

COMPETITIVE SOURCING NEWSLETTER

APRIL 2003

ANNUAL PARTNERING WORKSHOP

The Annual CE, Contracting, and Industry Partnering Meeting was held 4-5 Mar 2003 in Atlanta. This year's focus was on changes to OMB Circular A-76 and Air Force Instruction (AFI) 63-124, Performance Based Service Acquisitions, the identification of contract vehicles, and a review of draft Military Family Housing Maintenance Statement of Work. In addition, representatives from the Air Force Civil Engineer, Manpower, and Air Force Program Executive Office for Services updated the workshop. Attendees represented the Air Force, other government agencies, contractors/vendors, and professional organizations representing functions normally performed by CE. Workshop briefings are posted on the AFCESA web site at www.afcesa.af.mil/contracts/outsourcing.

To set the stage, the Workshop began with a briefing by AFCESA on its mission and the AFCESA Competitive Sourcing Help Desk that provides competitive sourcing and contracting support to internal AFCESA customers as well as assistance to Air Staff, bases, and other DoD components. It was pointed out that experts in Air Force Manpower and Contracting are available to assist bases by reviewing statements of work (SOWs), preparing contract documents, and conducting staff assistance visits.

Changes to the Revised OMB Circular A-76 were outlined. The draft Revised Circular was listed on the Federal Register for comments on 14 Nov 02. Over 700 comments were received and OMB is currently reworking the draft based on these comments. A new draft is expected out this summer. The most significant changes are to the timeframes allowed to complete studies, new terminology, and evaluation procedures. The new draft OMB Circular is expected in Spring 2003.

Mr. Larry Dubbert, HQ USAF/ILEXO, discussed the Air Force Contracting Symposium from a functional perspective. The key initiatives were: capture, analyze, and use spend analysis data; improve communication/information dissemination; issue joint SECAF/CSAF policy letter directing partnering; and establish centralized management office for service contract training.

Ms. Betsy Matich, SAF/AQCP, presented an overview of the new AFI 63-124, Performance Based Service Acquisitions (PBSA) and AFI guide. The benefits of PBSA provide greater efficiency, greater flexibility to the contractor, less Government oversight, and a motivated contractor who uses innovation and industry best-practices. The future of Air Force Contracting holds increased focus on performance assessment and

performance management; increased focus on multi-functional team; increased responsibility; and increased emphasis on cost control and change.

Mr. Vince Gasaway, HQ USAF/DPMS, briefed changes resulting from the Revised OMB Circular A-76. He provided insight into proposed changes in AFI 38-203, Air Force Competitive Sourcing Program, and other process changes. A few examples are centralized definition and coding of IGCA Inventory thru Core Competency Review with no county options, centrally managed study schedule; centralized A-76 Strike Teams for studies > 100 FTEs, and re-invest savings with MAJCOMs and installations. The bottom line is that A-76 will not go away--administration likes "competition"; the A-76 process will look different in the future; the process will be more "FAR-like" and the MEO added to the mix; there will be more emphasis on preliminary planning; the Core Competency review should create inventory shifts; and process steps will be reshuffled and some steps may use centralized approach.

Ms. Cathy Garman, Vice President for Public Policy, Contracting Services Association of America (CSA), briefed the history and mission of CSA. CSA represents all government service contractors. Ms Garman provided insight into the legislative process in Congress and CSA's involvement in a number of political initiatives to include the Service Acquisition Reform Act (SARA), the next generation Federal Acquisition Reform Act, and the other initiatives. The A-76 process greatly improved in the last seven years; however, industry is a strong proponent for shortening the timeline to complete the process. CSA is working to communicate to commanders that the mission can be accomplished with

contractor personnel. CSA contractors frequently sub-contract with Small Business. This bundling helps the Government meet its Small Business goals.

Ms. Earnetta Brady, HQ AETC/CEO, provided an overview of AETC and its pick-a-base Program. The AETC philosophy is based on including every possible support function, reducing mission turbulence, reducing personnel turbulence, and larger studies yield larger savings. AETC's method includes incorporating existing contracts where feasible in the PRD, increases synergy and flexibility, reduces fragmentation, and reduces performance management oversight. Developing a business strategy is the key.

Ms Kathleen Miller, AFPEO/SV, presented the focus of the new AFPEO for Services and its primary roles. She also provided insight into many of the contracting issues affecting service contracting and A-76. The primary focus is to:

- Provide a central focus on Services Acquisition
- Ensure that Post Award activities are as important as Pre-Award activities
- Performance Based Services Acquisition
- Apply Lessons Learned/Best Practices from across Multiple Commands/Agencies

Ms Miller also discussed the requirements of the Acquisition Strategy Panel, timing, staff involvement, and common problems. Finally, she addressed future issues needing attention at MAJCOM and installation levels.

