

Directorate of Contracting

WR-ALC/PK



REQUIREMENTS SYMPOSIUM 2005



Contracting Mission

WR-ALC/PK



*Acquire and support
warfighting capabilities
through responsive business
solutions*



FY05 Warner Robins Contracting Initiatives

WR-ALC/PK

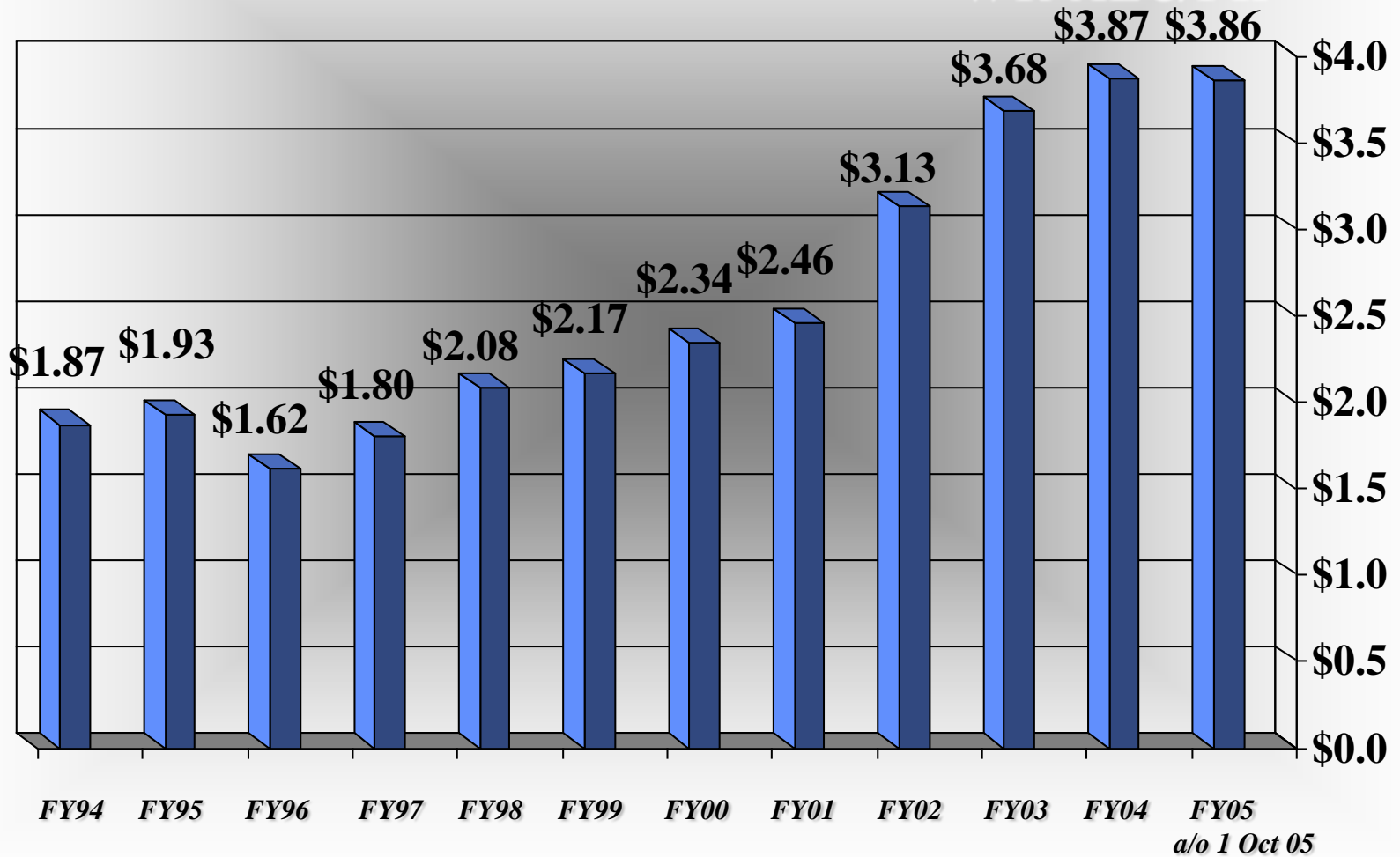


- ✓ **Optimize Requirements Execution**
- ✓ **Emphasize Strategic Sourcing and Contract Consolidation**
- ✓ **Maximize Orders Under Long Term Contracts**
- ✓ **Increase Integrated Process Team (IPT) Pricing**
- ✗ **Improve On-time Delivery**
- ✓ **Develop Strategic Supplier Relationships**



