



Engineering Technical Services (ETS)

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ETS Guidebook



2016

**Guidebook
for Acquiring
Engineering
Technical
Services (ETS)**
*Best Practices &
Lessons Learned*
Version 1.0



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- **Version 1.0 was released 1 Aug 16**
 - Cleared for public release
 - <http://www.acq.osd.mil/se/docs/ETS.pdf>
- **Version 2.0 in development, anticipated release in Nov 16**



Background: Better Buying Power (BBP) 3.0 Actions



BBP is a USD(AT&L) initiative to “Improve Tradecraft in Services” to strategically lead and manage services portfolios to obtain greater efficiency; BBP 3.0 focuses on improving Engineering Technical Services (ETS)

- **Improving the Effectiveness and Productivity of Contracted ETS**
 - 3.7.3.1 Acquisition of Services Sub-initiative
- **Share Best Practices and Lessons Learned for the Enterprise**
- **Actively integrating activities with related initiatives to achieve BBP goals**
 - 3.7.3.2 USAF PEO assess applicability and effectiveness of known ETS practices
 - 3.7.3.3 DPAP will identify data input and management mechanisms to improve the Department’s ability to track and monitor ETS



ETS Guidebook Development

- **Met with Service and Agency Component Level Leads (CLLs), as well as requiring activities (buyers) and contracting representatives from Army, Navy, and Air Force**
- **Received inputs from Army, Navy, Air Force, MDA and DLA**
- **Consolidated Lessons Learned and Best Practices for ETS covering:**
 - Requirements Development Phase
 - Contracting Phase
 - Contract Execution Phase
- **Released an ETS Best Practices & Lessons Learned “Guidebook”**
 - Plain language, concisely written
- **The target audience is primarily the requiring activities (such as PMs, PEOs)**
 - The contracting community can benefit as well
 - The Guidebook encourages the requiring activities to work closely with the contracting community



ETS BP & LL Guidebook

– Table of Contents –



1. Requirements Development Phase

- LPTA, TA-LTEP, Full Tradeoff (Key Considerations for Requirements Developers)
- Industry Engagement/Market Research
- Performance Work Statements
- Determinations for Government or Contracted Service Support
- Resource Links

2. Contracting Phase

- LPTA, TA-LTEP, Full Tradeoff (Key considerations for Contracting)
- Contract Type
- Strategic Sourcing
- Source Selection Criteria
- Resource Links

3. Contract Execution Phase

- Quality
- Performance Management
- Resource Links

Not “one size fits all” ...compliance attitude discourages critical thinking



Requirements Development Phase: LPTA, TA-LTEP, Full Trade-off (Key Considerations for Requirements Developers)



- **When LPTA is appropriate**
- **Example of a good use of LPTA: *Lawn Mowing Services***
- **LPTA & FFP**
 - Together, this can be a worst case combo for ETS*

- Well-defined requirements
- Low risk of unsuccessful performance
- Cost/price is a significant factor
- Neither value, need, nor willingness to pay for higher performance

- **What is TA-LTEP and how does it differ from LPTA?**

- **Sample Best Practices:**

- Develop source selection strategies that emphasize a high technical bar as required
- LTEP is tied to market research; such as for professional compensation practices, and a determination of MPC
 - MPC uses indices for employee cost from DCAA
 - Offeror's proposed cost may be adjusted (upward only) based on MPC assessment
 - Proposals requiring large adjustments may be eliminated

This has yielded positive results acquiring KBS (including ETS) using a holistic approach based on a TA-LTEP strategy, and CPFF contract types**

DCAA – Def Contract Audit Agency
 FFP – Firm Fixed Price
 TA-LTEP: Technically Acceptable- Lowest Total Evaluated Price
 LPTA: Lowest Price Technically Acceptable
 MPC: Most Probable Cost

*CPFF vs. FFP: No incentive with CPFF to provide lower skilled employees (unlike FFP); DoD pays the incurred costs of the person in CPFF

**Air Force EPASS PMO (EPASS – Engineering, Professional, and Administrative Support Services)



Requirements Development: LPTA, TA-LTEP, Full Tradeoff (2 of 2) Sample Best Practices & Lessons Learned

