

Headquarters U.S. Air Force

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Services Acquisitions

DAU/AFLCMC 2015 Acquisition Insight



Single Manager for Services (SMS)

**Program Executive Officer for
Combat & Mission Support (PEO/CM)**

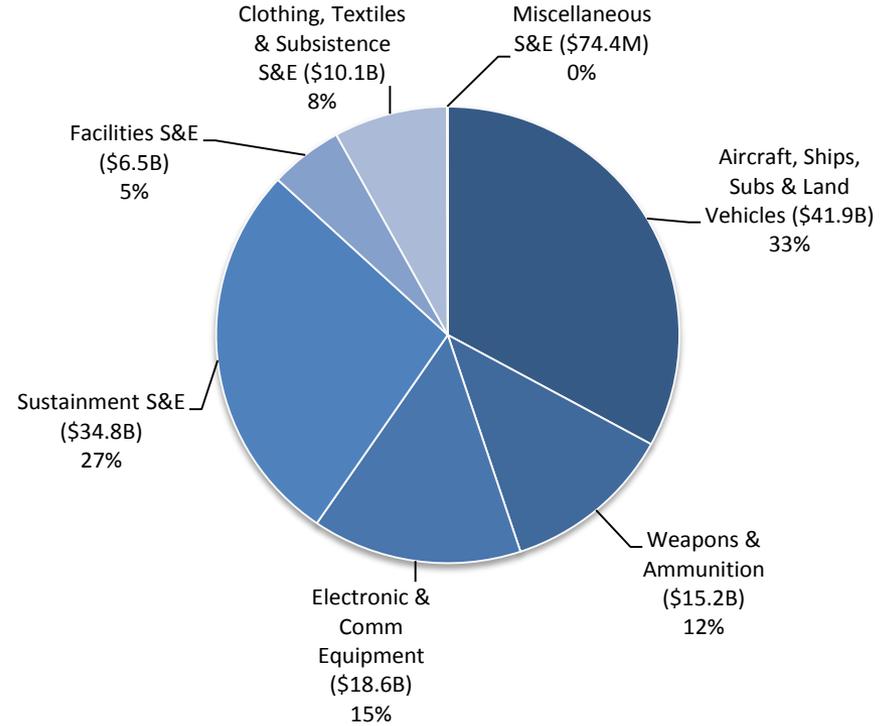
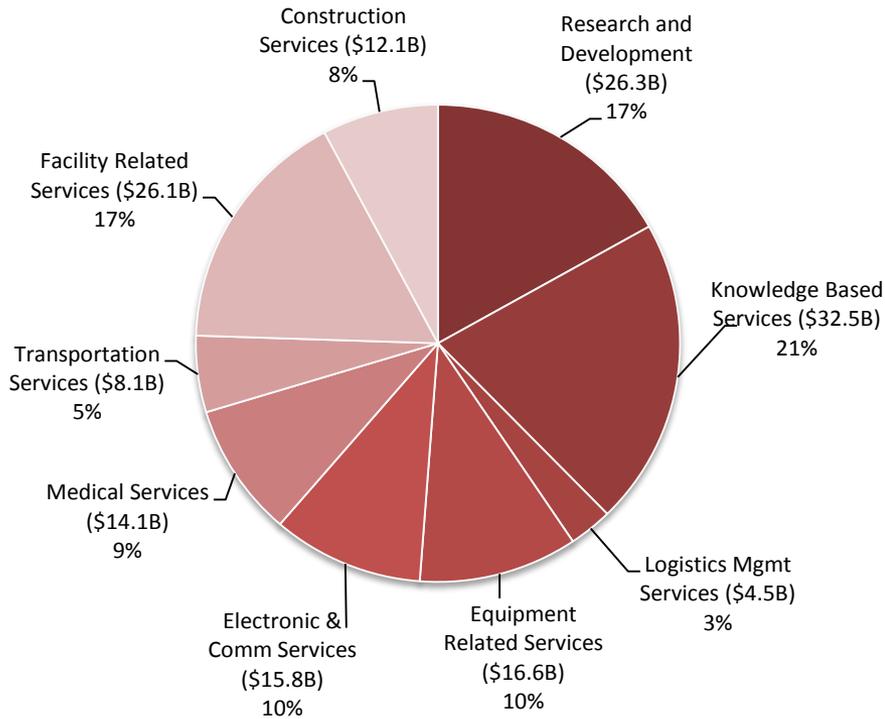
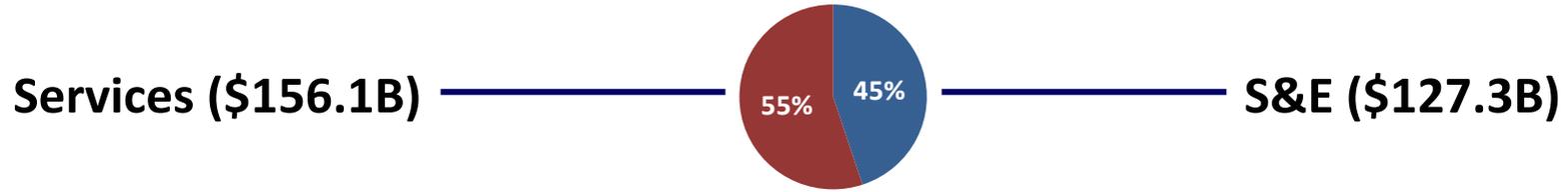
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Jun 2015



