

Air Force Contracting



Acquisition Insight Focus Days **Contracting Panel**

**Major General Wendy Masiello
Deputy Assistant Secretary
(Contracting)**

Air Force Materiel Command



AFMC Contracting Better Buying Power Implementation

Col Randy Rivera
Deputy Director of Contracting
March 2014



AFMC/PK Role

- **Organize, Train & Equip Contracting forces**
 - Add value to Field's effort
 - Efficiency, effectiveness, standardization, streamlining
 - Improve tradecraft
- **Manage our business better**
 - Standardize/add value to processes, procedures, tools & templates across 5 Centers -- push to AF
 - Improve pricing capabilities
 - Continuous improvement
- **Support to others**
 - AFMC HQ, AQC, PEO/CM, etc.



Standard Processes, Tools & Training

- **AFMC/PK Monthly Contracting Bulletin & training**
 - Provides BBP techniques and lessons learned
 - Provides Small Business policy & utilization practices
 - https://cs.eis.af.mil/airforcecontracting/afmc_pk_mp_ig/Lists/Monthly_Policy/Topics.aspx
- **Air Force Learning Center**
 - Single site and 24/7 access to quality contracting training modules
 - Several modules on BBP areas
 - https://cs.eis.af.mil/airforcecontracting/training_repository/default.aspx



Standard Processes, Tools & Training (continued)

- **Monthly Training Webinars**

- Audience is AF contracting community; DoD & other services attend pricing webinars
- Over 8,400 employees trained so far in FY14--average 1,600 persons each month

- BBP related training topics include:

- AF Better Buying Power tool
- Product Data Acquisition and Data Rights
- Strategic Sourcing
- Pricing
- Market Research & Intelligence (April 2014)

- <https://cs.eis.af.mil/airforcecontracting/aftiwebinars/default.aspx>



Standard Processes, Tools & Training (continued)

- ***EZ Source* Source Selection (SS) Tool**
 - Standard tool for evaluating competitive proposals
 - AF mandatory use for SS valued \$50M or greater
 - https://cs.eis.af.mil/airforcecontracting/records_contract/EZ/default.aspx
- **Services vs Supply Determination Tool**
 - Standard enterprise approach for determining an acquisition's primary purpose
 - Assists in preparing requirements documents
 - <https://cs.eis.af.mil/aq/Programs/Services/default.aspx>
- **Regular collaboration within contracting community at all levels (AF, AFMC, Center)**

Promote Effective Competition

Improve Tradecraft in Acquisition of Services

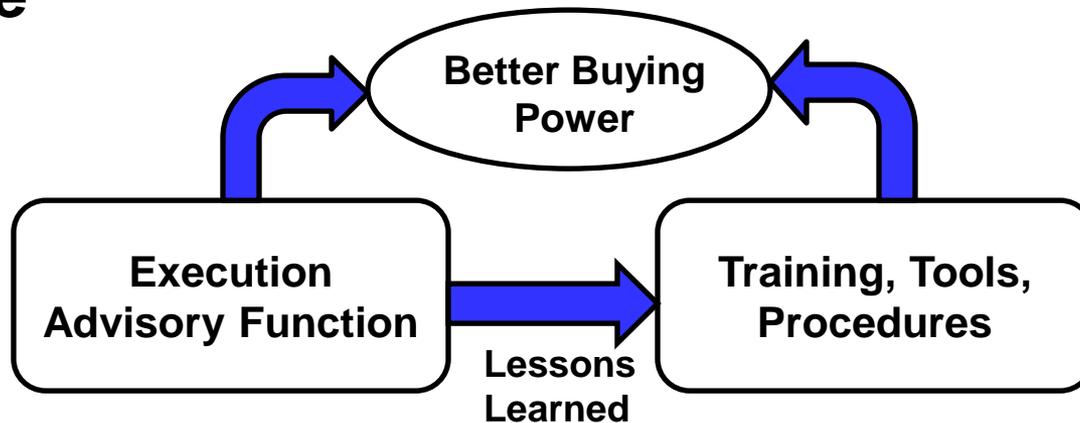
Improve the Professionalism of the Total Acquisition Workforce



Pricing Division Standup

Mission: Provide AFMC with superior pricing training, tools and guidance to implement Better Buying Power

Vision: Revitalize pricing skills of AFMC contracting personnel and establish AF as the DOD Leader in Pricing Excellence



Achieve Affordable Programs

Control Costs Throughout the Product Lifecycle

Incentivize Productivity and Innovation in Industry and Government

Eliminate Unproductive Processes and Bureaucracy

Improve the Professionalism of the Total Acquisition Workforce

Improve Tradecraft in Acquisition of Services



Pricing - Air Force BBP Tool

- **How to implement BBP at the level of the individual contract**
- **Includes training, samples and success stories from partners across DoD acquisitions**
 - Contracting/Pricing, Program Management, Engineering, Small Businesses & Services
- **11 Practices and 90+ Techniques**
- **Available to Air Force Personnel on Air Force Contracting Central**