Contracts Awarded \$ Billions

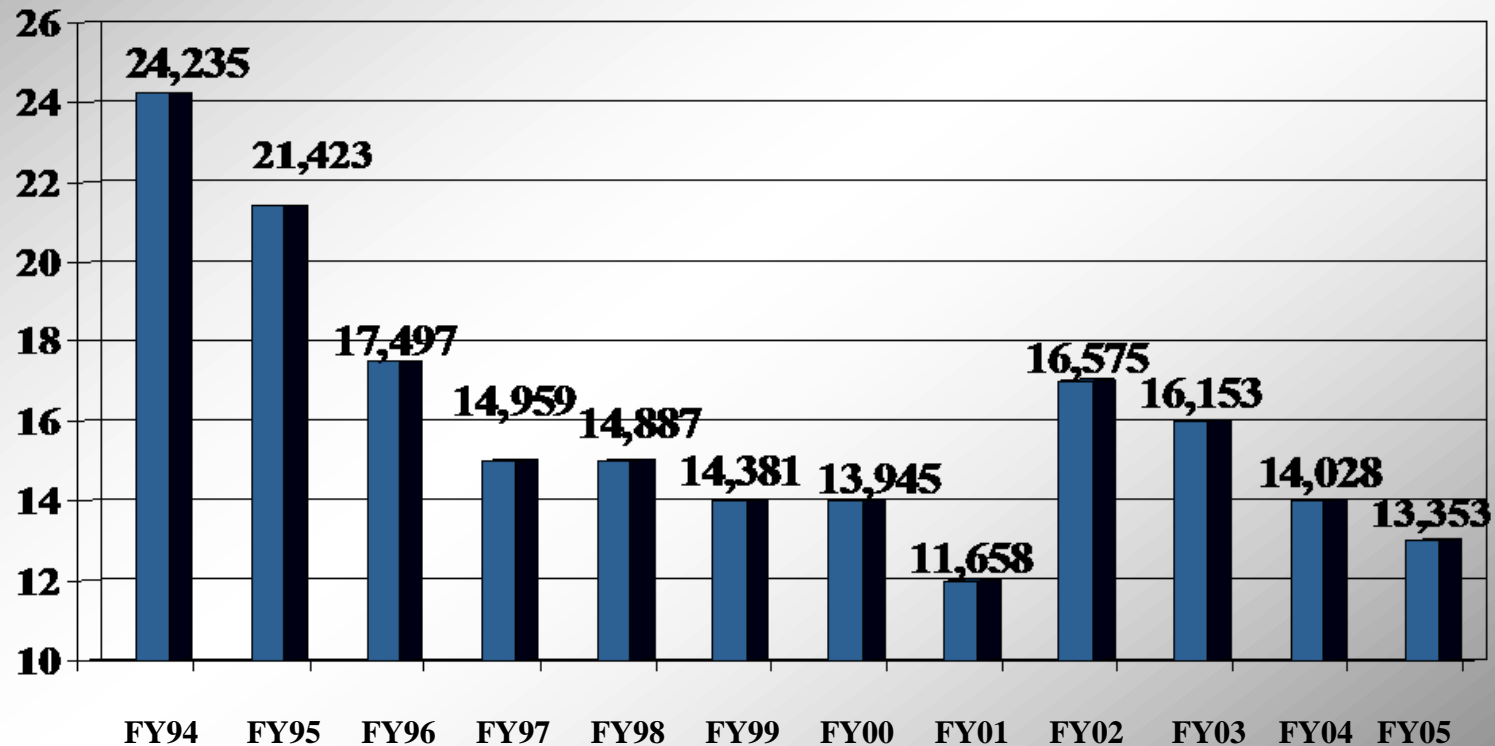
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Contracts Awarded (# of Actions)