Mr. Luke Harp, Program Managers, Brooks Development Office, presented a

briefing on the Brooks City/Base Project and how the partnership between the City of San Antonio and the Air Force was developed. The overarching strategy was to leverage Brooks capabilities and facilities through “side by side” partnerships and leases. The Brooks Development Authority operates the Park with the city providing municipal and related services. The Air Force remains the anchor tenant as the city works to bring in other industries. The City/Base project is in its infancy and plans for the future are being developed jointly by both the Air Force and the City of San Antonio

Mr. Sonny Elmore, HQ AFCESA/CEOK (Northrop Grumman), discussed the database that AFCESA is developing of current SABER contracts. Changes to the SABER Guide developed by SAF/AQC were also reviewed.

Mrs. Patricia Coyle, HQ AFCESA/CEOK, presented the results of a survey conducted to determine if the CE community is embracing PBSA. Although installations believe they are developing performance based contracts, the survey showed that many of the contracts are not performance based. It is believed that future contracts will fall in line with this philosophy. The key to performance based service acquisitions is market research that should be continuous process throughout the length of the contract.

Ms. Bonnie Humphrey, Program Manager, HQ AFAA, presented information about the Audit Agency’s role as an Independent Review Official (IRO) for OMB Circular A-76 Cost Comparisons. The Audit Agency has been performing IRO duties for only nine months but has reviewed Statements of Work and other contracting documents in an advisory capacity. The

Agency also provides audits of MEOs and the in-house cost estimates using a cross section of audits and functionals.

Mr. Quentin Thomas and Mr. Jon Siegel, JANTEC, briefed on the partnering between JANTEC and Los Angeles Air Force Base. They discussed some of situations that they had to overcome, the challenges of transition, the change of JANTEC and Air Force perspective, and the automated system put in place to provide greater customer satisfaction. The relationship evolved into a success story.

The CE Board of Advisors (BOA) directed AFCESA to develop a Military Family Housing (MFH) Maintenance template and to staff it through the MAJCOMs and Industry. The group discussed the approach and how to review the document. The group was tasked to provide comments. Mr. Elmore, AFCESA/CEOK (Northrop Grumman) will revise the draft to incorporate appropriate comments and send the revised SOW to MAJCOMs, CSA, and Industry representatives.

FUNCTIONAL AREA STAFF (FAS) WORKING GROUP

To respond to the Senior Leadership Meeting (SLM) Action Item # 12, develop a standardized Functional Area Staff organization for contractors and MEO. Air Staff and MAJCOM representatives met for a half-day working session following the Partnering Workshop. The objectives of the meeting were to:

- Define the FAS
 - Function/requirement/purpose
 - Size
- Review approaches and concepts
 - Similarities and differences
 - Relationship to contractor/MEO
- Develop consensus among MAJCOMs
- Plan roadmap for future actions

Mr. Ralph Butler, HQ AFMC/CEO, presented the AFMC FAS concept. His presentation highlighted that even within one command, there are different interpretations of what a FAS should be. This is evidenced by the varying FAS sizes at installations.

Ms Earnetta Brady, HQ AETC/CEO, explained that AETC's concept includes a Program Management Flight that oversees the MEO or contractor. It includes functional experts, contract administrators, QA, FM, and any other function that is directly involved with the performing activity. There is a FAS but it is staffed to do tasks not included in the competition.

Discussions followed to define the FAS's mission and purpose. After lengthy discussion, the Group agreed on the following:

- **Mission Statement:** The FAS is a multi-functional staff that performs inherently governmental activities.
- **Purpose Statement:** The purpose of the CE FAS is to perform inherently governmental activities using a professional staff when the CE function is performed by a service provider (contractor, MEO, or private developer).

As the Group brainstormed about what should be included in the FAS, it became evident that this is a bigger issue than just CE, and the first step should be to standardize CE's inherently governmental (IG) functions. The current coding process leads to a county option. The Group agreed to determine which processes should be coded IG. HQ USAF/ILEXO will then include this in the draft CE Competitive Sourcing Policy.

Since there is Air Force Manpower initiative to centrally management IG coding at the Air Staff level, Col. Brittenham shared the urgency to complete this task before the fall Senior Leader's Meeting (SLM) in December 2003 in order to gain approval from the SLM prior to the next IG coding exercise. In order to meet this deadline, there needs to be a determination for all IG positions by October.

ASSISTANCE

For help in planning your Cost Comparison, Direct Conversion, or Reengineering efforts call the HQ AFCESA Competitive Sourcing Help Desk at DSN 523-4970 or e-mail: cshelpdesk@tyndall.af.mil.

The Competitive Sourcing Help Desk consists of three full-time professionals with extensive experience in the competitive sourcing/cost comparison process: an engineer, a contracting specialist, and manpower expert. They operate from AFCESA to provide Competitive Sourcing and Reengineering support services including, but not limited to, the following:

- Answering competitive sourcing/cost comparison/reengineering related questions.
- Providing technical advice to Cost Comparison CE Steering Committee members.
- Assisting in developing acquisition strategies.
- Providing guidance on new acquisition procedures.
- Reviewing statements of work, quality assurance plans, and management plans.
- Maintaining a repository of lessons learned from CE activities.
- Providing assistance on reengineering/manpower standards development efforts.