Special Operations Forces Industry Conference

Col Kurt Bergo
Director of Procurement

AT&L Efficiencies and Contract Effects

Procurement
Overview

- Organization & Mission
- Key Statistics
- Upcoming Source Selections
- USD (AT&L) Directed Initiatives
A Unique Organization

A Unified Combatant Command...

- Command of all U.S. based SOF
- Plan and Synch DOD activities in OCO
- Deploy SOF to support GCCs as directed, conduct operations globally
- Plan & execute pre-crisis activities

...with Service & MILDEP-like responsibilities

- Organize, train, equip SOF
- Develop Strategy/Doctrine/Tactics
- Program and Budget
- Monitor SOF personnel
- Ensure interoperability
- Procure SOF-peculiar equipment & training
Title 10 U.S.C. 167

Commander USSOCOM

Acquisition Executive (SPE)

Director of Procurement (HCA)

Contracting Officers
Definition: Special Operations Peculiar

- Equipment, Materiel, Supplies, and Services with No Service-common Requirement
- Items Initially Used by SOF Until Adopted by a Service
- Modifications Approved by CDR USSOCOM for Application to Items Used by Other DOD Forces
- Critically Urgent Items/Services Supporting SOF Activities

USSOCOM is a Joint “Acquisition Center”

FULL SPECTRUM CONTRACTING

Simplified Acquisition Procedures
Knowledge-Based Services
Construction
Global Support

ACQUISITION SUPPORT SERVICES

DCMA
Finance
SAP/SAR
DAU
Acquisition Policy
Directorate of Procurement (DoP)

Mission Statement

• To rapidly transform acquisition strategies into superior technologies, equipment, and services for Special Operations Forces world-wide.

Vision Statement

• To be DOD’s finest contracting team providing rapid, focused, and innovative support to Special Operations Forces.
DoP Organizational Structure

Director of Procurement

Administration

Deputy Director of Procurement

Procurement Support Office
(DCMA CLR & LNO, DCAA FLA & SUP)

SOJA

Deputy Director of Procurement
Mid-Atlantic Region

KH Division
Supports Headquarters and Components Services

KP Division
Supports PEO SOF Warrior (Classified Programs)

KI Division
Supports PEO SRSE, PM-C4-P, PM-IN

KR Division
Supports PEO SOF Warrior

RCO RDA, RCO-Bragg
Supports SMU SOF peculiar equipment and materiel/post, camp and station

USASOC
Supports US Army Special Operations

RCO-Pope
Supports Other SMU Activities

SP1, SP2
Supports US Army Special Operations

GAKO
Supports (Unclassified) Ground Applications Program Office

TAKO, AID
Supports Rotary Wing Acquisition & MX

RCO Joint
Supports HQ Joint Special Operations Command

KH
Division

Supports PEO Fixed Wing, Maritime, Preparation & Training, S&T Director

KW
Division

Supports PEO SOF Information Technology Enterprise Contracts (SITEC)

KS
Division

Supports CLS Aviation MX and equipment repair contract

SOFSA

Supports CLS Aviation MX and equipment repair contract

NSWG Grp 1

NSWG Grp 2

NSWG Grp 4

DEVGRP

SOCCENT

MARSOC

Military, Civilians & Contractors Authorized/Funded: 262
SOCCENT Contracting Footprint

**SOCCENT FWD**
94 Actions ~ $15.5M

**CJSOTF-AP**
124 Actions - $2.1M

**CJSOTF-A**
1071 Actions - $25M

**SOC-PAK-FWD**
292 Actions - $14M

**SOC FWD YEMEN**

UNCLASSIFIED
Fiscal Year 2010
USSOCOM Spending Breakdown

FY10 FPDS-NG Spend: $2.442 B

- Goods: $1,020M
- Services: $1,422M
- RDT&E: $113.6
- Automation and Telecom Services: $247.9
- Equipment Related Services: $420.9
- Knowledge Based Services: $630.3
- Other: $9.0
Small Business Program (FY11) (SORDAC-RA OSBP)

<table>
<thead>
<tr>
<th>Goal</th>
<th>FY10 ($M)</th>
<th>FY11 ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB</td>
<td>780.5</td>
<td>226.9</td>
</tr>
<tr>
<td>SDB</td>
<td>297.2</td>
<td>79.0</td>
</tr>
<tr>
<td>WOSB</td>
<td>93.3</td>
<td>28.2</td>
</tr>
<tr>
<td>SDVOSB</td>
<td>50.5</td>
<td>11.9</td>
</tr>
<tr>
<td>HUBZone</td>
<td>23.9</td>
<td>9.1</td>
</tr>
</tbody>
</table>
Effective Competition by Quarter

<table>
<thead>
<tr>
<th>Quarter</th>
<th>OBLIGATED</th>
<th>COMPETED</th>
<th>ALL COMPETED OFFERS</th>
<th>ONE OFFERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>$376M</td>
<td>$234M</td>
<td>$234M</td>
<td>($120)M</td>
</tr>
<tr>
<td>Q2</td>
<td>$880M</td>
<td>$544M</td>
<td>$544M</td>
<td>($ 94)M</td>
</tr>
</tbody>
</table>