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Personnel Assigned: 550

a/o 1 Oct 05

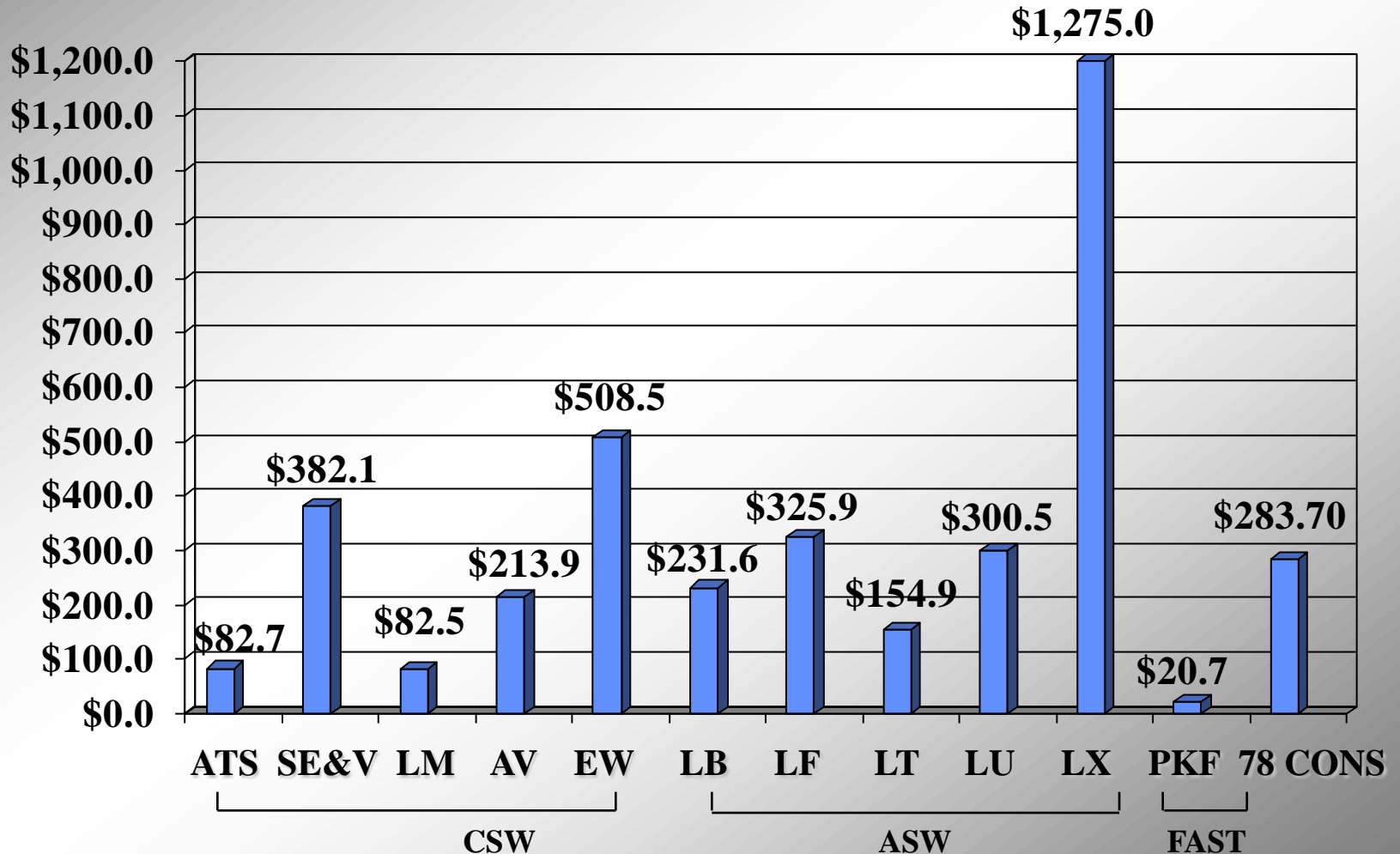


Personnel Assigned: 354



FY05 Contracts Awarded by Wings/Groups (\$ Millions)

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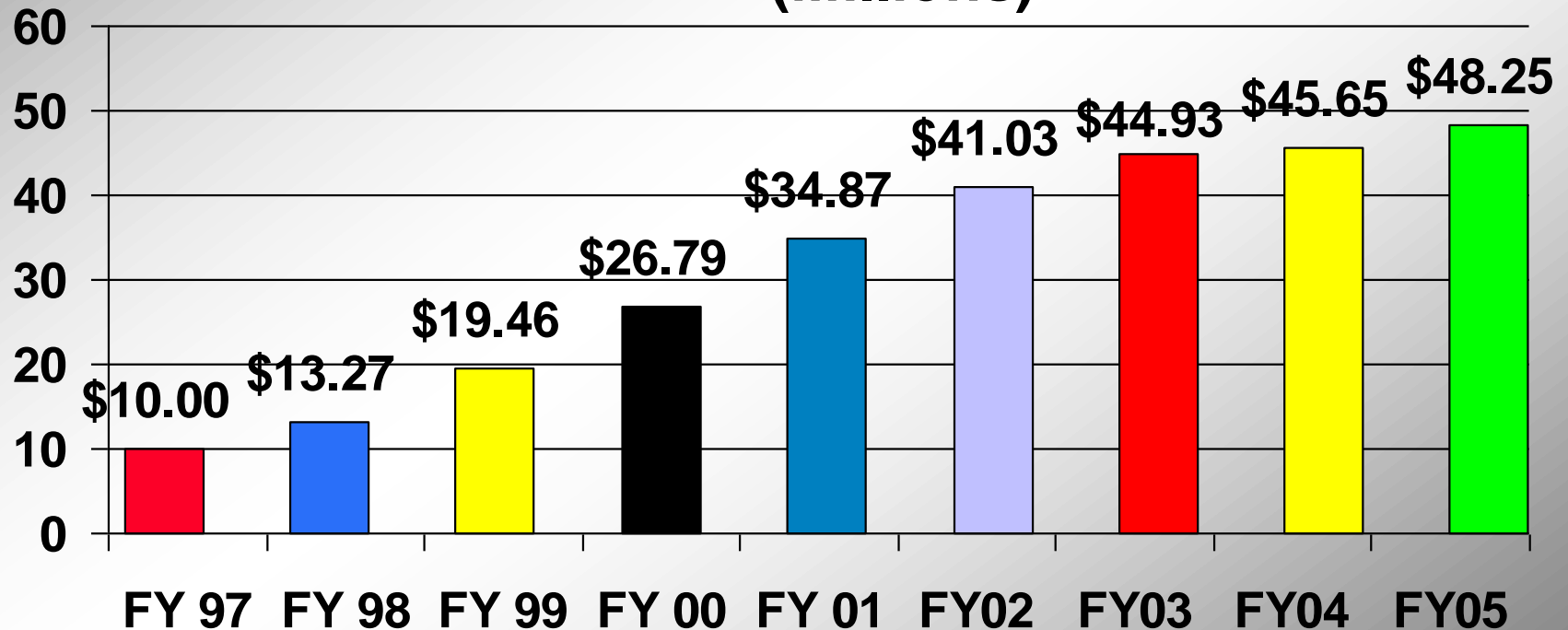


