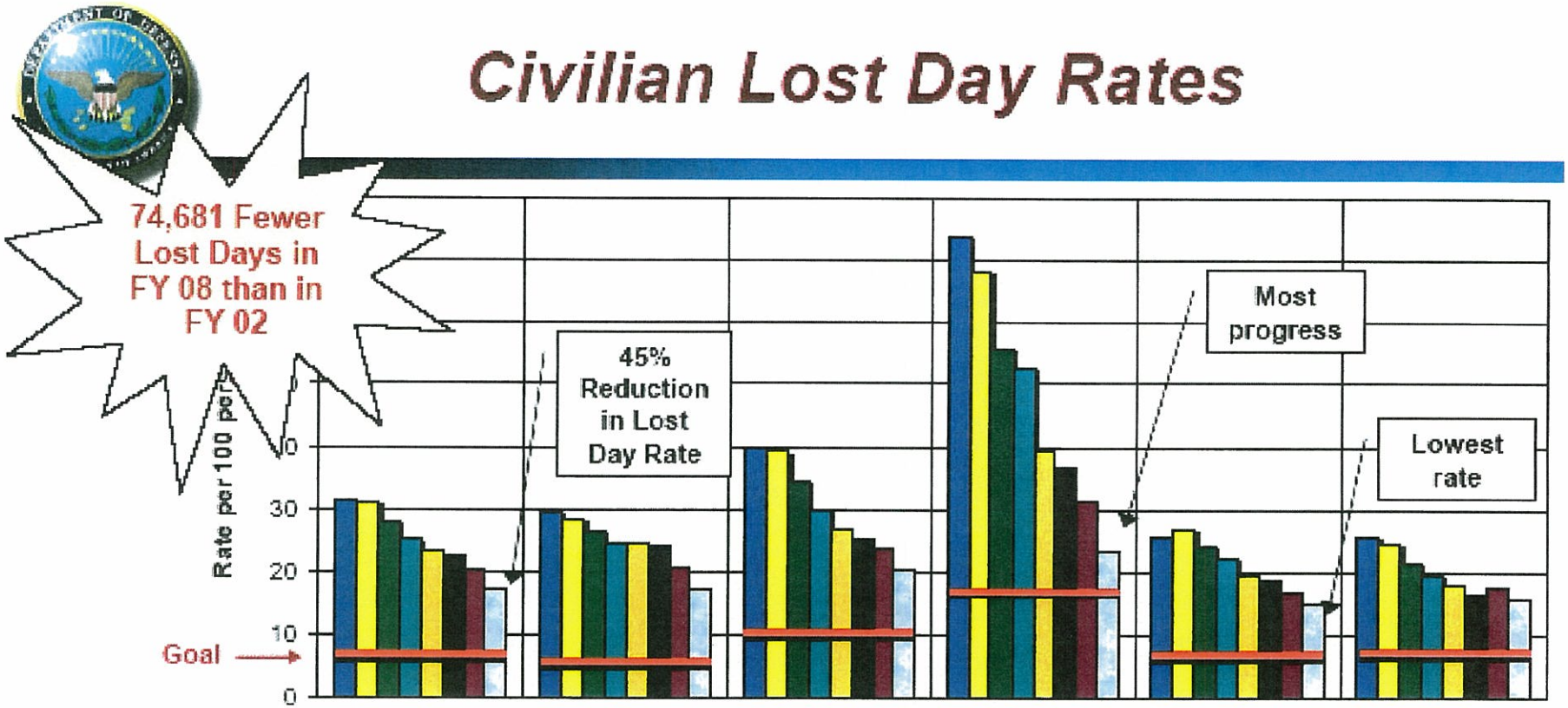
- Secretary of Defense, Robert Gates, May 30 2007

Department of Defense VPP

- Cornerstone of our DoD installation/industrial site mishap prevention effort
- Center of Excellence provides synergy for rapid pursuit of VPP

- Services partnering with OSHA
- "Volunteered" over 135 sites
  - Pursuing ~40 new sites per year
  - Potential 300+ additional sites
- DoD Star sites: Total 21 to date; Expect 36+ by end of FY09