DoD Services Acquisitions

55% of Spend in FY14

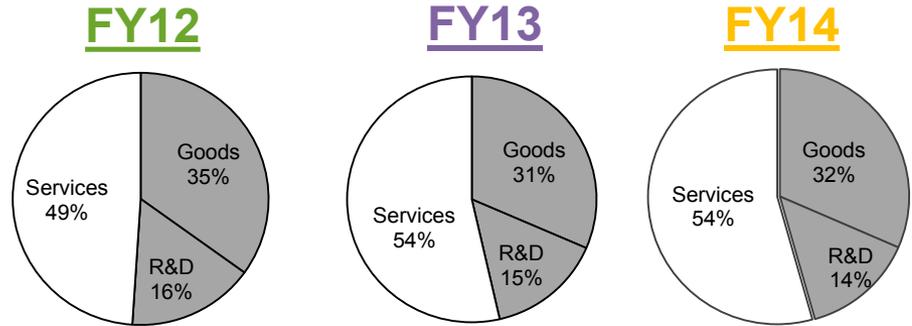




AF FY Obligations (Goods, R&D and Services)

(FPDS-NG FY12 – FY14 AF Funding Agency w/o FMS)

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Single Manager for Services & PEO/CM Mission

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SMS - Advisor and focal point for all AF Services

Acquisition Governance/Policy; Strategic Message; Reports & Analysis; Requirements Validation Coordination; Tools/Techniques/Training

2011

PEO/CM - Executive management/oversight for acquisition and delivery of AF operational and mission support services

