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AGENDA

– ACC-APG Statistics

– Business Process Initiatives

– Responsive Strategic Sourcing for Services
ACC-APG FY14 STATISTICS

– Approximately 36,000 actions executed for $12.1B
  (including grants and classified contract actions)

– Contract action statistics:

<table>
<thead>
<tr>
<th>Vendor State</th>
<th>Actions</th>
<th>Obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia</td>
<td>7038</td>
<td>$2,940,159,726</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>1792</td>
<td>$1,052,720,084</td>
</tr>
<tr>
<td>New York</td>
<td>1416</td>
<td>$913,411,137</td>
</tr>
<tr>
<td>Maryland</td>
<td>2208</td>
<td>$703,500,295</td>
</tr>
<tr>
<td>California</td>
<td>2055</td>
<td>$530,546,411</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Actions</th>
<th>Obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>OMA</td>
<td>6256</td>
<td>$2,595,395,654</td>
</tr>
<tr>
<td>OPA</td>
<td>1878</td>
<td>$1,788,783,039</td>
</tr>
<tr>
<td>RDT&amp;E (Army)</td>
<td>6860</td>
<td>$1,531,620,904</td>
</tr>
<tr>
<td>FMS</td>
<td>1005</td>
<td>$870,960,086</td>
</tr>
<tr>
<td>RDT&amp;E (Defense)</td>
<td>1566</td>
<td>$662,886,757</td>
</tr>
<tr>
<td>Defense Working Capital Fund, Army</td>
<td>5325</td>
<td>$295,350,513</td>
</tr>
<tr>
<td>OTHER</td>
<td>5133</td>
<td>$1,623,543,852</td>
</tr>
</tbody>
</table>
ACC-APG FY14 CUSTOMERS

CECOM HQ (LRC, ISEC, SEC, TYAD), $1,235,857,989, 10%

PEO C3T, $1,417,520,914, 12%

PEO IEWS, $1,223,210,189, 10%

CERDEC, $318,612,498, 3%

RDECOM (HQ, ARL, ECBC, NSRDEC, STTC), $818,446,843, 7%

RDECOM (Grants/CA/OT), $571,629,930, 5%

PEO Solder, $730,817,304, 6%

FMS, $683,639,239, 6%

Secure Mission, $632,004,743, 5%

NETCOM, $495,996,617, 4%

JPEO CBD, $430,112,125, 4%

HQ, DA, $400,514,666, 3%

PEO M&S, $317,431,020, 3%

IMCOM, $164,093,069, 1%

ATEC, $203,960,715, 2%

Dept Navy, $208,815,425, 2%

PEO Aviation, $236,382,482, 2%

TACOM, $247,739,571, 2%

38% ASA(ALT)
28% AMC
34% OTHER

Customers as Percentages of Obligations

$12.1B Obs
35,797 Act *

Other Customers Include:
Across ACC-APG
Dept Air Force
Army Materiel Cmd
Dept of Defense
Army Sustainment Cmd
PEO EIS
ARMY Intel & Sec Cmd
Div A
Def Health Agcy
DISA
DTRA
Natl Geospatial Intel Agcy
Div B
NAVAL AIR SYS CMD
NAVAL SEA SYS CMD
AMCOM
Div D
ARMY Acq Spt Ctr
FORSCOM
Belvoir
Corp of Engineers
US ARMY South
PEO Ammo
PEO CS&CSS
JIEDDO
Natick
MEDCOM
NGB
Bureau of Med and Surgery
RT&P/Adelphi
DARPA
Tenant
AMSAA
Huachuca
TRADOC
Edgewood
CMA

$12.1B Obs
35,797 Act *
ACC-APG BUSINESS PROCESS INITIATIVES
ACC-APG BUSINESS PROCESS INITIATIVES

Continue to improve bonafide competition

- Sole source measures to improve competition
  - Possible game changer
- Competitive single bid
- Better definition of existing recompeted work
- FY13 LPTA & Tradeoff statistics - % of the time award made to the incumbent
  - LPTA: 7%
  - Tradeoff: 42%
- T&M obligations of 1% in FY14, down from 70% in FY10
ACC-APG BUSINESS PROCESS INITIATIVES

Work to reduce and/or eliminate bridge contracts

– Government team will more closely manage contract end dates
ACC-APG BUSINESS PROCESS INITIATIVES

Closely assess contested contract actions

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>ACC-APG Protest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY11</td>
<td>3%*</td>
</tr>
<tr>
<td>FY12</td>
<td>3%*</td>
</tr>
<tr>
<td>FY13</td>
<td>3.15%**</td>
</tr>
<tr>
<td>FY14</td>
<td>16.94%**</td>
</tr>
</tbody>
</table>