Civilian Lost Day Rates



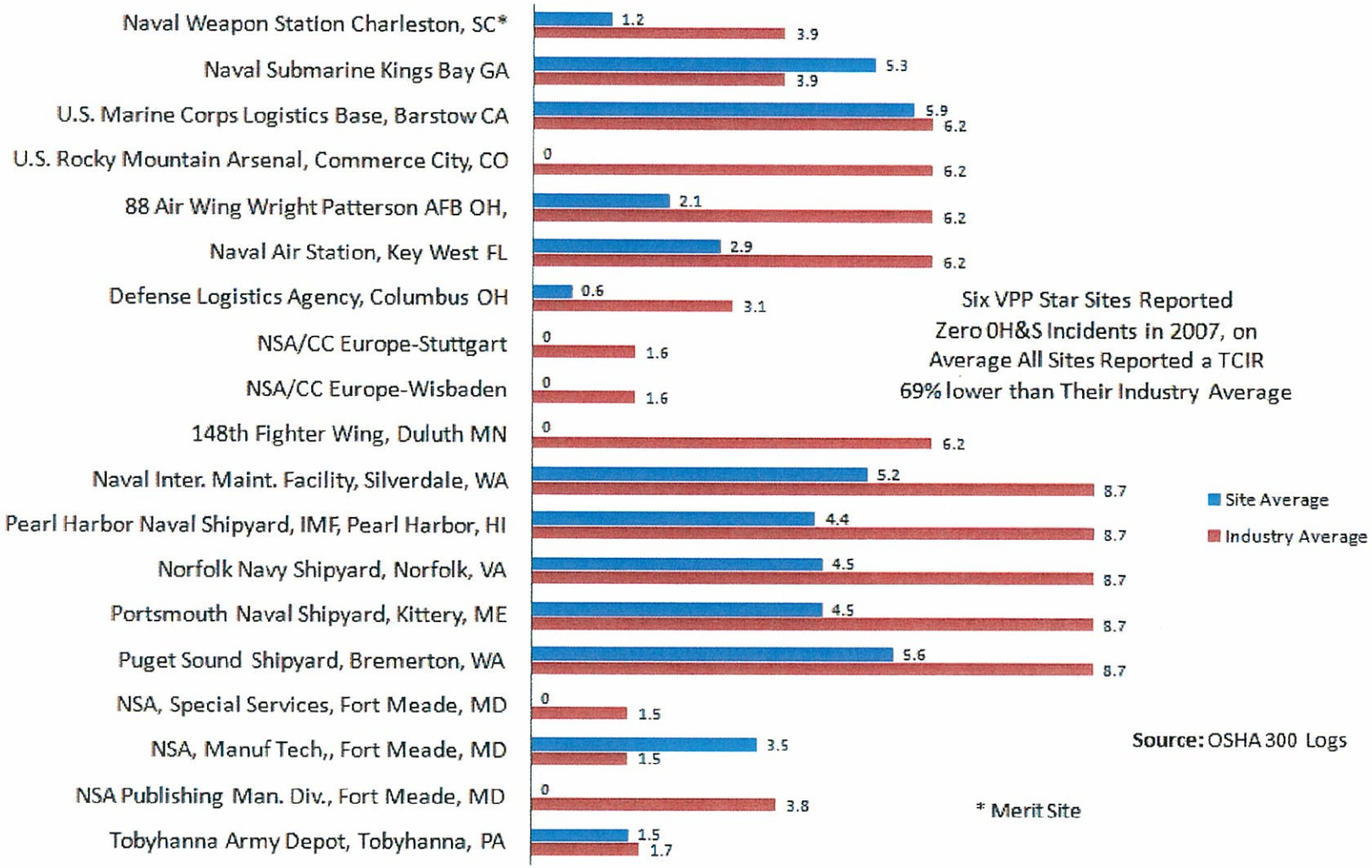
	DoD	Army	Navy	USMC	AF	Agencies
Baseline FY 02	31.5	29.3	39.8	73.8	25.6	25.6
FY 03	31.1	28.3	39.4	68.0	26.9	24.5
FY 04	27.9	26.3	34.7	55.8	24.1	21.5
FY 05	25.2	24.6	29.9	52.6	22.1	19.5
FY 06	23.4	24.7	26.9	39.6	19.4	18.0
FY 07	22.5	24.2	25.4	36.7	18.6	16.5
FY 08	20.4	20.8	23.6	31.4	16.7	17.5
FY 09 (December 20)	17.3	17.1	20.3	23.2	14.9	15.6
Reduction to Date	45%	42%	49%	69%	42%	39%

Source: DMDC/DFAS pay records. days lost per 100 employees per year.

