



**U.S. AIR FORCE**

# **Headquarters U.S. Air Force**

*Integrity - Service - Excellence*

## **Aerospace Industries Committee**



**March 5, 2009**



# Overview



*Warner Robins Air Logistics Center*

- **Me**
- **My Agenda**
- **SAF/AQC's Contracting Enterprise Perspective**
- **Role of Contracting**
- **Focus Areas**
- **Status of IAT and SbAST**
- **Questions**



# Me



*Warner Robins Air Logistics Center*

- **Military “Brat”**
- **High School in Hawaii**
- **Arizona State University**
  - **AF ROTC Commission**
- **30 years Active Duty – Most in Contracting**
  - **3 Command Tours**
  - **1 Deployment in Iraq**
  - **Retired as Colonel-Contracting Chief at Air Mobility Command HQ**
- **This is my third ALC tour**
- **This is my Second job in AF Civil Service**
  - **AF Div Chief for Contingency Contracting, SAF/AQC**



# More Me



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➤ Best Decision Ever ---

➤ Kids ---

➤ Best Job Ever --- The C



➤ At WR/ALC Because....

I Wanted To Be!!!!...I was not looking for any other job



# *My Agenda*



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- **Came with none**
  - **Not here to change for change sake**
  - **Lots of good things were coming out of Robins PK**
  
- **However, came with current SAF/AQ and AQC perspective and awareness**



# Contracting is Hard!!!



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**DILBERT** By SCOTT ADAMS



www.dilbert.com scottadams@aol.com



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# **SAF/AQC's Bottom Line Up Front**



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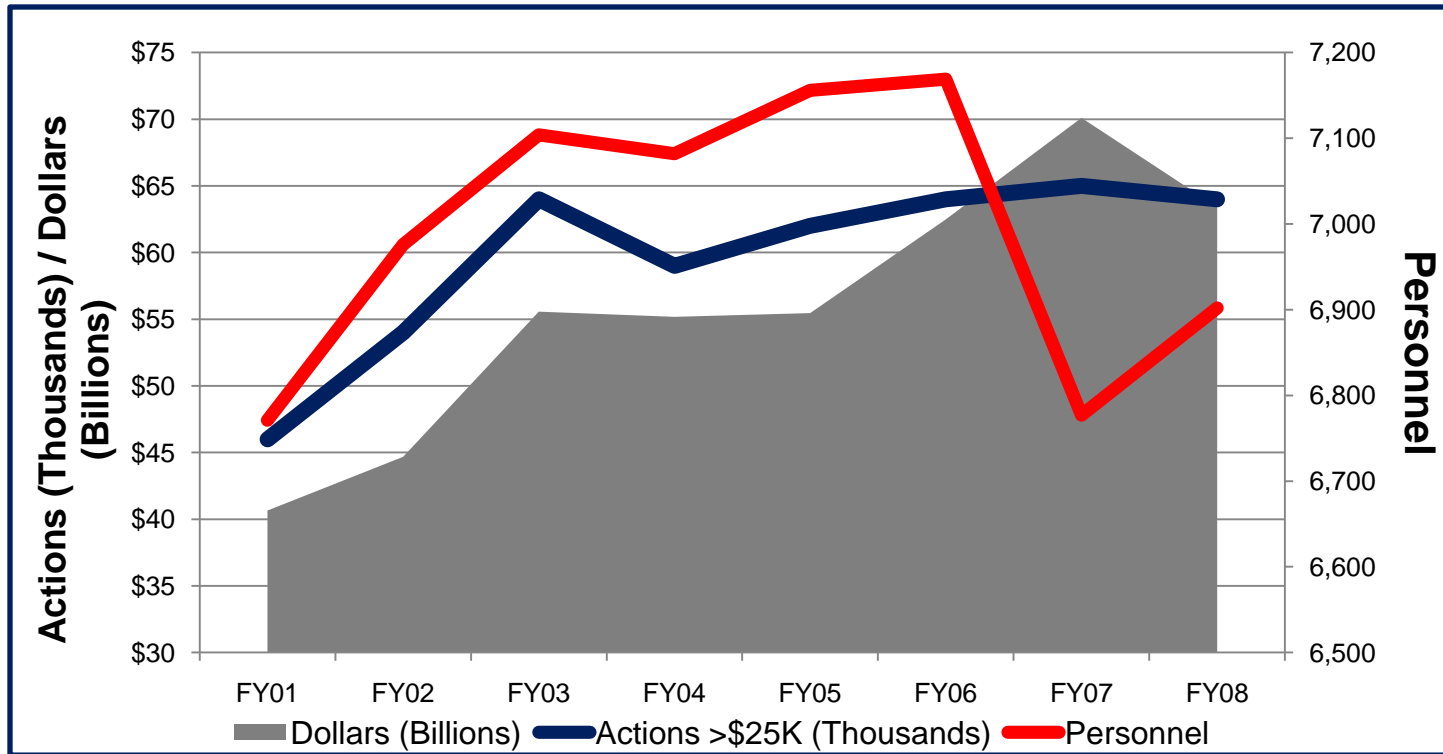
***WE MUST BE A DEMANDING  
CUSTOMER , INCREASE PROGRAM  
DISCIPLINE, AND IMPROVE  
OUTCOMES***



