THE AIR FORCE: POWERED BY AIRMEN AND FUELED BY INNOVATION

“If we make the right choices today, building on the innovation, we will be the dominant service in the foreseeable future.”

Eric Fanning, Acting Secretary of the Air Force, Air Force Association
(Sep 2013)
MEMORANDUM FOR ALMAJCOM-FOA/CC

SUBJECT: Expectations for Senior Leaders in Achieving Our FY12 Small Business Goals

Dynamic small businesses play a central role in strengthening our industrial base and improving the performance and outcomes of the Air Force acquisition system. Small businesses not only lead the Nation in innovation, but they also drive competition and are incubators of job growth — creating two of every three new jobs in America. The small business industrial base has performed superbly for our Air Force in a number of mission-critical areas. In fact, small businesses account for the vast majority of contract work performed in our operational commands. In many cases, small businesses have employed business models that have saved the Air Force millions of dollars, produced key warfighter innovations, and provided agility and customer-focused service in an exemplary and highly responsive manner.

Recognizing the significance of a strengthened small business industrial base, Deputy Secretary of Defense Carter (DepSecDef) mandated senior executive members who acquire services or supplies, direct other Department of Defense (DoD) organizations to acquire services or supplies, or oversee acquisition officials have their FY12 performance plans amended to include a new small business performance element. This new mandate for FY12 and beyond reflects the Department’s commitment to ensure senior leadership accountability in promoting robust Small Business Program implementation and increased small business utilization across the DoD.

We are working with our civilian senior executives (CSE) to ensure those who meet the DepSecDef’s criteria have their performance plans modified to include the new mandatory performance element. While this performance element is directed at our CSE Corps, we expect our commanders to ensure all general officers with similar duties demonstrate the same level of leadership commitment.

Mr. Joseph McHale, Director of our Small Business Program, has the lead for the Department of the Air Force in providing you with additional guidance and assistance in meeting the expectations established by the DepSecDef.

Michael B. Donley
Secretary of the Air Force

Norton A. Schwartz
General, USAF
Chief of Staff

Attachment:
Partial List of Examples

SB Prime Contracts Awarded & Projected – FYs 13-17

SB Set-Asides Examples – Large dollar buys, funding obligated over time

FY 13

- $5.7B 172 MAC/IDIQs (Multi-Year Ceilings)* 100% SBSA FY13

FYs 14-17*

- $960M Adv Tech Exploitation Pgm II (ATEC II) 100% SBSA FY14
- $600M AFTC Test Msn Adv Svs (TMAS) 100% SBA (PEO/CM) FY14
- $329M Services Supporting AFNETTOPs 100% SBSA (AFSPC) FY15
- $275M Front Range SABER 100% SBSA (AFSPC) FY15
- $2.40B LCMC Engr Prof Adv Asst Svs (EPASS) 100% SBSA (PEO/CM) FY16
- $4.18B 20% of TSA III ($20.9B ceiling)** Partial SBSA Prime (PEO ACS) FY16
- $1.6B AFSC Engr Prof Adv Asst Svs 100% SBSA (PEO/CM) FY17

$10.34B

* Period of performance varies

** 20% of the ceiling amount to be set aside for SBs as sub-contractors

Acquisition Lead Times Range From 18-30 Months
MEMORANDUM FOR DISTRIBUTION C

FROM: HQ USAF/CVA
1670 Air Force Pentagon
Washington, DC 20330-1670

SUBJECT: Contracted Advisory and Assistance Services (CAAS) IV

In December 2012, the Air Force awarded a $4.7 billion contract for advisory and assistance services (A&AS). CAAS IV is a multiple-award, indefinite delivery/indefinite quantity contract with awards to 29 prime contractors, both large and small.

CAAS IV was developed to provide a single, expedited, and cost-effective vehicle for A&AS support. Since contract award, over 50 CAAS IV task orders have been issued, achieving 32 percent savings with $3.4 million from Air Staff contract awards alone. Total savings has exceeded $28 million to date and customer feedback has been consistently positive. Given these substantial savings, CAAS IV will now be the mandatory source for all new or follow-on Air Staff and Air Force District of Washington (AFDW) A&AS contracted support requirements. Prior coordination with AFDW/PKS is necessary to provide control, oversight, and tracking of A&AS expenditures to facilitate sound business decisions in our current fiscal environment.

Please contact the AFDW/PKS Division Chief, Ms. Mary Kathryn Robinson, marykathryn.robinson@afncr.af.mil or DSN 297-8046, with any questions regarding your organization's A&AS support.

FRANK GORENC
Lieutenant General, USAF
Assistant Vice Chief of Staff
Director of Staff

Powered by Airmen – Fueled by Innovation
Room for Improvement
SAME Air Force Work -- LB and SB Prime Contracts

LB & SB Capabilities – SIMILAR Work being done by BOTH

- Improve Data-Driven Market Research – Use of Rule of 2 – SB Set-Aside Opportunities

### Top 10 AF Services Markets & Spend

<table>
<thead>
<tr>
<th>Large Business</th>
<th>Small Business</th>
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<tbody>
<tr>
<td>Engineering/Tech Prof Support (R425)</td>
<td>1. Engineering/Tech Prof Support (R425)</td>
</tr>
<tr>
<td>Other Prof Support (R429)</td>
<td>2. Other Prof Support (R429)</td>
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<tr>
<td>Photo/Map/Print/Pub-Topography (L014)</td>
<td>3. Program Mgmt Support (R408)</td>
</tr>
<tr>
<td>R&amp;D Management/Support (AZ16)</td>
<td>4. Logistics Mgmt Support (R706)</td>
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<tr>
<td>Maint &amp; Rep of Electric/Electronic Equip (J059)</td>
<td>5. Communications Support (R426)</td>
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<tr>
<td><strong>Logistics Mgmt Support (R706)</strong></td>
<td>6. Systems Engineering Services (R414)</td>
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<tr>
<td>Special Studies/Analysis (B599)</td>
<td>7. Architect &amp; Engineering-General (C219)</td>
</tr>
<tr>
<td>Systems Engineering Services (R414)</td>
<td>8. Architect &amp; Engineering-Landscaping (C211)</td>
</tr>
<tr>
<td>R&amp;D – Missiles/Space (AC25)</td>
<td>9. Special Studies/Analysis (B599)</td>
</tr>
<tr>
<td>Maint/Repair of Aircraft Components (J016)</td>
<td>10. R&amp;D Engineering Development (AE34)</td>
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</tbody>
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**Note:** Matching Colors Denote Markets where Same Work (prime contracts) being done by LB and SB

In FY12, 32% of Small Business Awards were from F&O Competition
Many SBs are Very Capable – Very Competitive in AF Markets

Way Ahead

FY 13: Sequestration = Steepest Budget Cuts Since World War II

- 18% reduction in dollars going to small businesses, but only a 1% decline on AF SB Program Performance

FY 14: Air Force Senior Leadership Committed to Small Business

- New SBSA MAC IDIQ will be announced & we will redouble our efforts to enforce existing MACs;
- Specific new break out opportunities for SBs will be identified;
- Focused SB Industry Days;
- SB industry round tables;
- Renewed emphasis on forecasting SB contract opportunities & market research.