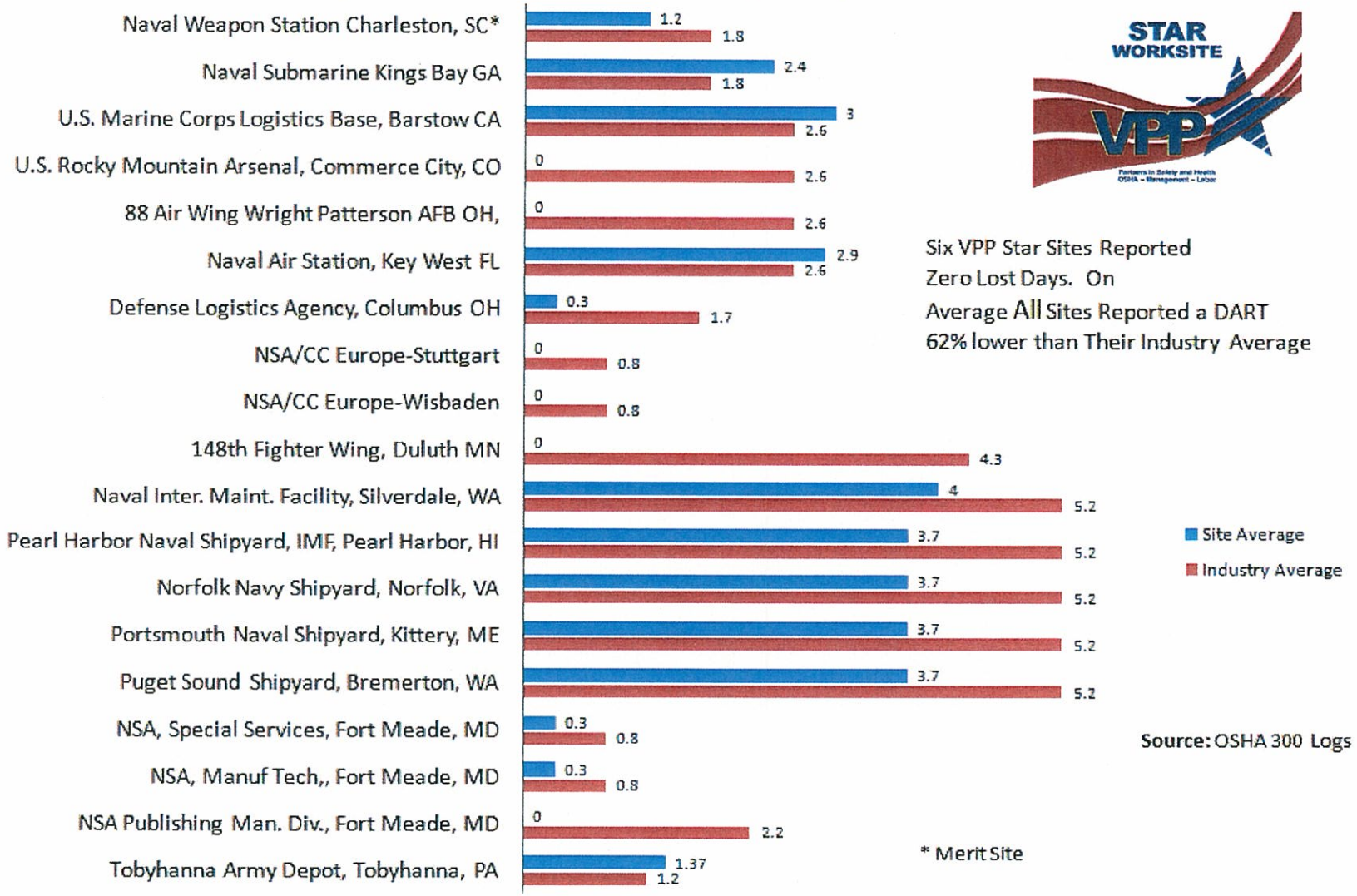
DoD Experience to Date

- Twenty-one DoD activities, including two GOCOs, have received STAR Recognition through the end of November 2008
- Star Sites averaged 69% lower incident rates and 62% Lower Lost Work Day Rates (Source: OSHA)
- In Next twelve months 15 additional STARs are expected
- Those nearing STAR status have shown comparable reductions to previous STAR sites in Incident Rates and Lost Work Days
  - All VPP participants experiencing positive rate trends

Total Case Incident Rate (TCIR) DoD STAR Sites 2007
(Excludes GOCO sites)



Days Away, Transferred or Restricted (DART) DoD STAR Sites 2007



STAR WORKSITE VPP

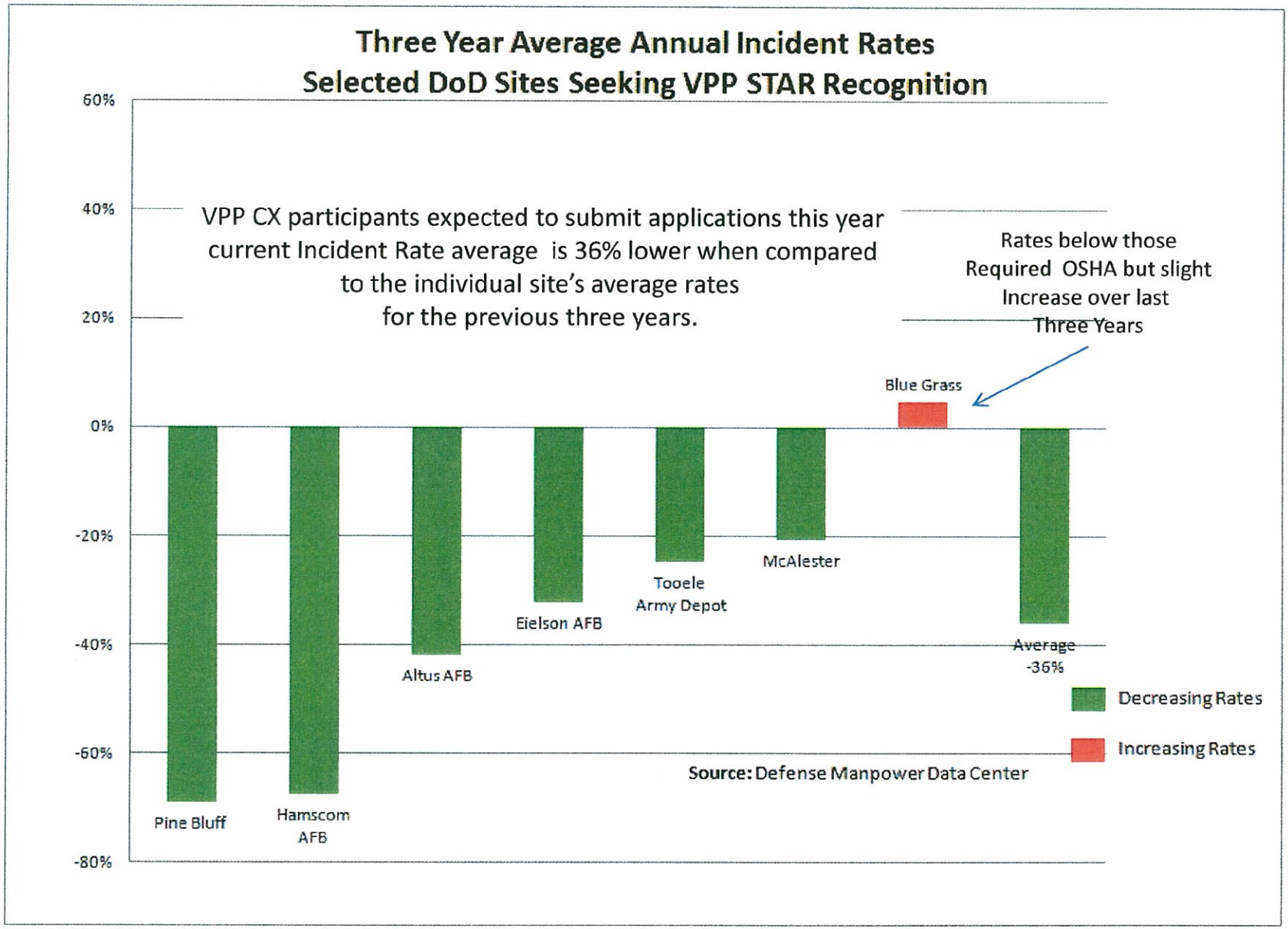
Six VPP Star Sites Reported Zero Lost Days. On Average All Sites Reported a DART 62% lower than Their Industry Average

