

Services Acquisition Update

Tradecraft Improvement Program and Implications to Industry

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Larry Floyd
LCIC/ACQ PM
Services Acquisition

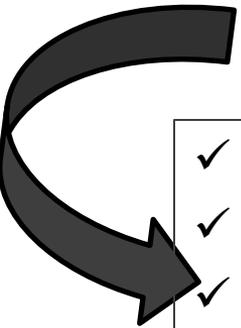
Tradecraft Improvement Program

- Process and procedures
 - USD(AT&L) guidance
 - Example of Army's implementation
- People
 - Army's acquisition governance
 - DAU training
- DAU's tools and job aids

“Better Buying Power: Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending Initiatives” Dr. Carter Sep 14, 2010 Memo

5 Key Initiatives

- Target Affordability and Control Cost Growth
- Incentivize Productivity & Innovation in Industry
- Promote Real Competition
- Improve Tradecraft in Services Acquisition**
- Reduce Non-Productive Processes and Bureaucracy

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- ✓ **Create a senior manager for acquisition of services**
 - ✓ **Adopt uniform taxonomy for different types of services**
 - ✓ **Address causes of poor tradecraft in services acquisition**
 - ✓ **Enhance competition**
 - ✓ **Limit use of time & material and award fee contracts**
 - ✓ **Contracts exceeding \$1B must contain cost efficiency objectives**
 - ✓ **Increase small business participation**

Army Services Acquisition Implementation Plan (1 Sep 11)

- Before Operation Iraqi Freedom, Strategic Sourcing, and BBP services acquisition was decentralized and lacked acquisition discipline
 - **Process standardization is lacking**
- Business intelligence gaps
 - **HQ and MAJCOM commanders do not have the necessary processes and tools to provide them with visibility into actions**
- Transitory and non-DAWIA workforce
 - **Lack the necessary acquisition training**

Deputy Assistant Secretary of the Army for Services

10 United States Code 2330

- The Service Acquisition Executive (SAE) of each military department shall be the Senior Official responsible for acquisition of services

DoD 5000.02

- Defines “services”
- Assigns SAE responsibility for lifecycle management of services
- Assigns approval level and allows delegation

USD (AT&L) Memos Sep 14 and Nov 3, 2010

- Mandates a Senior Manager for governance of planning, execution, strategic sourcing, and management of services
- Makes Senior Manager the Decision Authority for services acquisition of \$<250M
- Requirements that can be reduced or eliminated

Army GO #3

- Responsible for overseeing the acquisition of services (proposed)

Purpose/Priority

To gain efficiencies while maintaining Army’s effectiveness in the acquisition of services. Requires an integrated approach that addresses more than just contracting and strategic sourcing.

Mission

DASA(S) is the Army's senior strategic manager responsible for developing and implementing a holistic approach for services. DASA(S) will assist commanders in obtaining cost effective and efficient services to achieve their missions.

