



Space & Missile Systems Center (SMC)

Senior Leadership Offsite

Air Force Contracting Trends and Metrics

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19 Oct 10



AQC Source Selection Views

- * • Majority of technical requirements should be evaluated acceptable/not acceptable**
 - Must understand what we want**
 - Must clearly state our needs to contractors**
- Technical trade space should be focused on those requirements that are key discriminators**
 - Must be prioritized so contractors know what is most important**
- When using a threshold and objective requirement, only provide credit in the evaluation for fully meeting the objective**
- There must be clear and measurable criteria for determining when an objective is met or not met**



Source Selection cont...

- * • It is permissible to tell offerors the premium we are willing to pay for trade space requirements**
 - Coupling the premium with prioritized trade space allows contractors to clearly understand how we value additional capability**

- * • Whenever possible, evaluate past performance and risk using acceptable/not acceptable evaluation methods**

- * • Price should be equal to all other factors combined**
 - This construct allows the SSA to perform a true technical/cost tradeoff**

- * • When using an FPIF construct, evaluate the price at ceiling (similar to FFP) so a cost realism analysis is not required**
 - Mandating the FPIF geometry simplifies the analysis**



Source Selection cont...

- **We should not use price evaluation methodologies where we do not hold the contractor accountable (pricing curves or budgetary estimates)**
 - **At a minimum, all options should be priced as NTEs**
- ? • **All proposal preparation costs for future efforts should be included in the competitive price evaluation**
- **DoD Mandatory Source Selection policy expected 01 Jan 2011**
 - **RFPs issued after 31 Dec 2010 must comply; unless SSP approved before that date**
 - **ACQ has the authority to waive between 01 Jan 2011 and 28 Feb 2011**



AQC Business Clearance

- **All ACAT ID actions >\$250M (or special interest programs)**
 - **Sole source – Pre-negotiation**
 - **Competitive – Pre-RFP Release**
- **Key Focus Areas**
 - **Caliber of negotiation team**
 - **Proposal prep costs, including fee amount for these costs; fee on any proposal prep over \$1M should be reduced**
 - **Examination of pass-through costs; potential for component breakout**
 - **Detailed understanding of subcontractor costs – same level as prime analysis**



AQC Business Clearance cont...

- **More Key Focus Areas**
 - **Incentive Structure; effectiveness of existing structures if follow-on**
 - **In-depth understanding of Gov't position (tech eval, etc)**
 - **In-depth fact-finding expected**
 - **In-depth understanding of contractor rates (O/H, G&A, etc)**
 - **In-depth understanding of historical costs, profit**
 - **Ratio of direct labor to support labor**
 - **Detail of learning curve applications**
 - **Detail of how management reserve is handled**



J&A Roadmap

J&A

AP



AS





Transition to Organic Buyers

- **Purpose: Strategic move to improve SMC's long term contracting workforce structure**
- **Necessary to:**
 - **Encourage retention of talented buyers**
 - **Establish PCO pipeline (SETA's can't hold PCO jobs or negotiate)**
 - **Create promotion opportunities/positions for graduating interns**
 - **Avoid conflicts due to Inherently Governmental functions**
- **Transition Timeline: Dec 2011**
- **Impact:**
 - **24 SETAs across SMC**
 - **Anticipate crossover of 50%**



PK Workforce Development

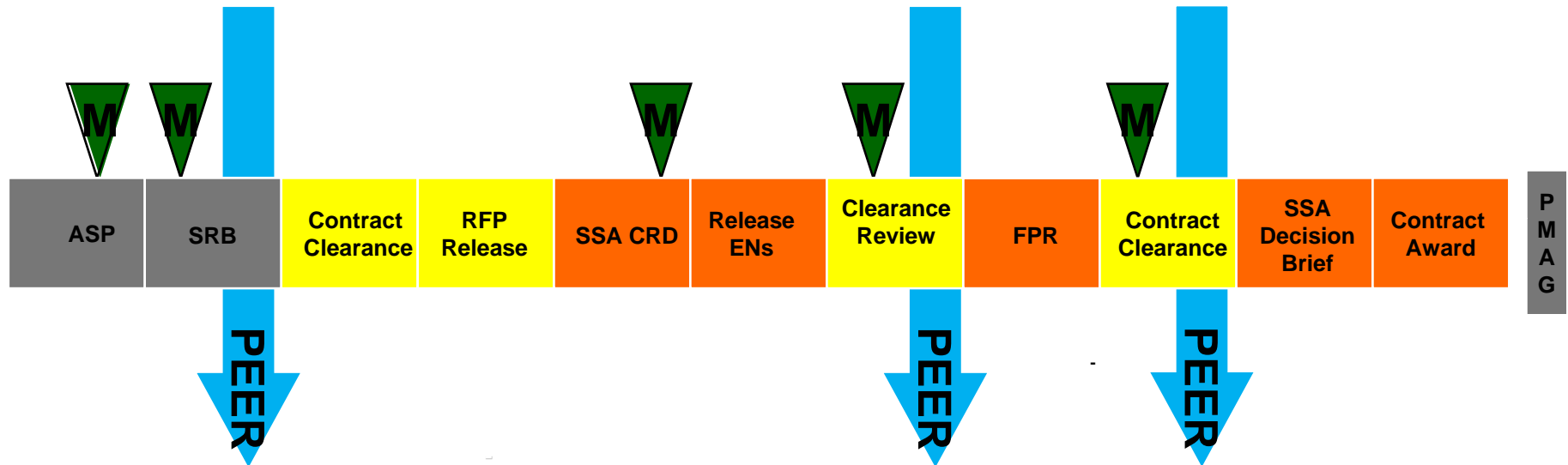
- **Journeyman Conference: mid-career “Jumpstart”**
 - **Partnered with SMC University**
 - **Speakers and training to include:**
 - **Aerospace ‘Smart Buyers Course’: Wall Street and CEO demands, Sector Financial Metrics, Business Development, Program Manager demands**
- **FAR Bootcamp – semi-annually**
- **PK University – bi-weekly**
- **Source Selection ‘Bootcamp’ – yearly**
- **AF Standard Written Warrant Test**
- **PCO Study Group**




BACKUP



MIRTs, Peer Reviews, & Source Selection Process



 = ACE/PI is OPR

 = PK is OPR

 = Wing/Group is OPR