Executes Acquisition Authority (Plan, Select, Execute) Service efforts >\$100M

2003



Air Force Program Executive Office Combat & Mission Support

198 Acquisitions Valued at \$219.2 Billion

Pre & Post Award Programs

As of 4QFY 2014

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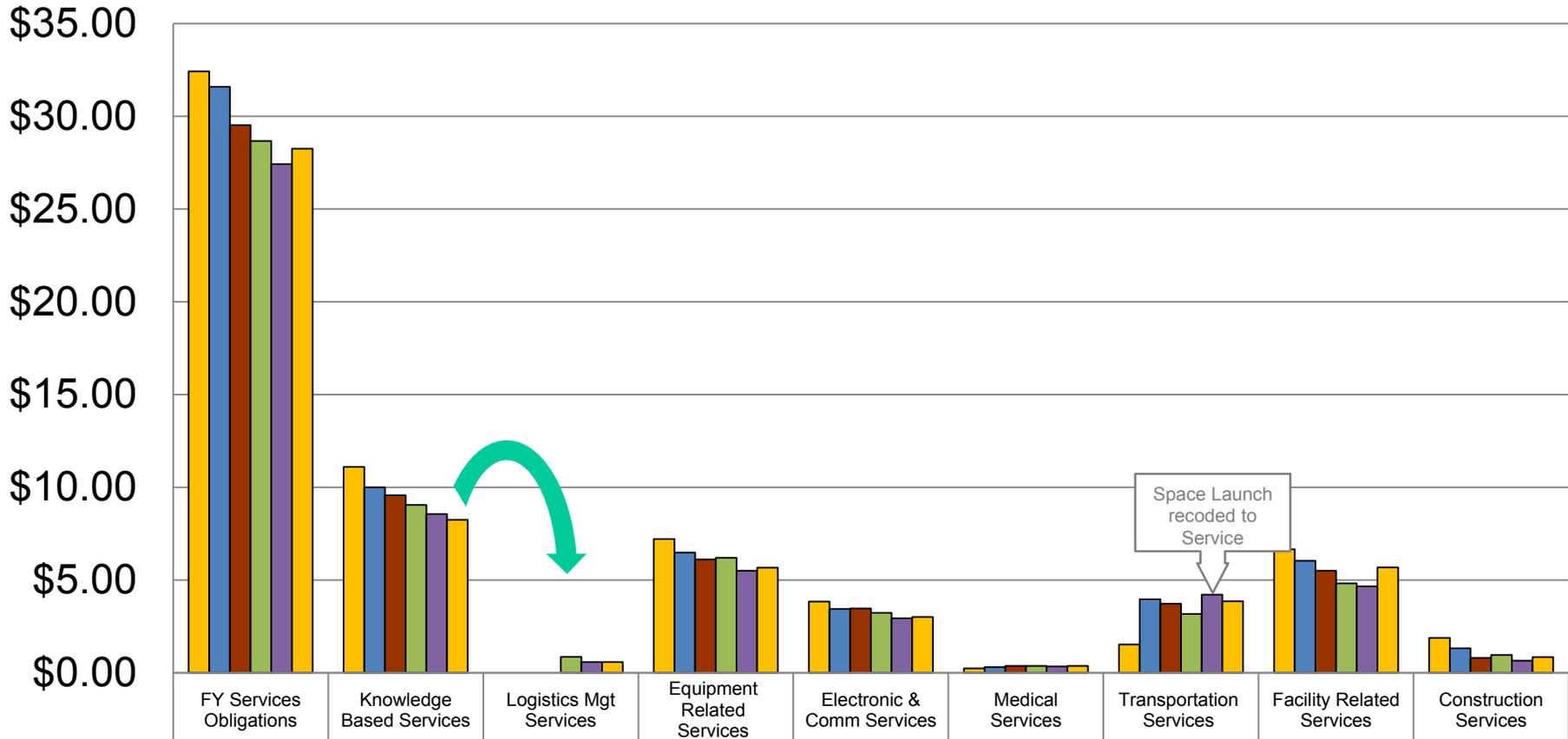


AF Services FY Obligations

By Portfolio Group

(FPDS-NG FY09 - FY14 AF Funding Agency w/o FMS)

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	FY Services Obligations	Knowledge Based Services	Logistics Mgt Services	Equipment Related Services	Electronic & Comm Services	Medical Services	Transportation Services	Facility Related Services	Construction Services
AF Services FY09	\$32.42	\$11.10		\$7.20	\$3.84	\$0.23	\$1.53	\$6.65	\$1.88
AF Services FY10	\$31.59	\$10.00		\$6.48	\$3.44	\$0.31	\$3.96	\$6.04	\$1.32
AF Services FY11	\$29.53	\$9.56		\$6.11	\$3.47	\$0.37	\$3.72	\$5.50	\$0.79
AF Services FY12	\$28.67	\$9.04	\$0.86	\$6.19	\$3.23	\$0.36	\$3.17	\$4.82	\$0.96
AF Services FY13	\$27.41	\$8.55	\$0.58	\$5.50	\$2.93	\$0.34	\$4.21	\$4.65	\$0.65
AF Services FY14	\$28.25	\$8.24	\$0.58	\$5.67	\$3.00	\$0.36	\$3.85	\$5.68	\$0.84