- **Criteria to consider when selecting Tradeoff** →

- A tradeoff process is appropriate when it is in the best interest of the Government to consider award to other than the lowest price offeror or other than the highest technically rated offeror

- Warfighter willing to pay for above threshold requirements or performance standards
- Warfighter may benefit from innovative and technologically superior solution

- **Allow a tradeoff strategy if value of the tradeoff can be quantified and justified**

- Example: A Nobel Laureate (or one of just a few experts in a specific field that are recognized as world-class experts) versus a run of the mill PhD within that same community

- **Sample Lessons Learned:**

- Consider complexity of the requirement when selecting best value source selection strategy
 - LPTA can lead to a “race to the bottom” for highly technical services (like ETS)
- LPTA/FFP requirements can decrease contractor’s incentive to quickly fill positions due to less profit margin due to low proposed price to win
- Young/inexperienced engineering/acquisition workforce limits ability to use trade-off strategies; challenged to select other than LPTA

- **Sample Best Practices:**

- Requiring/Buying activities can move to more use of trade-off strategies by writing better requirements
- Requiring activities should set Technically Acceptable bar then determine how much willing to pay for trade-offs

Identify key ETS technical requirements and value of superior performance to support a Tradeoff Process

FFP – Firm Fixed Price

TA-LTEP: Technically Acceptable- Lowest Total Evaluated Price

LPTA: Lowest Price Technically Acceptable



Requirements Development Phase: Resource Links



- **AT&L Appropriate Use of LPTA:**
 - http://bbp.dau.mil/docs/Appropriate_Use_of_Lowest_Priced_Technically_Acceptable_Source_Selec_Process_Assoc_Con_Type.pdf
- **DAU Service Acquisition Workshop:**
 - <https://acc.dau.mil/CommunityBrowser.aspx?id=252669>
- **DAU Service Acquisition Mall for Knowledge Based Services:**
 - <http://sam.dau.mil/Content.aspx?currentContentID=9689b62c-912b-4a07-b8c3-d9fd0268e119>
- **DoDI 5000.74:**
 - <http://www.dtic.mil/whs/directives/corres/pdf/500074p.pdf>
- **DoD Guidebook for the Acquisition of Services:**
 - https://acc.dau.mil/adl/en-US/472568/file/69670/Services%20Acquisition%20Guidebook%20_5_2012.pdf



Contracting Phase:

Strategic Sourcing

Sample Best Practices & Lessons Learned



- **Lessons Learned:**

- Don't opt for strategic sourcing solutions just because they are available
 - ETS solutions may be best satisfied by one-off contract solutions
- Consider solutions other than strategic sourcing vehicles when the need for superior expertise outweighs cost savings of strategic sourcing

- **Best Practice: AF Customization of OASIS and OASIS Small Business for KBS**

- Geo-agnostic – *supports entire org footprint including overseas*
- GSA OASIS Small Business: improves stability within AFLCMC program offices
- Low tolerance for inability to execute
 - Poor performers ineligible for future work, to include exercise of options
- Tradeoff methodology allowed – If value can be quantified & justified
- Cross-teaming rules enhance contractor opportunities
- CPFF in lieu of FFP – *Provides cost controls/realism w/ inherent flexibility*



Contracting Phase

Strategic Sourcing



- **Pros/Cons of Using Strategic Sourcing/Enterprise Contracts**

Pros

- Increasing efficiencies in the acquisition process
- Realizing cost savings
- Leveraging government's buying power
- Standardizing contract management and oversight
- Fees are capped for each contractor based on their proposal for the base contract
- Range of contractors to provide solutions based upon past performance and corporate experience

Cons

- Sophisticated and specialized ETS technical innovation may not be best satisfied through enterprise contract vehicles
- Defaulting to enterprise contracts may overlook the small business community that may be able to satisfy niche ETS services
- If you award a large contract to a "small business" they may no longer a small business