Human Capital Core Enterprise

Materiel Core Enterprise

Infrastructure Core Enterprise

Readiness Core Enterprise

DASA(S) Senior Manager

Services Working Group/ Stakeholders

NGB

NETCOM

INSCOM

COE

FORSCOM

MEDCOM

IMCOM

AMC

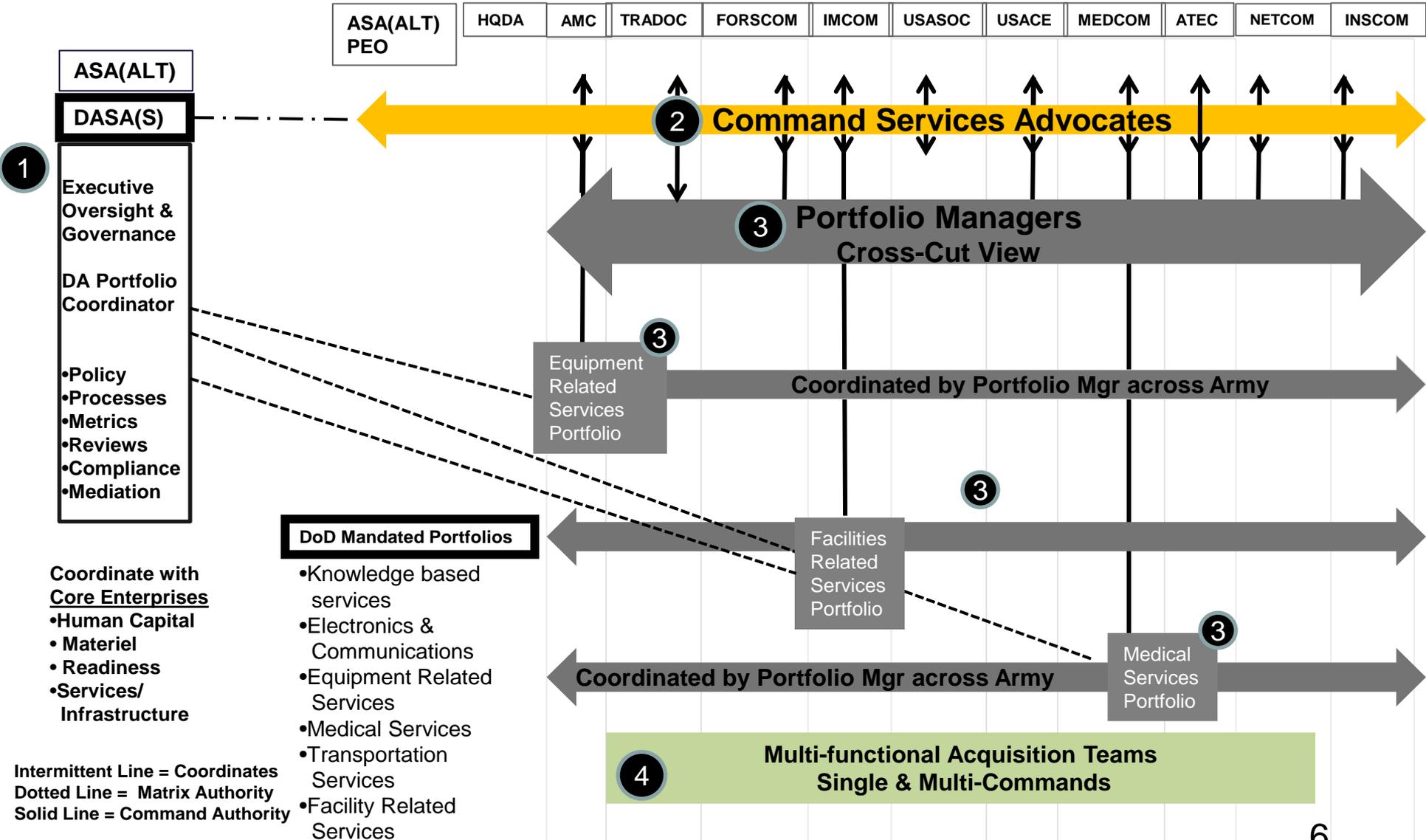
TRADOC

HQDA

ATEC

Services Portfolio Managers

Army's Governance Structure



Services Acquisition Training – At User’s Point of Need

Knowledge Sharing

SAM

Services Acquisition Mall



Web based, Organized by service type, Integrated training, best practices and samples and examples