Source: OSHA 300 Logs

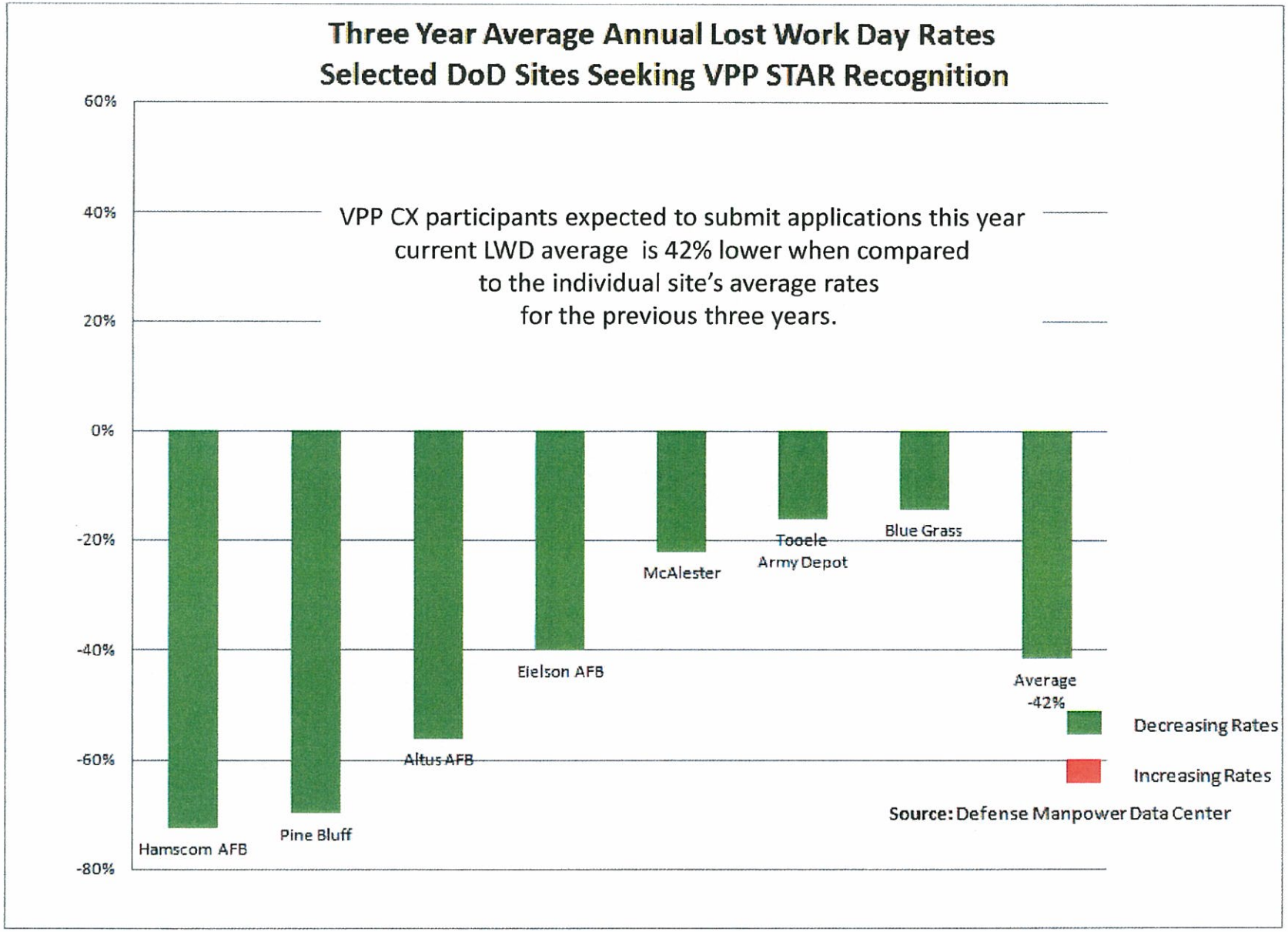
* Merit Site

DoD VPP Star Sites

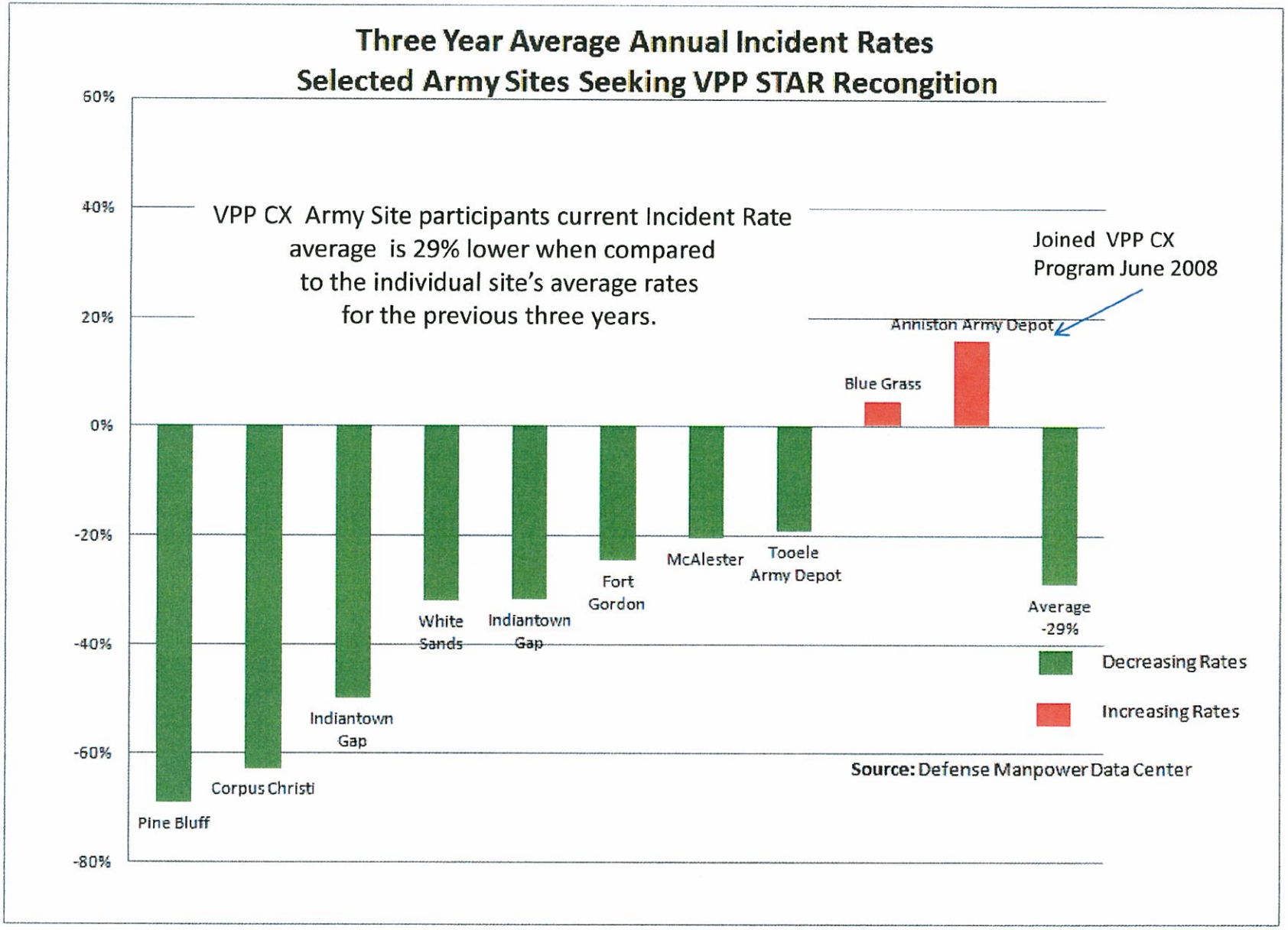
ARMY	NAVY	Marine Corps	Air Force	Defense Agencies
Tobyhanna Army Depot	IMF Pacific Northwest	MCLB Barstow	AFNG 148th Fighter Wing	NSA Ft Meade Publishing Management Division
Umatilla Government Owned Contractor Operated (GOCO)	NSY Puget Sound		88th Air Base Wing	NSA SSD Ft Meade
Anniston GOCO	NSY Pearl Harbor			NSA MTSO Ft Meade
Rocky Mountain Arsenal (2)	NAS Key West			DLA Columbus
Fort Indiantown Gap	SB Kings Bay			NSA Wiesbaden APO AE
	NSY Portsmouth			NSA Stuttgart APO AE
	NSY Norfolk			
	NWS Charleston (Merit Site)			