# Today's Contracting Environment



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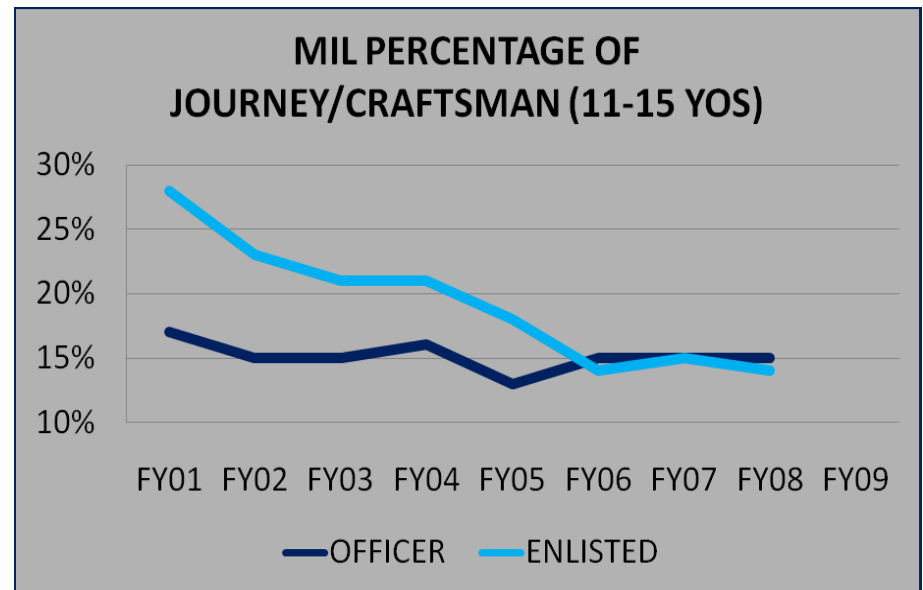
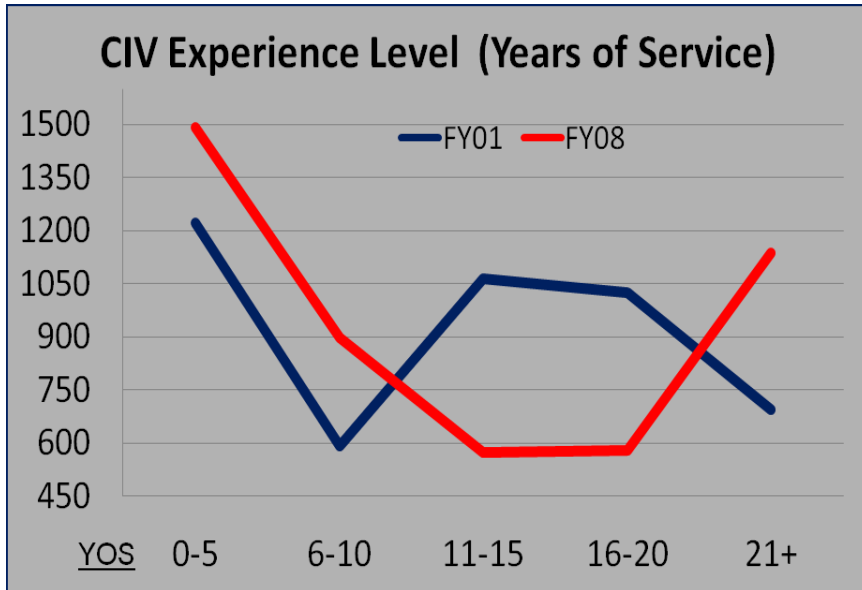
- In FY98...\$35B in contract actions with 7,000 people
- In FY08...\$63.4B in contract actions with 7,000 people