Services Acquisition Process & ARRT Overview

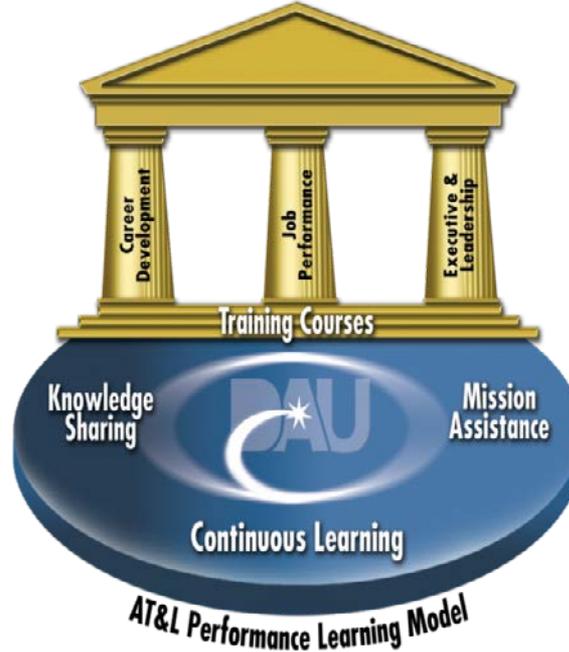


Overview or familiarization training
2 to 4 hours

Continuous Learning



CLC 013-Services Acquisition
3 hours online



Training Courses

ACQ 265 & CON 280 Services Acquisition



Case based courses
Application of Service Acquisition Process
4/10 days in length