Competition % calculations are adjusted for exceptions to fair opportunity.
## Upcoming Source Selections

<table>
<thead>
<tr>
<th>TITLE</th>
<th>BRIEF DESCRIPTION</th>
<th>EST AMOUNT</th>
<th>EST/ACT RFP RELEASE</th>
<th>EST AWARD DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SITEM Specialty Services</td>
<td>Provides unique IT Enterprise Management Support to JSOC and TSOC along with Special Access Program Support Task Orders</td>
<td>TBD</td>
<td>Nov-11</td>
<td>May-11</td>
</tr>
<tr>
<td>Family of Terminals (SDN-M Recompete)</td>
<td>Non-developmental production ready Special Operations Forces Tactical Assured Connectivity System (SOFTACS) and Product Distribution System (PDS) family of terminals (FoT).</td>
<td>$500M</td>
<td>Jul-11</td>
<td>Jan-12</td>
</tr>
<tr>
<td>Tactical Local Area Network (TACLAN)</td>
<td>Tactical Local Area Network (TACLAN) is a modular, scalable family of computer network equipment and workstations.</td>
<td>$500M</td>
<td>May-11</td>
<td>Aug-11</td>
</tr>
<tr>
<td>SPEAR Backpack</td>
<td>Replace existing Load Carrying System</td>
<td>$49M</td>
<td>Aug-11</td>
<td>Mar-12</td>
</tr>
<tr>
<td>Fully Integrated X-Ray Imaging Tool</td>
<td>Development of a fully integrated X-Ray imaging Tool under $10 M</td>
<td>May-11</td>
<td>Aug-11</td>
<td></td>
</tr>
<tr>
<td>Special Operations Eye Protection (SOEP)</td>
<td>Ballistic Goggles and Sunglasses</td>
<td>$49M</td>
<td>Jun-11</td>
<td>Jan-12</td>
</tr>
<tr>
<td>Precision Sniper Rifle (PSR)</td>
<td>The PSR system (weapon and ammunition) will enhance operational effectiveness and sniper survivability.</td>
<td>$252M</td>
<td>Jun-11</td>
<td>Apr-12</td>
</tr>
<tr>
<td>Ammunition and Weapon Testing</td>
<td>Engineering services and rapid response testing support for characterizing, testing, and documenting the performance of weapons, ammunition, munitions, and energetic systems, components and related systems</td>
<td>$15M</td>
<td>Jun-11</td>
<td>Sep-11</td>
</tr>
<tr>
<td>Hard Armor Recompete</td>
<td>Hard armor ballistic plates, Non-commercial</td>
<td>$49M</td>
<td>Mar-12</td>
<td>Jan-13</td>
</tr>
<tr>
<td>Modular Gloves System</td>
<td>Suite of integrated gloves, from thin, fire-resistant to extreme cold weather mitten</td>
<td>$50M</td>
<td>Feb-12</td>
<td>Nov-12</td>
</tr>
<tr>
<td>Spot on Target (SPOTR)</td>
<td>A device to be used in conjunction with the Handheld Laser Marker (HLM) that allows operators to verify that their 1064-nm energy is on target at the intended ranges of the HLM.</td>
<td>$45M</td>
<td>May-11</td>
<td>Nov-11</td>
</tr>
<tr>
<td>All Terrain Vehicles (ATVs)</td>
<td>Replace aging ATV fleet with “off-the-shelf” vehicles</td>
<td>$32M</td>
<td>Aug-11</td>
<td>Oct-11</td>
</tr>
<tr>
<td>Ground Mobility Vehicles (GMVs)</td>
<td>Modified Commercial-Off-the-Shelf, medium weight vehicle</td>
<td>$375M</td>
<td>Sep-11</td>
<td>Apr-12</td>
</tr>
<tr>
<td>Non-Standard Commercial Vehicles (NSCVs)</td>
<td>Provide SOF operators with covert mobility by acquiring commercial vehicles that are representative of indigenous operating environments and modified to meet SOF unique requirements.</td>
<td>$105M</td>
<td>Dec-11</td>
<td>Apr-12</td>
</tr>
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USD(AT&L) Directed Initiatives

Better Buying Power Highlights:
Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending
USD(AT&L)’s Efficiency Initiatives
(Nov 3, 2010 Memo, 5 Major Areas)

1) Target Affordability

2) Incentivize Productivity & Innovation in Industry

3) Promote Real Competition

4) Improve Tradecraft in Services Acquisition
### 1) Target Affordability & Control Cost Growth

<table>
<thead>
<tr>
<th>Action</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Mandate Affordability as a requirement</td>
<td>– Acquisition Managers with large ACAT Programs</td>
</tr>
<tr>
<td>- Milestone A: Establish affordability target in context of analysis of resources available in portfolio or mission area</td>
<td></td>
</tr>
<tr>
<td>- Milestone B: Present trade-off analysis showing how cost varies as design and schedule are traded off against each other</td>
<td></td>
</tr>
<tr>
<td>• Drive productivity growth through Will Cost/Should Cost management</td>
<td>– For large ACAT Programs</td>
</tr>
</tbody>
</table>
## 2) Incentivize Productivity & Innovation in Industry