Government Purchase Card Expenditures

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(Millions)



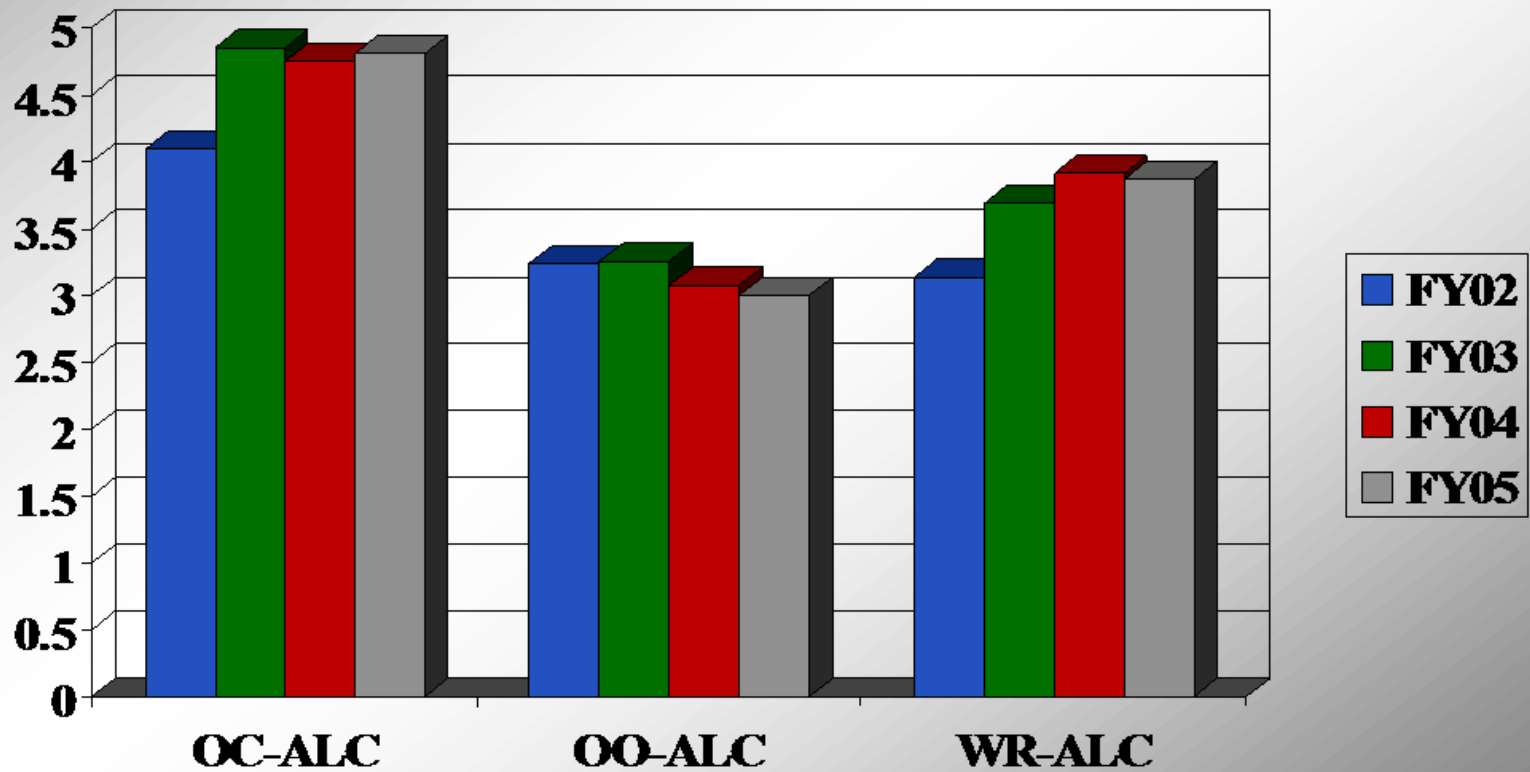
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ALC Workload Trends

WR-ALC/PK 

\$B



a/o 1 Oct 05



SB Program Performance

WR-ALC/PK 

	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Small Business (SB)	21.0%	24.1%	22.9%
Small Disadvantaged	4.9%	4.5%	6.4%
Woman-Owned SB	1.9%	2.3%	2.5%
HUBZone SB	1.4%	1.6%	2.7%
Service-Disabled Vet SB	0.13%	0.23%	0.34%

unofficial a/o 1 Oct 05

**FY02 and FY 03 SAF SB
Program Excellence Awards**



OSD Mandated Goals

WR-ALC/PK



	<u>FY 03</u>	<u>FY04</u>	<u>FY05</u>
Commercial Contract Awards			
% of Actions Awarded	21.2%	22%	28%
% of Dollars Awarded	11.7%	12.8%	14.6%
Competitive Contract Awards			
% of Dollars Awarded	42.4%	45%	44.7%
Performance Based Contracts			
% of Actions Awarded	28.6%	31.2%	71.4%
% of Dollars Awarded	39.1%	27%	71.8%
(% of service contract dollars/actions)			