# Today's Contracting Environment



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➤ **Since 2001, experienced significant loss in Journeyman-level Contracting Professionals**



# Today's Contracting Environment



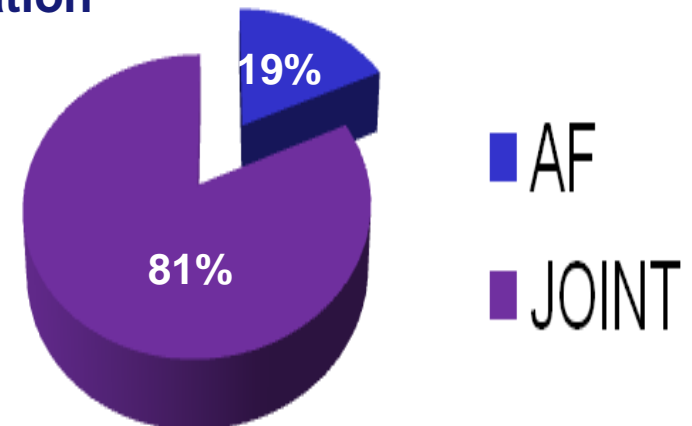
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Since 11 Sept 2001...  
3,897 CCOs deployed

- 1:1 Dwell
- Reserve Forces
- Pushback on JMD grade levels



Currently...  
Average 285 CCOs per 6-month rotation





# ***Role of Contracting***



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- **Multiple Policy and Process Changes**
  - **Driving disciplined strategy & business decision making**
  - **Improve source selection and program outcomes**
- **Strengthened role and independence of AF Contracting**
  - **SAF/AQC and Center Contracting Directors accountable**
    - **Architect of business strategy**
    - **Executing the contracting process**
    - **Determining fair and reasonable**
    - **Assure business deal/contract support program outcomes**



# **SAF/AQ, CSAF, AFMC/CC**



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- Revitalize the Acquisition Workforce – numbers and skill
- Realistic requirements – Hoffman & Payton sign off on ACAT 1 CDDs before JROC
- Simplify how we look at and evaluate cost/price
- Realistic Budget for the Program



# *My Focus Areas*



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- **Focus on Improving Source Selection Outcomes**
  - **Multiple Independent Review Teams**
  - **Influence Source Selection Approach**
  
- **The Right Contracting Strategy**
  - **Incentives**
  - **Cost Control/Risk**
  