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Pricing - Peer Review Lessons Learned

- **Repository of comments/issues addressed during Sole Source OSD Peer Reviews**
- **PKF also working with teams in advance on large dollar buys to go through lessons learned**
- **Examples of Lessons Learned (all relate to BBP)**
 - **Contract Incentives**
 - Be prepared to explain not just what you are incentivizing but why
 - Don't incentivize what you don't need
 - **Major Subcontracts**
 - For negotiated subcontracts, be prepared to explain the goodness of the deal
 - Just because something is negotiated, that does not automatically make it a good deal

Achieve Affordable Programs

Control Costs Throughout the
Product Lifecycle

Incentivize Productivity and Innovation
in Industry and Government



Streamlining Services Process

- **Services Management Agreement (SMA) between AFMC and AFPEO/CM –19 Dec 13**
 - **GOLD Authority (\$100M - < \$1B) delegated to AFMC/CA for AFPEO/CM Portfolio Acquisition**
 - Services Designated Official (SDO)
 - Acquisition Strategy Approval
 - Source Selection Authority
 - **Defines AFPEO/CM portfolio**
 - Services not owned by another PEO \geq \$100M
 - All A&AS \geq \$100M
 - **Reduced RAD Approval Authority level**
 - Center CC/CA now approves non-PEO services between \$10M < \$100M – vice AFMC/CC

Eliminate Unproductive Processes
and Bureaucracy

Improve Tradecraft in Acquisition of
Services



Better Buying Power...

Short-term accomplishments...



...with long-term payoff!

AF Life Cycle Management Center



Acquisition Insight Focus Days Contracting Panel

Date: 24 Mar 14

Mr. Steven Miley
Director of Contracting,
Air Force Life Cycle
Management Center

Acquisition Insight Focus Days

Contracting Panel

Enduring Life Cycle Management Framework



DELIVER TO COMMITMENTS

Vision: To forge one team delivering integrated, innovative, dominant airpower capabilities...on time, on cost

Mission: Acquire and support war-winning capabilities

Motto: Providing the warfighter's edge!



Acquisition Insight Focus Days

Contracting Panel

Objective 1: Deliver Cost Effective Acquisition Solutions

AFLCMC/WW – Hill AFB

- **A-10 Wing Replacement Program (WRP) Enhanced Wing Assembly (EWA) Purchases**
 - Initial order of 18 wings for FY13 at \$4,237,691/wing totaled \$76.3M
 - A-10 team worked with Boeing to allow follow-on requirement for additional 32 wings
 - 32 wings purchased at the per unit price of 50
 - Initial price paid of \$4,237,691 / wing reduced to \$3,532,608 / wing (quantity of 50)
 - Realized savings: \$23,608,673 (\$200,239,078 - \$176,630,405)

AFLCMC/EB – Eglin AFB

- **Joint Air to Surface Standoff Missile**
 - Actual costs from previous production lots identified potential savings
 - Services Engineering Program Management analysis identified potential duplication of effort
 - Additional fact-finding and negotiations resulted in \$47M savings!



Acquisition Insight Focus Days Contracting Panel

Objective 1: Deliver Cost Effective Acquisition Solutions

AFLCMC/WN – Wright-Patterson AFB

- **Distributed Mission Operations Network (DMON)**
 - **Awarded \$490M contract that set Distributed Mission Operations for 10-yrs**
 - **Savings of \$80M due to competition!**
 - **158% increase in multi-role training!**
 - **19% saving/year compared to previous DMON effort**



Acquisition Insight Focus Days

Contracting Panel

Objective 4: Standardize & Continuously Improve Center Processes **-- Standards & Process (S&P) Board**

AFLCMC/WW – Wright-Patterson AFB

- **F-15 EPAWSS (Eagle Passive/Active Warning and Survivability System) Test Case**
- **Speed with Discipline**
 - Value stream mapped Acq process
 - Goal is 30% cycle time reduction with focus on:
 - Pre-RFP activities
 - Involvement of all team members
 - Clear communication of requirement
 - Create unity of purpose from Acq Plan through Contract Award
- **Measuring Cycle Time >> Driving Speed with Discipline**

AFLCMC/PZK – Robins AFB

- **Program Office recommended use of a MIPR due to heavy workload within their Contracting office**
 - Contracting recommended PEO keep workload at the base
 - Utilized a different contracting area within the same operating location
 - Streamlined approach/resulted in a win-win
 - Awarded in 90 days from release of the RFP/PEO received SB credit



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Questions?

Industry Representative



Acquisition Insight
Focus Days

Contracting Panel

Mr. Ron Hancock
Boeing Defense Services & Systems
Vice President, Finance
Contracts, Pricing, Estimating
& Procurement Financial Analysis