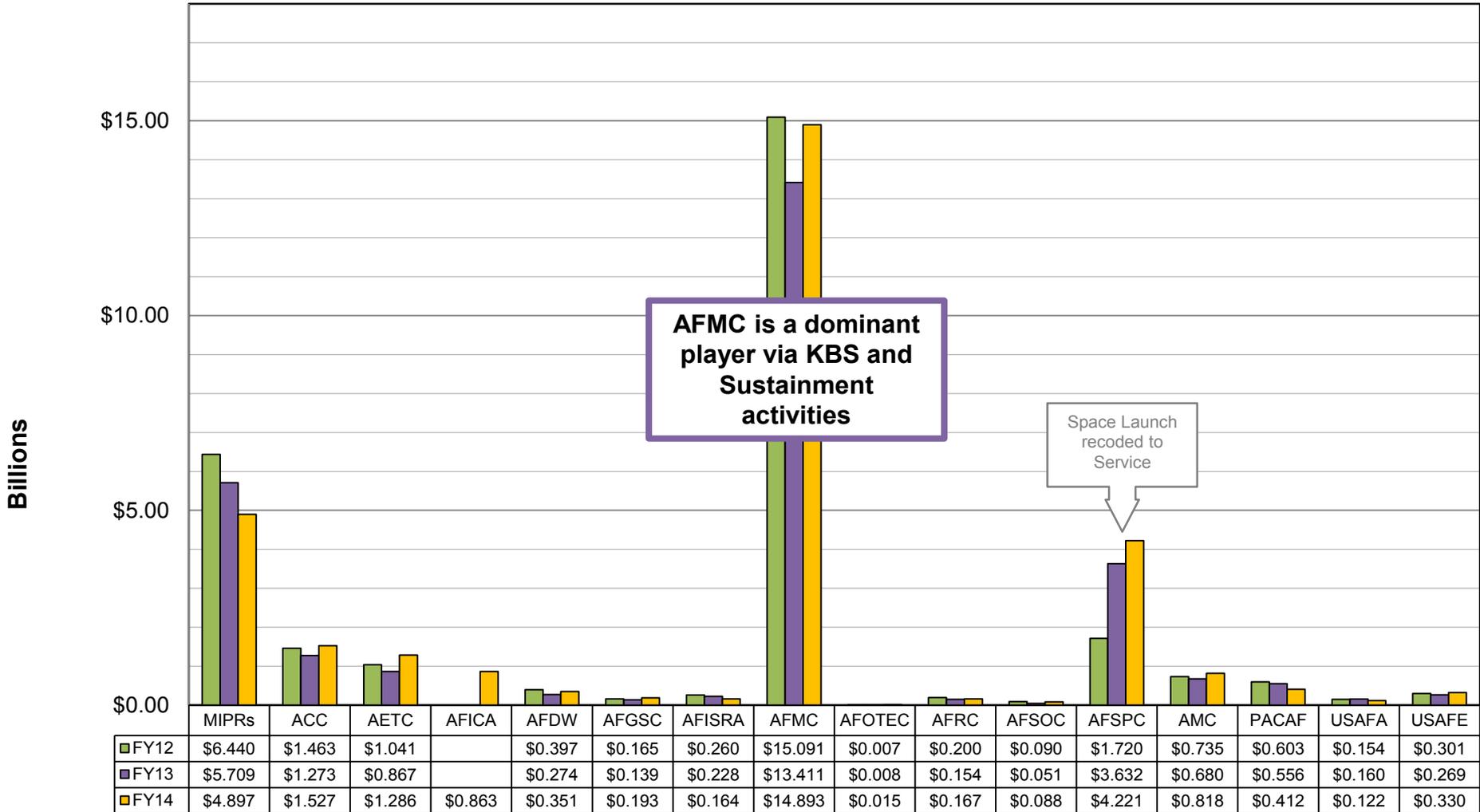


AF Services FY Obligations

by MAJCOMs

(FPDS-NG FY12 - FY14 AF Funding Agency w/o FMS)