a/o 1 Oct 05



Protests

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- FY 02

- 20 received, 0 sustained

- FY 03

- 15 received, 0 sustained

- FY 04

- 20 received, 0 sustained

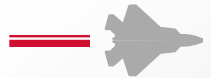
- FY 05

- 13 received, 1 sustained



Strategic Sourcing

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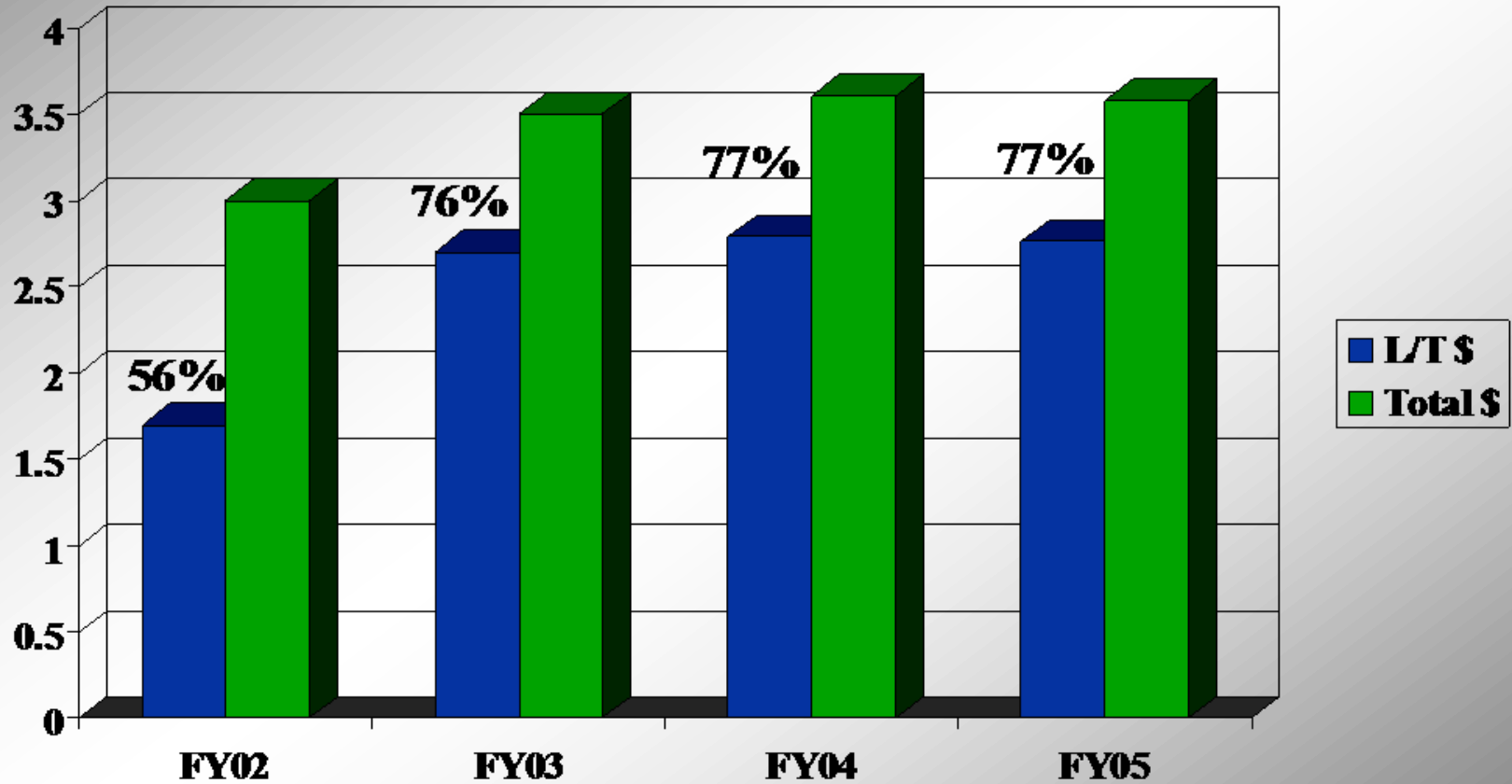


	<u>Length</u>	<u>Contractor Facilities</u>		<u>Priced Items</u>		<u>Dollars Obligated (Millions)</u>	<u>Max Value (Millions)</u>
		<u>At Award</u>	<u>To Date</u>	<u>At Award</u>	<u>To Date</u>		
Northrop Grumman	10	18	22	17	153	\$136.8	\$707.3
Raytheon (all other)	10	1	10	17	97	\$65.4	\$1050.0
BAE	10	5	13	34	267	\$104.6	\$320.5
Raytheon (Goleta)	10	1	1	21	34	\$114.8	\$423.9
Boeing	8	1	1	97	200+	\$202.9	\$336.0
Honeywell	9	2	2	Formula pricing		\$22.6	\$457.7
Rockwell Collins	10	8	8	Formula pricing		\$18.8	\$3600.0