- **Revitalizing the Workforce**
  - **Trainee Training**



# ***Multi-Functional Independent Review Teams (MIRTs)***



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- **OUSD(AT&L)/DPAP directed pre- and post-award Peer Reviews for contracts valued at > \$1B**
  - **Services establish process for <\$1B**
- **ASAF(A) “Use MIRTs, including subject matter experts, in support of Clearance Official’s review process.”**
- **Objective – Establish a robust Clearance Process**
- **Competitive acquisitions and task orders  $\geq$  \$50M**
- **Engaged at critical decision points**
  - **Review ASP brief (or Acquisition Plan)**
  - **Review Sections L&M of RFP**
  - **Review Competitive Range Brief (IEB) to SSA**
  - **Review Request for FPR brief to SSA**
  - **Review Decision Brief to SSA**



# Source Selection



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## Simplify....Simplify....Simplify

- Well-defined requirements with objective evaluation criteria
- Focus on key discriminators - robust risk analysis
- Move away from MPLCC unless contractor can influence cost and we can hold contractually accountable
- Pace should be event driven not schedule driven

**Building a Solid Foundation for Acquisition Excellence**



# Award/Incentive Fee



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- **Use award fee contracts only if no other contract type applies**
  - CPAF with subjective criteria requires HCA approval (should be rare)
  
- **Exploit hybrid contract types – CPIF/AF, FPIF/AF or FP/AF**
  - Objective criteria tied to program/mission objectives (cost, schedule, technical performance) will be utilized to measure contractor performance
  
- **Unless overall performance is Satisfactory, no fee can be paid**



# Cost Control/Risk



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## ➤ Improve management of Undefined Contract Actions (UCAs)

- Reduce use of UCAs and time to definitize
- Obtain proposals prior to issuing UCA (when feasible)
- Profit should reflect risk at definitization

## ➤ Focus on cost control

- Reduce reliance on T&M contracts
- Increase use of objective incentives
- Less reliance on FAR Part 12 contracts
- Limit on length of noncompetitive contracts
- Limit service contracts length -- 3 to 5 year ordering periods



# GS-1102

## Manpower Challenges



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### ➤ Root Cause

- Two Year Hiring Freeze (FY02/03)
- Only Exception: Copper Caps
- Annual Turnover 26ish
- Result: 50+ person vacancy

### ➤ Hiring Recovery Trend (GS-05 thru 12)

- FY04 - 30
- FY05 - 26
- FY06 - 61
- FY07 - 35
- FY08 - 79
- FY09 - anticipate ~16+

### ➤ Current State of 1102 Buying Workforce

- 30% trainees
- 43% at GS-11 level < 2 yrs
- 17% at GS-12 level < 2 yrs



# ***Installation Acquisition Transformation***



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- **Original business case analysis assumptions reevaluated**
- **New proposed approach retains MAJCOM-centric structure augmented by a new installation enterprise capability (at WP)**
  - **Addresses/mitigates all high risks**
  - **Strategic Sourcing focused across the AF enterprise (in concert with MAJCOM specialized CONS)**
- **Recommendation going to MAJCOM/CCs and then CSAF/SECAF at CORONA**
- **Decision expected in March**



# SbAST Program Schedule



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## ➤ Type of Contract

- SB Set-Aside (NAICS code 336411)
- Multiple Award Contract
- Indefinite Delivery - Indefinite Quantity (ID/IQ)
- 5 Year Ordering Period - 7 Year Period of Performance

## ➤ Major Milestones

- |                             |            |
|-----------------------------|------------|
| • Meeting with XR-ACE       | Aug 08     |
| • Acq Plan, PWS, ASP Charts | Feb-May 09 |
| • ASP AFMC                  | May 09     |
| • Final RFP                 | Jul 09     |
| • Receipt of Proposals      | Aug 09     |
| • Award                     | Feb 10     |



***Draft Schedule***



# *Why We Do*

# *What We Do*



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**“Someday, somebody’s son or somebody’s daughter is gonna live or die based on the quality and timeliness of the capabilities you deliver. They could also live or die based on other capabilities they don’t have if your program bleeds the coffers dry.”**

**(then) Maj General Dan Leaf,  
USAF Dir of Operational Capability Requirements**



# Questions



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