Three Year Average Annual Incident Rates
Selected DoD Sites Seeking VPP STAR Recognition
60%
40%
20%
0%
-20%
-40%
-60%
-80%
VPP CX participants expected to submit applications this year current Incident Rate average is 36% lower when compared to the individual site's average rates for the previous three years.
Rates below those Required OSHA but slight Increase over last Three Years
Blue Grass
Pine Bluff
Hamscom AFB
Altus AFB
Eielson AFB
Tooele Army Depot
McAlester
Average -36%
Decreasing Rates
Increasing Rates
Source: Defense Manpower Data Center

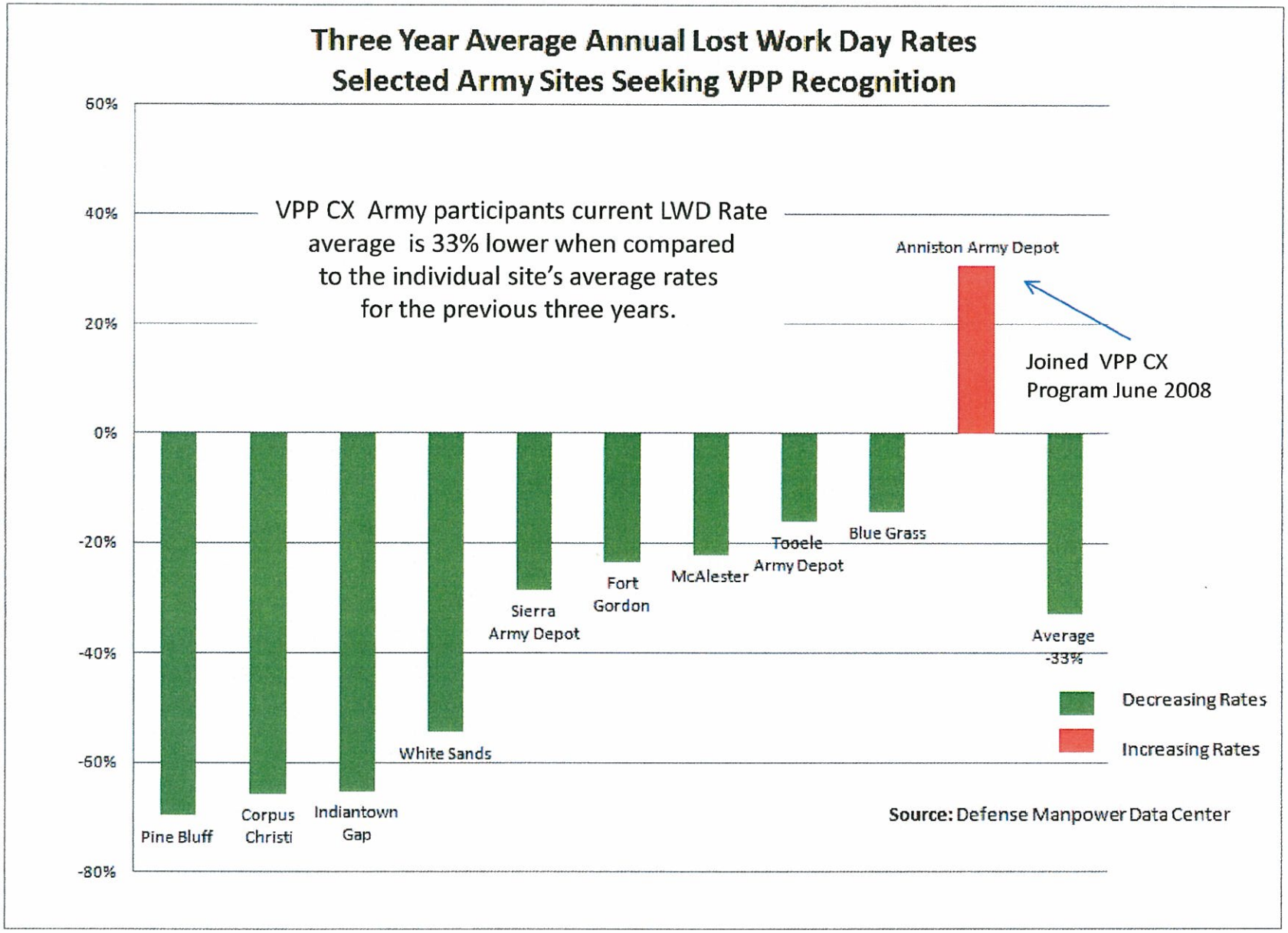
FY05-FY08


Three Year Average Annual Lost Work Day Rates
Selected DoD Sites Seeking VPP STAR Recognition
60%
40%
20%
0%
-20%
-40%
-60%
-80%
VPP CX participants expected to submit applications this year
current LWD average is 42% lower when compared
to the individual site's average rates
for the previous three years.
Hamscom AFB
Pine Bluff
Altus AFB
Eielson AFB
McAlester
Tooele
Army Depot
Blue Grass
Average
-42%
Decreasing Rates
Increasing Rates
Source: Defense Manpower Data Center