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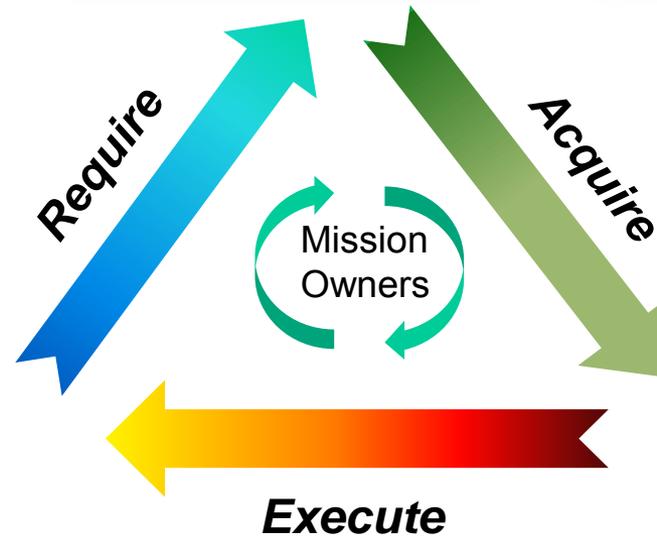
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Improved Tradecraft in Services (Virtual Closed Loop)

Right Requirements

Early Strategy & Issues Session (Vector Check)
Market Research/Intel Requirements
Validation/Approval (SSRR, RAD)

People Involvement



Accountability

Acquisition Training (SAW, JIT, ARRT, COR, Individual)
Critical Thinking (PWS, Competition, NAICS, Small Business, PSC, Contract Type, etc.)
RFP & Source Selection Templates & Best Practices

Processes

Governance:
Earned Delegations,
Svcs Management Agreements,
Service Advocates,
Tri-Structure

Partners:
OSD, Congress, GAO,
Army, Navy, DAU,
DISA, GSA, GSA FEDSIM,
Industry

Execute

Annual Execution Reviews
Internal Health Assessments

Enterprise Services Governance Health Assessment

People and Organizational Phases
Exposure → Awareness → Adoption → Execution

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Recent Results

- **NASIC A&AS: Converted to Small Business MAC**
- **AEDC: Broke up monolithic contract into 5 competitive segments**
- **Thule BMC: scrubbed requirements; 1st competition in 20 years**
 - **Producing over \$400M cost savings**
- **AF A&AS on OASIS SB: 114 RFPs w/ 33 Awards made (\$581.1M)**
 - **EPASS: Significant retainability of personnel; no TO protests**
- **BICES: Support for data sharing with international partners**
 - **Sought/obtained competition during dynamic growth**
- **Medical support: Exposed gaps in AF transition to DHA**



Support Services Requirements Review (i.e. Contract Court) Summary

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- **AF “Contract Court” = Support Services Requirements Review (SSRR) + Services Governance Health Assessment**
- **Conducted AF-Wide review of 3 unique Structures**
 - **MAJCOMs: Rqts >\$100M, 198 Programs, \$219.2B**
 - **Bridge contracts down – SB use improving – functional owners positive trend – difficulty in acquisition training/certification**
 - **Weapon Systems PEOs: Rqts >\$10M, 439 Programs, \$9.6B**
 - **Integrated use of predictive scheduling – “Cradle to Grave” management – using common processes – SC & BTCC vested**
 - **HAF 2-Ltrs: Rqts >\$150K, 257 Programs, \$1.12B**
 - **Relying on fallout funds – looking at consolidations – improve contract selection – standard guidance on external org use**
- **Develop Model to resource Enterprise/ Strategic Sourcing Acquisitions**



New Requirement Approval Process

AF Support Services Requirements Review (SSRR)

RADs >\$100M sent to SMS for endorsement
(SMS sends to Portfolio Champ, SAE as FYI)

Requirement Approval Level	MAJCOM Structure	HAF Structure	Weapon Systems PEO Structure
>\$100M	MAJCOM CC/CV/CA	SAF/US(M)	SAE
>\$10M & <\$100M	MAJCOM CC/CV/CA	SAF/US(M), AF/CVA, SAF/AA	PEO/Deputy PEO
<\$10M	WG/CC (or equiv)	2-Letter (del to 3-ltr)	Deputy PEO
Review Board?	As needed, Tailorable	Annual (Oct) Chairs: CVA/AA/US(M)	As needed, Tailorable

- Rqmts >\$10M must have a RAD
- Quarterly report on Rqmts >\$10M

- Services requirements approved as a part of a CAM, MDAP, or MAIS package do not require a separate RAD; however a RAD is not prohibited