Orders Under Long Term Contracts

WR-ALC/PK



a/o 1 Oct 05



WR-ALC FAST Orders by Year

\$1,000

\$ in
Millions

WR-ALC/PK



272 Orders

\$800

\$600

\$400

\$200

\$0

80 Orders

73 Orders

57 Orders

47 Orders

FY02

FY03

FY04

FY05

Total

Options

\$138

\$256

\$145

\$115

\$430

Obligated

\$61

\$120

\$115

\$114

\$695

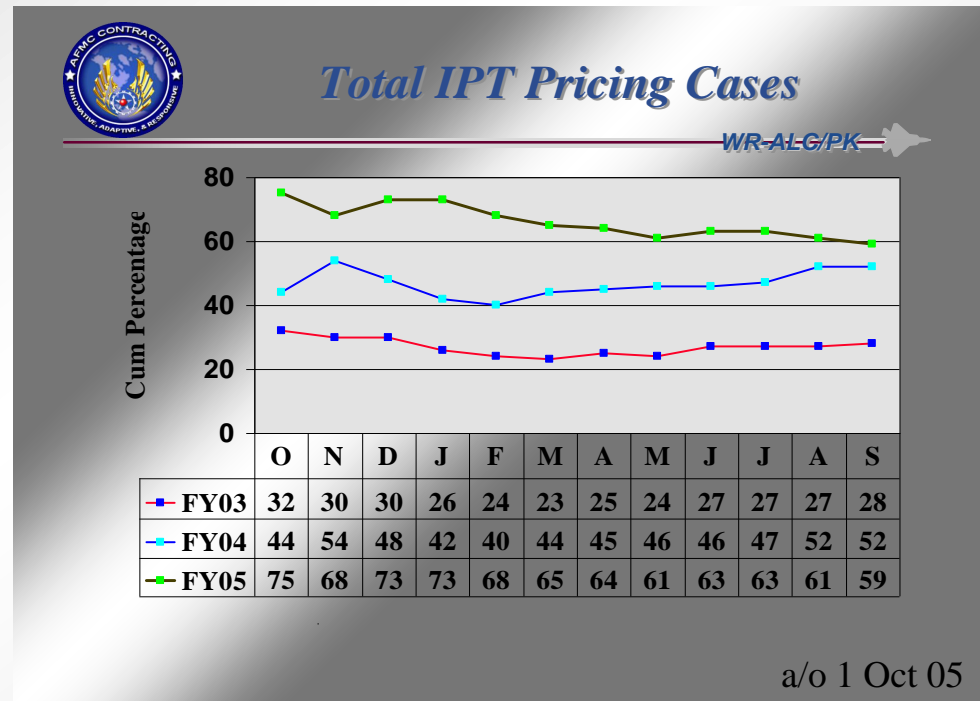


Integrated Process Team Pricing

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- Government/contractor team
- Jointly plan, define, and price acquisition
- Concurrent versus serial approach
- Results in:
 - Reduced lead time
 - Unified understanding of contract requirements