<table>
<thead>
<tr>
<th>Action</th>
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</tr>
</thead>
<tbody>
<tr>
<td>• Reward contractors for successful supply chain and indirect expense management</td>
<td>– 1 Dec 2010. DPAP will review Weighted Guidelines tying profit and performance</td>
</tr>
<tr>
<td>• Increase use of FPIF contracts where appropriate</td>
<td>– 1 Jan 2011. Incentive strategy behind profit in acquisition strategy for all programs</td>
</tr>
<tr>
<td></td>
<td>– Immediately:</td>
</tr>
<tr>
<td></td>
<td>- Greater consideration to FPIF contracts for efforts moving from development to production</td>
</tr>
<tr>
<td></td>
<td>- Justification for contract type for each proposed contract above $100M</td>
</tr>
<tr>
<td></td>
<td>- FPIF contracts with 120% ceiling and 50/50 share ratio should be norm</td>
</tr>
</tbody>
</table>
### 3) Promote Real Competition

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<tbody>
<tr>
<td>Present a <strong>competitive</strong> acquisition strategy at each program milestone</td>
<td>- <strong>1 Dec 2010.</strong> One page competitive strategy for all ACAT levels</td>
</tr>
<tr>
<td></td>
<td>- <strong>Report</strong> to USD(AT&amp;L) intent to reduce single-bid competitions</td>
</tr>
<tr>
<td></td>
<td>➢ Address market research, restricted specs &amp; adequate time for proposal prep.</td>
</tr>
<tr>
<td></td>
<td>➢ Achieve 2% reduction in single-bid competitive contracts in FY 2011, with continuing reductions thereafter</td>
</tr>
<tr>
<td>Increase small business role in defense marketplace competition</td>
<td>- <strong>1 Dec 2010.</strong> All competitive and non-competitive procurement actions will seek to increase small business participation through weighting factors in past performance and in fee construct</td>
</tr>
</tbody>
</table>
### 3) Promote Real Competition (cont)

<table>
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<th>Implementation</th>
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<tbody>
<tr>
<td>• Remove obstacles to competition</td>
<td>- <strong>15 Nov 2010.</strong> Contracting officers <strong>conduct negotiations</strong> with all single proposal offerors. Basis will be cost or price analysis, using certified or non-certified data <strong>cost or pricing data</strong> as appropriate.</td>
</tr>
<tr>
<td></td>
<td>- <strong>1 Dec 2010.</strong> Component competition advocates will develop plan to <strong>improve overall rate of competition</strong> at least 2% per year and 10% per year for effective competition</td>
</tr>
<tr>
<td></td>
<td>- <strong>15 Nov 2010.</strong> Require open system architectures and set rules for acquisition of technical data rights</td>
</tr>
</tbody>
</table>
4) Improve Tradecraft in Services Acquisition

**Action**

- Address causes of poor tradecraft in services acquisition (continued)
  - Enhance competition by requiring more frequent re-compete of knowledge-based services

- “1-bid” Proposals

**Implementation**

- **1 Jan 2010.** Report results of review of length of time knowledge-based service contracts are scheduled to remain in effect before re-compete

- **1 March 2011.** Provide plan to bring knowledge-based services contracts into closer compliance with a three year limitation

- **1 Dec 2010.** When “1-bid” proposals are received, require pricing and cost data as appropriate.
  - Solicitations receiving only 1-bid, that were open to industry for less than 30 days, are to be re-advertised for a minimum period of an additional 30 days unless a waiver is obtained from the HCA.
4) Improve Tradecraft in Services Acquisition (cont)

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<th>Implementation</th>
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<tbody>
<tr>
<td>• Address causes of poor tradecraft in services acquisition (continued)</td>
<td>– Immediately. Ensure services acquisitions favor CPFF or CPIF initially</td>
</tr>
<tr>
<td>– Limit the use of T&amp;M and award fee contracts for services</td>
<td>– When robust competition exists, or there is recent competitive history, ensure services favor FFP contracts</td>
</tr>
<tr>
<td>– Require that services contracts exceeding $1B contain cost efficiency objectives</td>
<td>– Immediately. services contracts valued at more than $1 billion contain provisions to achieve productivity improvements and cost efficiencies throughout the term of the contract.</td>
</tr>
<tr>
<td>• Increase small business participation in providing services</td>
<td>– Immediately. DPAP ensure Office of Small Business Programs is included as member of OSD peer reviews of service acquisitions</td>
</tr>
<tr>
<td></td>
<td>– 1 Jan 2011. Seek opportunities to compete Multiple Award/IDIQ contracts among small businesses</td>
</tr>
</tbody>
</table>
Take Aways

1) Taking Action to increase competition

2) Taking Action to increase accuracy of price and cost

3) Taking Action to Incentivize Productivity & Innovation in Industry
Questions