- DRUs/COCOMs follow MAJCOM Structure
- FOAs report through parent organization



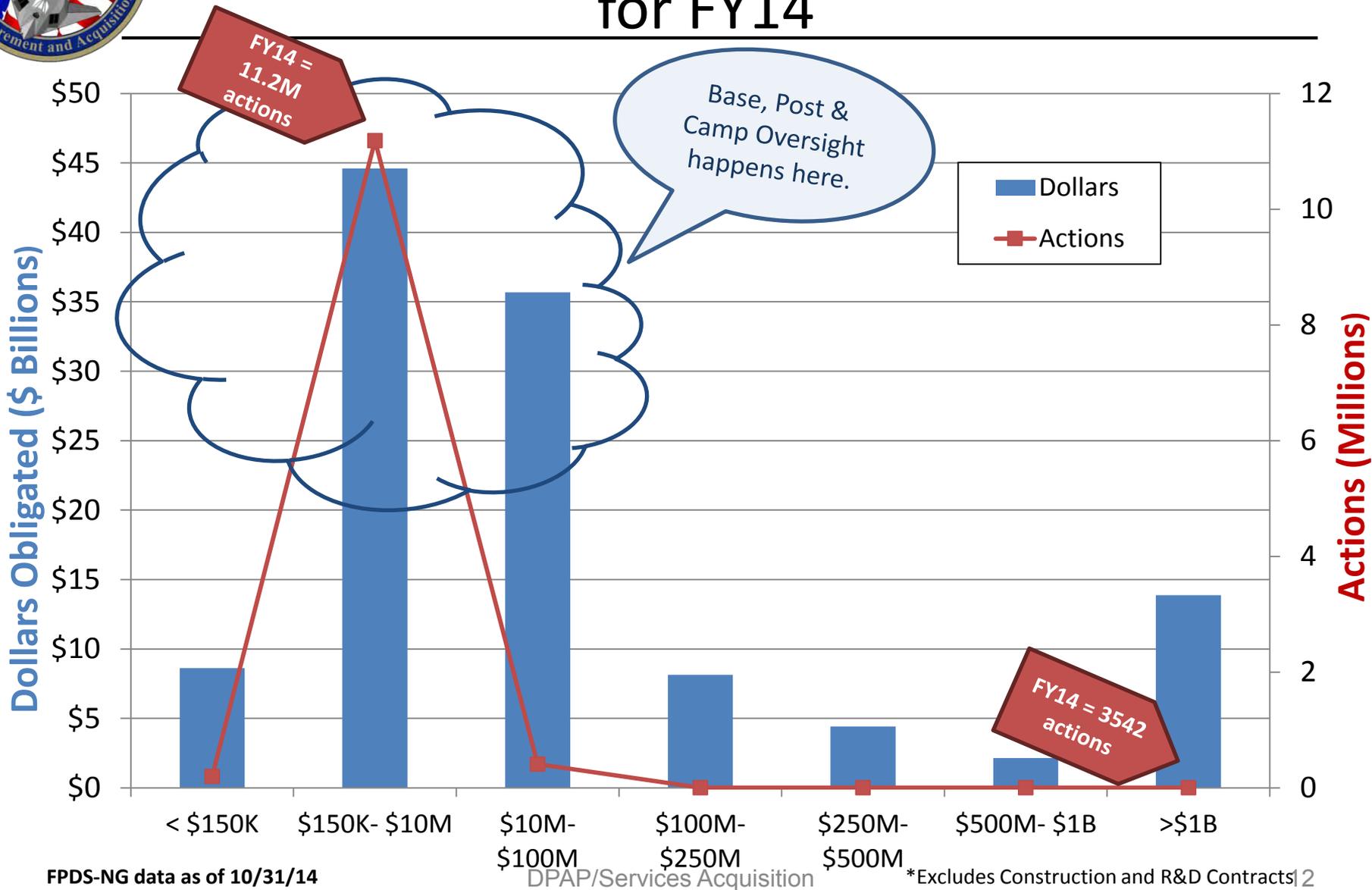
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SMS Heads Ups