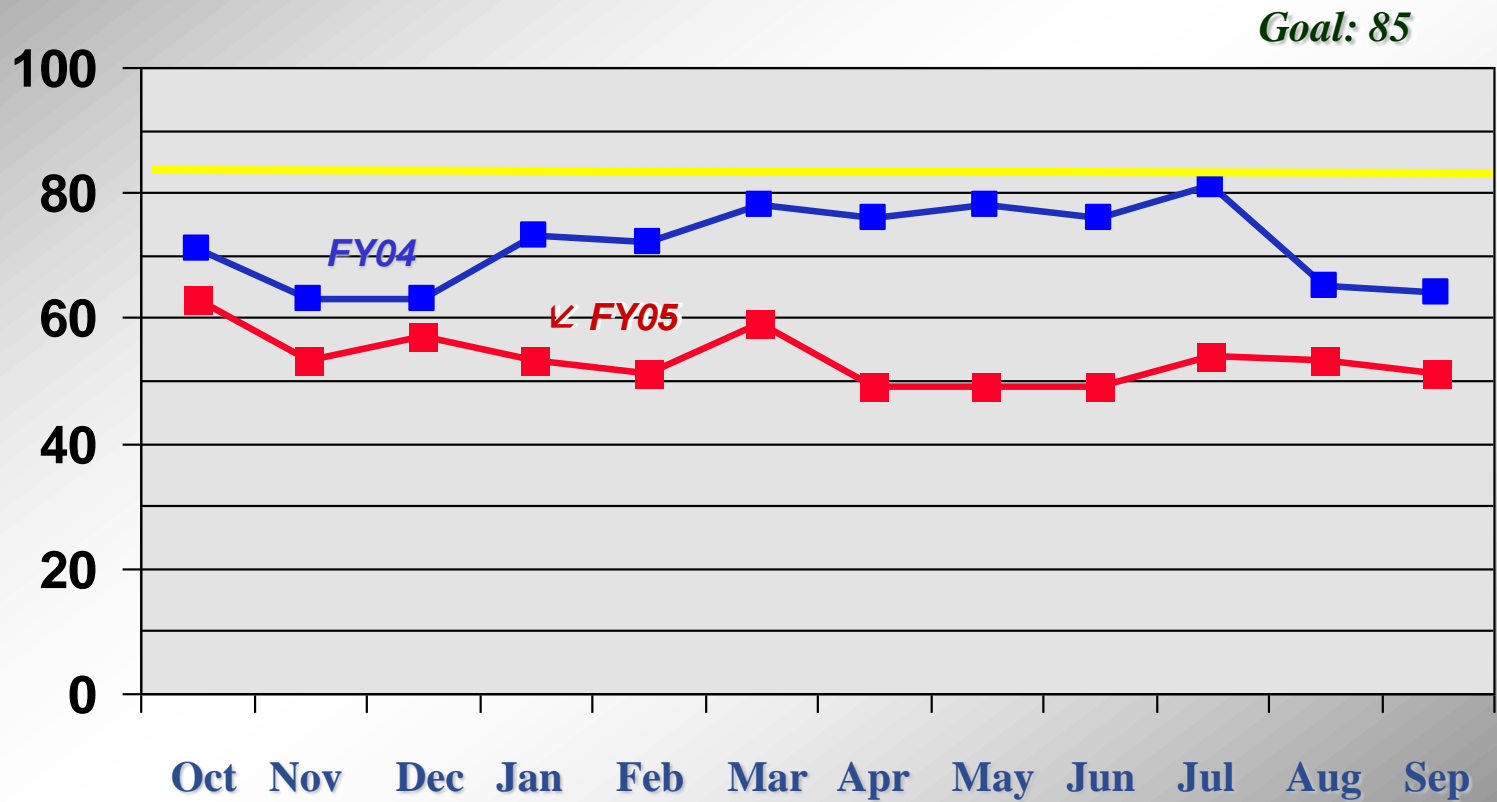


Line Item Delivery Status FY05

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P
E
R
C
E
N
T





Honeywell Corporate Contract

WR-ALC/PK



- Basic Ordering Agreement awarded 28 Feb 05, estimated value \$457.7M
 - Combined 209 annual contract actions to 13 contract actions in FY05
- Nine year period of performance (three year basic, two three-year options)
- Commercial or non-commercial orders
- Includes scope for all phases of sustaining applicable to Support Equipment (spares, remanufacturing, engineering services)
- Key features:
 - Formula Pricing Agreement with category pricing
 - Metrics to track cost control, pricing response time, customer wait time, production lead time, and contract lead time
 - Remanufacturing process improvements
 - E-Collaboration to include web-based system to track asset inputs, funds, and information
 - Performance Based Logistics



Contract Consolidation SOF/CSAR Modification Support

WR-ALC/PK



- IDIQ contract awarded 10 Mar 05
 - Value: \$96.7M
 - \$4.8M used in first year; \$1.1M currently in process
 - Two Primes, Eight Partners
- Five year period of performance (one year basic, four one-year options)
- Consolidates five stand-alone IDIQ contracts
- Supports all current and future SOF/CSAR (AFSOC) aircraft
 - Provides integrated modification support, repairs, and engineering
- Rapid Response Vehicle with streamlined ordering procedures
 - 30-day target for ordering
 - Flexibility
 - Competition



Sustainment Transformation

“Develop the kinds of forces and capabilities that can adapt quickly to new challenges and unexpected circumstances.”

Secretary of Defense... Donald Rumsfeld

DoD

WR-ALC/PK



USAF

eLog21

AFMC

Sustainment Transformation

**Depot Maintenance
(DMT)**

**Product
Support**

**Purchasing & Supply
Chain Management (PSCM)**

**Change
Mgmt
(CM)**

**Advanced
Planning
&
Scheduling
(APS)**

**Customer
Relations
Mgmt
(CRM)**

**Weapon
System
Supply Chain
Mgmt
(WS SCM)**

**Commodity
Councils
(CC)**

**Supplier
Relationship
Management
(SRM)**



What is SRM?

WR-ALC/PK



- **Supplier Relationship Management (SRM):**
 - A broad range of activities focused on establishing and improving strategic relationships with our suppliers . . .

- **The SRM Mission is to . . .**
 - Facilitate the achievement of PSCM goals through long-term strategic relationships with AFMC's suppliers
 - **20% increase in aircraft availability**
 - **50% reduction in cycle time**
 - **20% decrease in costs**

 - Develop strategic relationships and joint initiatives with suppliers that lead to improvement in our overall sustainment support to our warfighters



SRM at WR-ALC

WR-ALC/PK



- **Strategic Supplier Relationship Management (SSRM)**
 - Command-wide program—part of PSCM
 - Focused on 21 specific suppliers (with others to follow)
- **Industry Outreach**
 - Local WR-ALC program
 - Facilitates ALC relationships with key suppliers
- **Requirements Symposium**



SRM at WR-ALC

WR-ALC/PK



- WR-ALC SRS Office stood-up 3 Jan 05
- 8 Strategic Suppliers assigned to WR-ALC/PK
 - BAE, Crane, EDO, ESSI, Lockheed Martin, L-3 Communications, Rockwell Collins, Teledyne
- Current Status
 - Strategic Supplier Charter signed with all eight suppliers
 - Supply Chain Scorecard metrics developed and rolled-out
 - Supplier questionnaire identified potential enterprise-wide improvement initiatives
 - Developing supplier-specific initiatives
 - Supplier Summit held 17 & 18 Oct 05