*Notional Rate

** Protest rate = # of GAO Bid Protests/Total Competitive Actions over SAT and Competitive Task Orders over $10M
Possible reasons for protest increases:

- Increasing effectiveness rate
- Competition for dwindling acquisition dollars
- Service contract protests for incumbents prolong performance time and continue influx of income. Incumbent service contractors may receive additional time on their contract while the GAO protest is pending (GAO has 100 days to decide)
- Less experience in personnel (in debriefings and in communication with industry, and evaluators)
- Emphasis on socio-economic goals
- Difficulty in performing cost realism
ACC-APG BUSINESS PROCESS INITIATIVES

Simplify source selection methodologies

- Supplies versus services
  - LPTA versus tradeoff
- Tradeoff – defined in advance
  - What elements represent tradespace
  - Approximate value for the trade
- LPTA – when tradeoff elements cannot be justified
  - Determined by customer (requiring activity)
- Simplified source selection process
- Major elements serving as true discriminators
- Multiple Award Contracts (MACs)
  - Objective to streamline MAC award, then true competition at task/delivery order
ACC-APG BUSINESS PROCESS INITIATIVES

Focus on contractor performance management

– CPARS
– On-time delivery
– Disbursement rate
– Manage to target cost
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RESPONSIVE STRATEGIC SOURCING FOR SERVICES (RS3)

–Knowledge based support services for requirements with Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) related needs to include:

- Engineering
- Research, Development, Test and Evaluation (RDT&E)
- Logistics
- Acquisition and Strategic Planning
- Education and Training

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RS3 (CONTINUED)

– Will replace Rapid Response-Third Generation (R2-3G), Strategic Services Sourcing (S3), Warrior Enabling Broad Sensor (WEBS), Technical, Administrative and Operations Support Services (TAOSS), and Technical Information Engineering Services (TIES)

– Customers may include ACC-APG customers and other DoD and federal agencies

– Anticipated ordering period is five (5) years with one five (5) year option period. Task order PoP may extend up to five (5) years after the ordering period expiration

– Estimated ceiling, including optional ordering period, is $37B, $500 minimum guarantee to each awardee

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RS3 (CONTINUED)

-The Government anticipates full and open competition resulting in multiple awards with the following requirements restricted to small businesses when two or more capable small businesses intend to propose

- Less than $10 million
- Acquisition and Strategic Planning Services
- Contracting Officer determination – FAR 16.505(b)(2)(i)(F)
- Off-ramps will occur in years three and eight of contract
  - Contractors that have not submitted an acceptable task order proposal in 36 months, have had two or more cost overruns, have poor past performance, or have not met small business participation goals within 5% may be off-ramped
- On-ramps may occur in years three and six of contract
  - To increase competition
  - To gain access to new technologies or capabilities
- The optional ordering period may not be exercised for any base contract holder that demonstrates these issues prior to the exercise of the option in year five
RS3 (CONTINUED)

Streamlined source selection methodology broken down into two phases reducing costs:

- **Phase 1**
  - Offerors agree to cap fee at 7% (12% R&D) or less for cost reimbursement task orders
  - Fair, reasonable, and realistic cost data for sample labor categories*
  - Offerors meet requirements for Corporate Experience, Past Performance, and Small Business Participation Plan (SBPP)*
  - Contracts will be awarded without discussions and will not be subject to wait for completion of evaluations in Phase 2, immediately eligible for task order competitions/awards
  - Unsuccessful Phase 1 offerors will be moved to Phase 2

- **Phase 2**
  - Unsuccessful offerors from Phase 1 may submit proposal revisions in Phase 2
    - Example: If an offeror proposes fee rates higher than the rates stated above, they may be considered for an award if the higher rates are justified and determined fair and reasonable
  - Timeline for Phase 2 awards will depend upon the number of proposals received and the quality of proposals received for Phase 2
  - Phase 2 may not be necessary if sufficient awards are made in Phase 1

*If the individual deviations and waivers are approved, offerors will not be required to submit cost/price or small business participation plans.

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RS3 (CONTINUED)

Tentative milestones:

- Acquisition Strategy Approval – Dec 2014
- Draft solicitation Release – Nov 2014
- Industry Day – 16 Dec 2014
- Solicitation Release – Jan 2015
- Proposals Due – Feb 2015
- Phase 1 Evaluations Complete – Jun 2015
- Phase 1 Contract Awards – Jul 2015
- Phase 2 Evaluations Complete & Contract Awards – TBD

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RS3 (CONTINUED)

- Submit questions in writing to Katie Thompson, katherine.c.thompson4.civ@mail.mil or Ashley Keating, ashley.e.keating.civ@mail.mil

- Questions will be addressed at the RS3 Industry Day