- **DODI 5000.ac (Acquisition of Services) – nearly signature**
 - **DPAP developing roll-out communication plan**
 - **Updating AFI63-138 to reflect new AF enterprise perspective**
- **GAO interaction – How do we:**
 - **Forecast spend – plan/balance workforce – influence changes**
- **BBP: Effectiveness/productivity of engineering/technical services**
 - **Characterize the ETS portfolio**
 - **Assess ETS acquisition and source selection practices**
 - **Identify data input and management mechanisms/guidance**
- **Should Cost for Services**
- **DACM initiative to prototype a Services identifier**



Distribution of DOD Contracts* for FY14



FPDS-NG data as of 10/31/14

DPAP/Services Acquisition

*Excludes Construction and R&D Contracts | 2



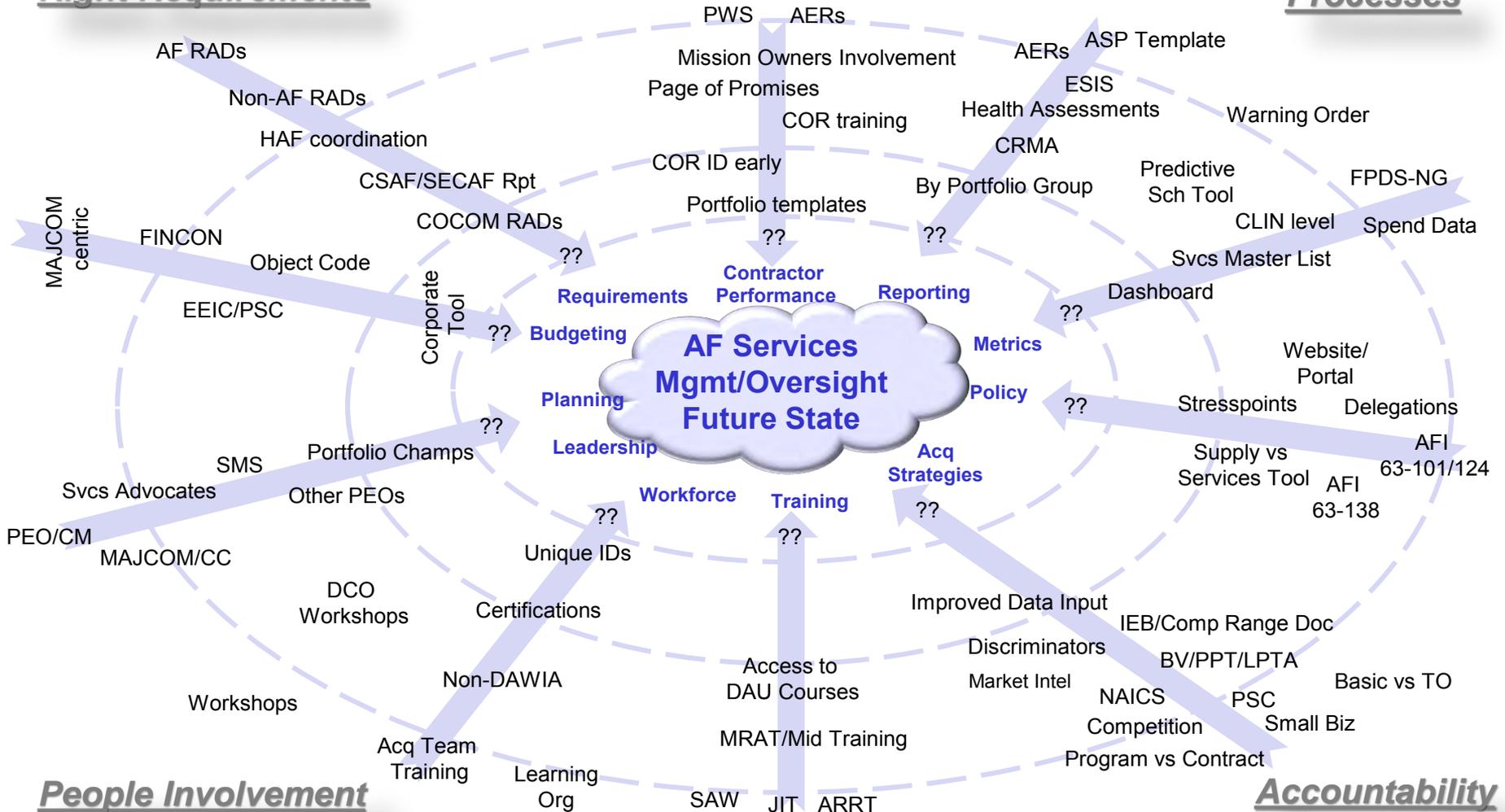
Improved Tradecraft in Services (Long View Framework)