Contracting Professional Code of Ethics

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- Establish a Code of Ethics for Contracting Professionals
- Document the High Standards Expected of Those Spending Taxpayer Dollars
- Be Proactive in Today's Environment



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Continuing Challenges



Competing Contracting Pressures

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Transform

Innovate

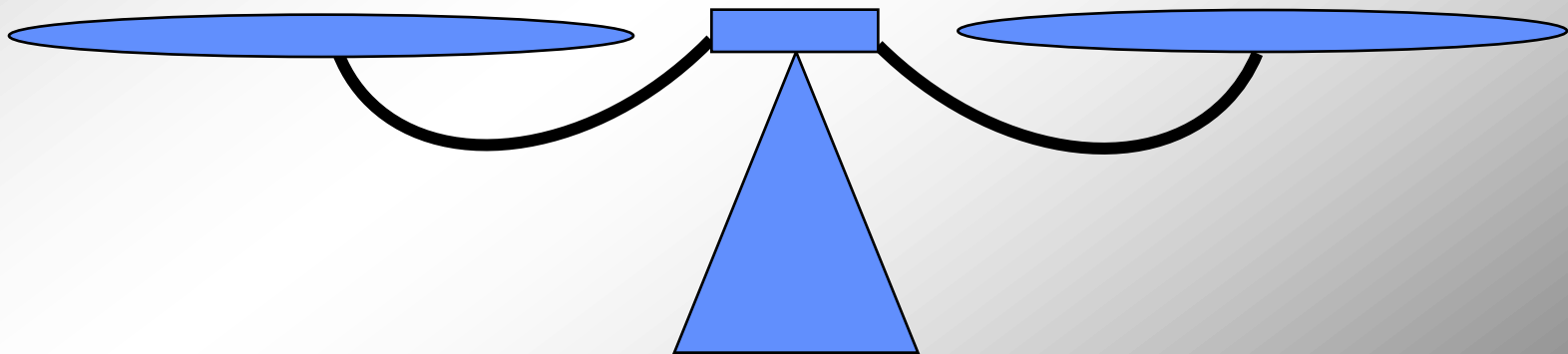
Expedite

Increase Flexibility

Omnibus Contract Concerns

Acquisition Credibility

Small Business Goals





Driving Initiatives

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- Strategic Sourcing
- Orders Under Long Term Contracts
- Formula Pricing Agreements
- Commodity Council Acquisitions
- On Time Deliveries
- Supplier Relations Initiatives
- Joint Forecasting
- Performance Based Logistics, where appropriate
- Contract Consolidations
- Improved Fiscal Year Closeout



Consolidation of Contracts

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- AMRAAM Plus
- IT Consolidation
- Support Equipment Consolidations



Contract Consolidation

Captive Air Training Missile-120 Plus

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- AMRAAM Requirements
 - CATM-120 and Mass Simulation Vehicle (MSV-120) with associated spares; AIM spares
 - First articles and production quantities for CATM-120 and MSV-120
 - One Time Compliance Technical Order (TCTO) kit
- Previously procured under separate contracts
 - One CATM-120 contract
 - Multiple spares contracts
- Estimated value: \$52.5M, 5-year IDIQ
- HUBZone set-aside
- Anticipated RFP release: Nov 05



IT Contract Consolidation

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- Two contracts valued at \$95M each; minimum five year contract term (basic plus options)
 - Application Development & Support
 - Previously 8 separate contracts
 - Multiple award contract
 - Market research ongoing
 - Still in acquisition planning stages
 - Server/Desktop Support/Computer Store
 - Previously 15 separate contracts
 - Single award
 - Still in acquisition planning stages; potential for partnership
 - Anticipate total small business set-aside
 - Estimated RFP release Jan 06



Support Equipment Consolidations

WR-ALC/PK



- Floodlight Carts
 - Two and four wheel floodlight carts provide emergency lighting and lighting for nighttime maintenance and cargo handling
 - Previously procured under two separate contracts
 - Estimated RFP release Nov 05
 - Anticipate 100% small business set-aside
 - Five year Requirements contract (one-year basic, four one-year options); TA-PPT source selection; commercial (FAR 12) procedures

- Diesel Air Conditioner/Electric Air Conditioner
 - Previously procured under three separate contracts
 - RFP to be re-released based on technical changes
 - Estimated RFP re-release: Nov 05
 - Full and open competition
 - Five year Requirements contract (one-year basic, four one-year options); source selection (TA-PPT); commercial (FAR 12) procedures



Support Equipment Consolidations

WR-ALC/PK



- B Series Stands
 - General maintenance stands
 - Previously procured under multiple separate contracts
 - Still in acquisition planning stages; estimated RFP release Feb 06
 - Anticipate 100% small business set-aside
 - Five year Requirements contract (one-year basic, four one-year options); PPT source selection; commercial (FAR 12) procedures



WR-ALC/PK



*Join us in creating
innovative business
solutions to meet
warfighter needs.*