FY05-FY08


Three Year Average Annual Incident Rates
Selected Army Sites Seeking VPP STAR Recongition
60%
40%
20%
0%
-20%
-40%
-60%
-80%
VPP CX Army Site participants current Incident Rate average is 29% lower when compared to the individual site's average rates for the previous three years.
Joined VPP CX Program June 2008
Anniston Army Depot
Blue Grass
Pine Bluff
Corpus Christi
Indiantown Gap
White Sands
Indiantown Gap
Fort Gordon
McAlester
Tooele Army Depot
Average -29%
Decreasing Rates
Increasing Rates
Source: Defense Manpower Data Center

FY05-FY08

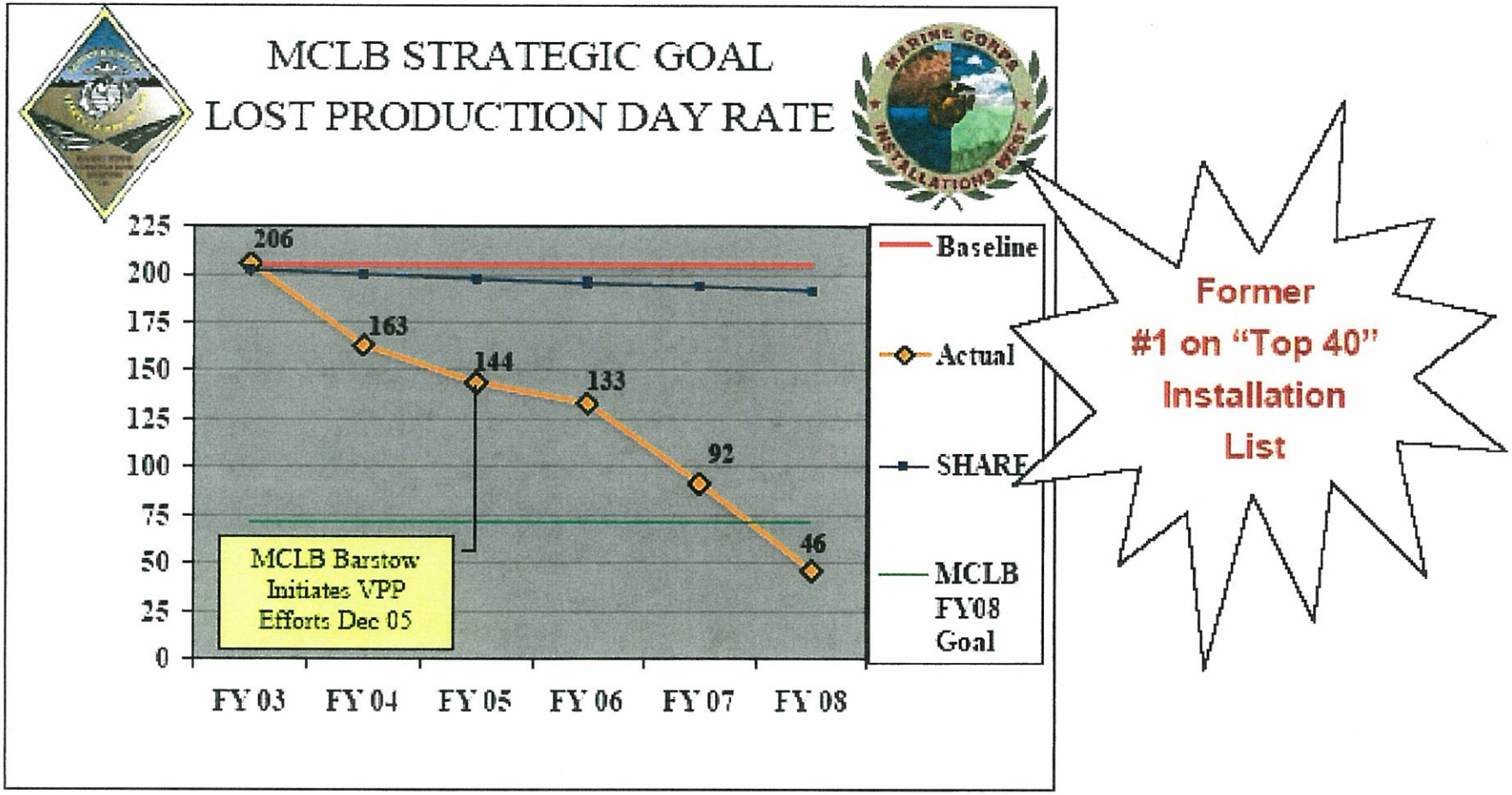

Three Year Average Annual Lost Work Day Rates
Selected Army Sites Seeking VPP Recognition
60%
40%
20%
0%
-20%
-40%
-60%
-80%
VPP CX Army participants current LWD Rate average is 33% lower when compared to the individual site's average rates for the previous three years.
Anniston Army Depot
Joined VPP CX Program June 2008
Pine Bluff
Corpus Christi
Indiantown Gap
White Sands
Sierra Army Depot
Fort Gordon
McAlester
Tooele Army Depot
Blue Grass
Average -33%
Decreasing Rates
Increasing Rates
Source: Defense Manpower Data Center