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DRAFT Version 3

Right Requirements

Processes



People Involvement

Accountability

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Encourage Adoption of Best Practices

- **Employ more rigorous Requirements Review Groups at Command level**
 - **Similar to those chaired by PACAF/CV**
 - **Clear key to success: close partnership between PACAF Contracting and Financial Management (Resource Advisor)**
- **Encourage integrating Services Designated Official (SDO) responsibility training into MAJCOM Commander Orientation Courses**
 - **Ensures incoming Wing, Group and Squadron Commander's understand that Services Acquisition responsibilities are critical elements of mission success**
- **Initiate aggressive internal Workload Prioritization campaigns**
 - **Aimed at decreasing dependence on MIPR's and reducing unnecessary fees**
 - **Ensures highest priority workload has Senior Leader attention and full AF accountability**



Best Practices (contd)

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- **Develop/implement effective early planning and requirements writing processes**
 - **Enables improvements in competition rate and small business utilization**
- **Reduce inappropriate Blanket Purchase Agreements and build improved strategic Multiple Award Contract constructs**
 - **Use active appetite control; improve performance mgmt processes**
- **Increase emphasis on Contract Close-out backlogs**
 - **Strategic application of resources can free up resources quickly for project/program execution**
- **Vector complex technical services efforts to GSA OASIS MAC vehicle**
 - **Use robust multi-functional teams to drive higher degree of repeatability**



Best Practices (contd)

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- **Encourage more frequent Acquisition Execution Reviews**
 - **Surfaces program execution issues earlier; fosters mid-year adjustments**
- **Develop/use more command-level Services Acquisition trainers/advisors**
 - **Ensures greater consistency in SS Strategy across the Command**
 - **Systematically capture/validate Lessons Learned**
- **Foster strategic requirements assessments at the MAJCOM level**
 - **Reduce acquisition workload and realize savings**
- **Develop Multi-functional Team management concept**
 - **Employs aggressive feedback loops with weekly calls and monthly meetings to discuss output metrics**



Strategic Opportunities

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- **Partnering with AF IMSC Team to communicate desire to use “Incentive Options” concept in Base Operating Support acquisitions**
 - **Gives Contractor opportunity to “earn” 2 additional years of work**
 - **Uses thorough CPARS assessment at 3 & 4-year mark**
 - **Incentivizes continuing high levels of contract performance**
- **Identified training gaps for Operational PMs and Wing CCs/Directors**
 - **Partnered with AETC to fund formalized training courses (e.g. ESI training & IGE class) through suitable institutions as pathfinder**
 - **Seeking use of DAWDF funds for application across Operational Commands**
- **Rolling out Services Management Tool that**
 - **Provides “eyes on” critical info for all levels**
 - **Increases potential for use as forecasting/budgeting**
 - **Reduces reliance on Bridge contracts**
 - **Focuses efforts on more timely solicitation & award of contracts**



Opportunities for Improvement

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- **Services Master Tool developed and is being deployed to early adopters**
 - **Must move quickly for full roll out to put decision quality data in the hands of Senior Leaders soon to help reduce reporting workload**
- **Non-acquisition professionals (leading services acquisition programs) continue to have difficulty obtaining acquisition related training and certification**
 - **Critical Gap Analysis completed identifying training needs for incoming program/project leads**
- **Resourcing Strategic Sourcing acquisitions remains an issue**
 - **Fee for Service vs Working Capital vs Resourcing at Topline**
 - **Must develop acceptable model for numerous AF Programs**
- **MIPR tracking is improving, but work remains**
- **Electronic Contractor Manpower Reporting (eCMRA) is in place**
 - **Must now develop means to effectively ensure and validate contractor inputs**
 - **eCMRA Help Desk Contract no longer funded, and statutorily required Inventory of Contracted Services is under resourced**

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Questions



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