Contracting Phase: Strategic Sourcing Resources



Vehicle	Scope	Availability
OASIS/OASIS SB	Professional Services - Program Management, Management Consulting, Scientific Services, Engineering Services, Logistics Services, Financial Services	Gov-wide
ALLIANT (GWAC)	Information technology (IT) services and IT services-based solutions	Gov-wide
RS3	Engineering, Research/Development/Test/Evaluation (RDTE) Logistics, Systems Engineering and Technical Assistance (SETA), Education and Training Services	DoD-wide
EXPRESS	Business and Analytical, Logistics, Programmatic and Technical, and Comprehensive Advisory and Assistance Services	Army
S3	C4ISR Life Cycle Support - Engineering, Logistics and Business Operations	Army
R2-G3	C4ISR Services - Research & Development, Systems Integration, Systems Engineering, Test & Evaluation, Logistics Support, Training	Army
CHESS	Business Process Reengineering (BPR), Information Systems Security, Information Assurance, Information Technology Services, etc.	Army
TACOM TS3	Knowledge Based Services (KBS), Equipment Related Services (ERS), and Research & Development Services	Army
SeaPort-e	Professional support services in 22 functional areas including Engineering, Financial Management, and Program Management	Navy
TEAMS	Support services from Systems Engineering and Technical Assistance (SETA) support to administrative and acquisition support functions.	MDA

CHESS – Computer Hardware Enterprise Software and Solutions
 EXPRESS – Expedited Professional and Engineering Support Services
 GWAC – Government Wide Acquisition Contract

OASIS – One Acquisition Solution for Integrated Services
 RS3 – Responsive Strategic Sources for Services
 R2-G3 – Rapid Response – Third Generation

S3 – Strategic Sourcing Services
 TACOM TS3 – Tank Automotive Command Strategic Sourcing Services
 TEAMS – Technical Engineering Advisory & Management Support



Contracting Phase: Resource Links



- **2014 OMB Memo – Past Performance Information:**
 - <https://www.whitehouse.gov/sites/default/files/omb/procurement/memo/making-better-use-of-contractor-performance-information.pdf>
- **Army RS3 Contract:**
 - <http://acc.army.mil/contractingcenters/acc-apg/RS3/>
- **Alliant GWAC:**
 - <http://www.gsa.gov/portal/content/104793>
- **DoD Guidebook for the Acquisition of Services:**
 - https://acc.dau.mil/adl/en-US/472568/file/69670/Services%20Acquisition%20Guidebook%206_5_2012.pdf
- **DoDI 5000.74:**
 - <http://www.dtic.mil/whs/directives/corres/pdf/500074p.pdf>
- **DPAP Strategic Sourcing:**
 - <http://www.acq.osd.mil/dpap/ss/>
- **GSA OASIS and OASIS SB:**
 - <http://www.gsa.gov/portal/category/104731>



Contract Execution Phase: Performance Management



- **Timely and realistic Contractor Performance Assessment Reporting Systems (CPARS) inputs reflecting quality of ETS performance**
- **Ensuring frequent, meaningful communication and feedback with the contractor throughout the performance period**
 - Don't let CPARS input be the first time poor performance is addressed
- **Best Practices:**
 - Effectiveness of contract surveillance direct result of quality of CORs
 - Adequate COR training critical to ensure inputs accurately reflect reality of contractor's performance
 - Use descriptive comments to expand on CPARS performance ratings, good or bad



Contract Execution Phase: Resource Links



- **2016 CPARS:**

- <https://www.cpars.gov/pdfs/CPARS-Guidance.pdf>

- **DAU QASP:**

- <https://dap.dau.mil/acquipedia/Pages/ArticleDetails.aspx?aid=07612fab-5891-4078-abfc-a6a7ca2b8c0a>

- **DoDI 5000.74:**

- <http://www.dtic.mil/whs/directives/corres/pdf/500074p.pdf>

- **DoD Guidebook for the Acquisition of Services:**

- https://acc.dau.mil/adl/en-US/472568/file/69670/Services%20Acquisition%20Guidebook%206_5_2012.pdf



For Additional Information



Homeland Defense Capability Development

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