FY05-FY08

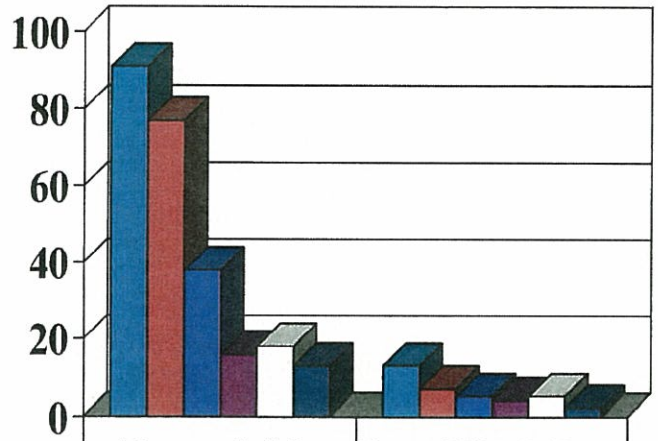
From Worst to First

The Barstow Experience

"VPP is worth the investment... If you already have compliant Safety Programs, you are two-thirds there." **Commander MCLB Barstow, July 2008**



Return on Investment



	Recordable Mishaps	Lost Work Day Cases
2002	91	13
2003	77	7
2004	38	5
2005	16	4
2006	18	5
2007	13	2

VPP Business Case

- **Civilian Employee workplace injuries cost:**
  - 157,337 lost work days cost $190.4M in FY 2002
  - 74,681 fewer days is $90.3M saved in FY 2008
- **VPP sites have changed their culture to focus on injury prevention**
  - $5M to operate a VPP center of excellence
    - $125K per site
    - Small in comparison to the $57B civilian pay account
  - Overall VPP Star Site experience:
    - Over 60% Reduction In Injuries And Illnesses
    - 20% Reduction In Worker's Compensation Costs
    - 132:1 Return On Investment

Return on Investment

Estimated Annual Cost Avoidance $16.5MM and ROI of 13.2

	FY05 Est. Total Cost of Incidents	FY05 Est. Total Lost Wages	FY05 Est. Total Cost	Three Year Average Reduction		Estimated Annual Cost (Avoidance) - Incidents	Estimated Annual Cost (Cost Avoidance) - Lost Work Days	Estimated Annual Total Cost (Cost Avoidance) from Reduction in Rates	FY08 Est. Return on Investment
				Incidents	LWD				
Pine Bluff	$ 11,259,101	$ 1,296,199	$ 12,555,300	-69%	-70%	$ (6,870,755)	$ (905,902)	($7,776,657)	62.2
Tooele Army Depot	$ 11,892,996	$ 1,353,477	$ 13,246,472	-25%	-16%	$ (2,701,123)	$ (218,409)	($2,919,532)	23.4
Corpus Christi	$ 3,612,118	$ 461,369	$ 4,073,487	-63%	-66%	$ (1,963,814)	$ (304,405)	($2,268,219)	18.1
White Sands	$ 4,727,582	$ 735,746	$ 5,463,328	-32%	-55%	$ (1,111,830)	$ (401,491)	($1,513,321)	12.1
Sierra Army Depot	$ 2,813,790	$ 184,009	$ 2,997,799	-50%	-29%	$ (1,351,946)	$ (52,639)	($1,404,584)	11.2
McAlester	$ 3,920,804	$ 394,435	$ 4,315,239	-20%	-22%	$ (713,263)	$ (88,026)	($801,289)	6.4
Indiantown Gap	$ 1,523,704	$ 50,801	$ 1,574,505	-32%	-65%	$ (450,454)	$ (33,267)	($483,722)	3.9
Fort Gordon	$ 542,446	$ 36,678	$ 579,124	-19%	-24%	$ (95,503)	$ (8,635)	($104,138)	0.8
Blue Grass	$ 1,380,242	$ 95,683	$ 1,475,925	5%	-14%	$ 76,818	$ (13,643)	$63,175	(0.5)
Anniston Army Depot	$ 4,813,898	$ 317,251	$ 5,131,148	16%	31%	$ 657,365	$ 97,190	$754,555	(6.0)
Average	$ 46,486,681	$ 4,925,647	$ 51,412,328	-29%	-33%	$ (14,524,504)	$(1,929,227)	$ (16,453,731)	13.2

$28,000 Estimated Cost for each incident from National Safety Council 2005
Estimated $50.00 loaded hourly rate
Estimated Investment per site $125,000

Source: National Safety Council and VPP CX Calculations

Number of Lost Work Days x Cost of Lost Work Days
+ Number of Incidents x Cost of Each Incident = Estimated Total Costs