Mission Assistance

SAW

Services Acquisition Workshop



Team Based, Just in Time, Acquisition specific Facilitated 4-day workshop

ARRT Version 1.6

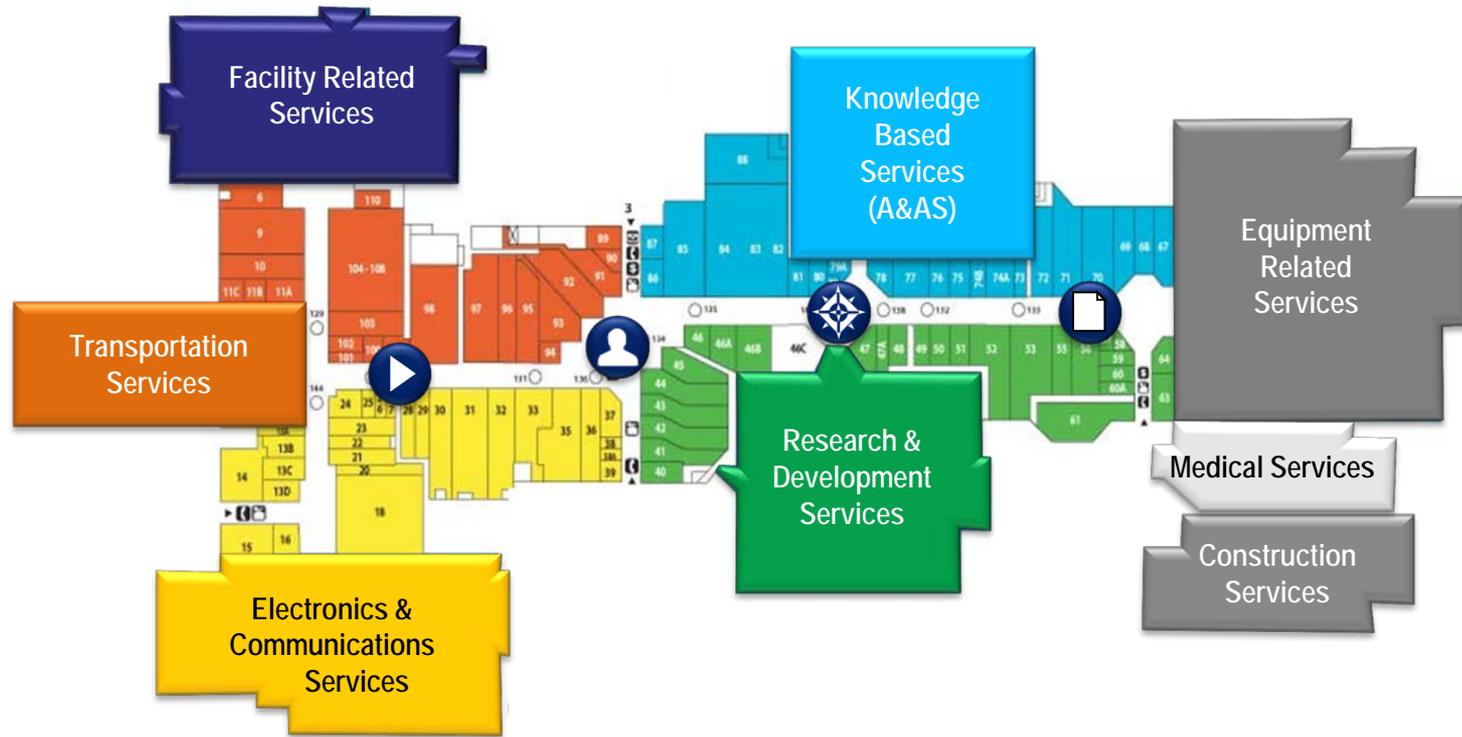


Guided process for developing PWS, QASP and PRS using standard templates

Senior Leader Overview



Adjustable 2 to 4 hour, Focus on key process elements and need for their involvement



- Integrates sourcing process and learning assets with Product Service Code knowledge
- Aligns with DPAP service taxonomy

Automated Requirements Roadmap Tool

A job aid using standard templates for PWS, QASP and PRS to help you organize and write performance requirements following the Requirements Roadmap process.

Builds key RFP and contract requirements documents

- Performance Work Statement (PWS)
- Quality Assurance Surveillance Plan (QASP)
- Performance Requirements Summary (PRS)

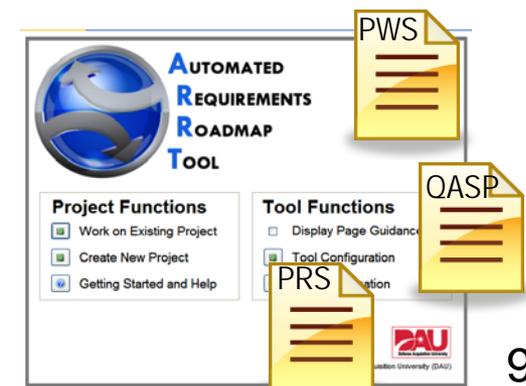
Easy to use

- Step-by-step approach
- Wizards provide guidance to help build documents

Performance Based

- Proven methodology for building better requirements

- Runs on Microsoft Office applications
- Generates Microsoft Word documents
- Version 1.6 at <http://sam.dau.mil>



Industry View

- Does industry even care about PWS?
- Why should the United States Government (USG) care about industry concerns?

Industry Does Care

- Generally speaking, best-in-class companies are risk averse
- A sound PWS is a risk mitigator
 - Performance outcomes are understood and quantifiable
 - Allows for much better defined cost estimates
 - Staffing and ODCs
 - Transition costs
 - Cash flow and financing
 - Reduced risk equals reduced cost and better performance

Why Should the USG Care?

- Proposal Phase
 - Time spent up front saves total time
 - Fewer questions asked by industry (we will ask)
 - Makes the PCO really know the requirement in advance
 - We expect the PCO to know what they are buying
 - Ask yourself if you could bid the job
 - Understanding the PWS and risks will attract better and likely more competition
 - Do you want performers or gamblers and fighters?

Why Should the USG Care? (cont'd)

- Review and Pre-Award Phase
 - Improves the quality of the competition
 - Basis of Estimate (BOE) detail can shorten DCAA and your own pricing reviews
 - You know what you are paying for
 - Impact of Low Price Technically Acceptable (LPTA) on the process
 - Are you able to know if you are selecting the technically acceptable proposal without a sound PWS?
 - Facilitate award without discussions

Why Should the USG Care? (cont'd)

- Post-Award Phase
 - Reduces chance of protest
 - Improves your chance to win
 - Less disruption to the mission and requirements
 - Allows a smoother transition because requirements are well defined and not being negotiated after the fact
 - Contract performance “disputes” are minimized
 - Your customer is much better served

Keys to Service Acquisition Mission Success

- Two critical components that must work together effectively
 - Requirements development
 - Acquisition strategy developmentRarely are these in the same functional area
- Appoint a *Project or Program Manager* with ready access to leadership – hold them accountable for progress
- *It takes time to do it right!* Allow sufficient time for conducting a well thought out and planned acquisition
- A well defined requirement, aligned with mission outcomes, with clear performance objectives and standards coupled with an effective acquisition strategy are the best guarantors of success