

Air Force Installation Contracting Agency



**Driving More Warfighting
Capability into Every
Taxpayer Dollar:**

***How AFICA is Innovating
Operational Acquisition***

15 Feb 18

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Executive Director, AFICA

Warfighter Acquisition...Innovation, Excellence, Victory!



Overview



■ Who is AFICA?

- AFICA Mission Video

■ How AFICA is Innovating the Fight

- Change our culture
- How?

■ Teaming with the FM Community –

- Why this framework is so important

■ Questions?

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AFICA Mission Video: What Our Organization Does



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AFIMSC – The 6th Center



Nuclear



Continue to Strengthen AFMC's Role in the Nuclear Enterprise

Technology



Advance Today's & Tomorrow's Combat Capabilities through Leading-Edge Technology

Life Cycle Management



Acquire and Support War-Winning Capabilities Cradle to Grave

Test & Evaluation



Perform World-Class Test and Evaluation

Sustainment



Sustain Air Force Capabilities through World-Class Depot Maintenance & Supply

Installation & Mission Support



Support AF-wide Installation and Expeditionary Combat Support Activities

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AFICA: Who We Are

Commander's Intent (excerpt)



'I intend AFICA to become a unified team of networked critical thinkers in Operational Acquisition – tenaciously pursuing excellence, innovation, agility and effective mission solutions worldwide... in peace and in war!'



Pursue Excellence...

Demand Urgency...

Stay Results-Focused...

Build Resilience...

Show Respect...

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AFICA: What We Do



Our Mission is to...

*Deliver optimal warfighting capability
through agile and innovative solutions*



Our Vision is...

*One global team transforming
acquisition innovation into
warfighting capacity*

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AFICA's Portfolio:

Full Spectrum of Operational Acquisition

\$50B Total

Micro Purchases

*max \$3500

Standard Form 44

Decentralized GPC buys
*max \$3500

Simplified Acquisitions

*\$3500-\$150K

Delivery/ Task Orders

BPAs

Purchase Orders

Firm Fixed Price Contracts

Complex Acquisitions

*\$150K - \$26B

Cost Contracts

Multiple Award Contracts

Multiple MAJCOMs/ Customers

Sole Source

Source Selection

Enterprise Sourcing

FMS

S CAT 1 Contracts

A CAT Contracts

R&D

Expeditionary Acquisitions

Interagency/ DoD

Defense Support of Civil Authorities (DSCA)

Humanitarian Assistance Disaster Relief (HADR)

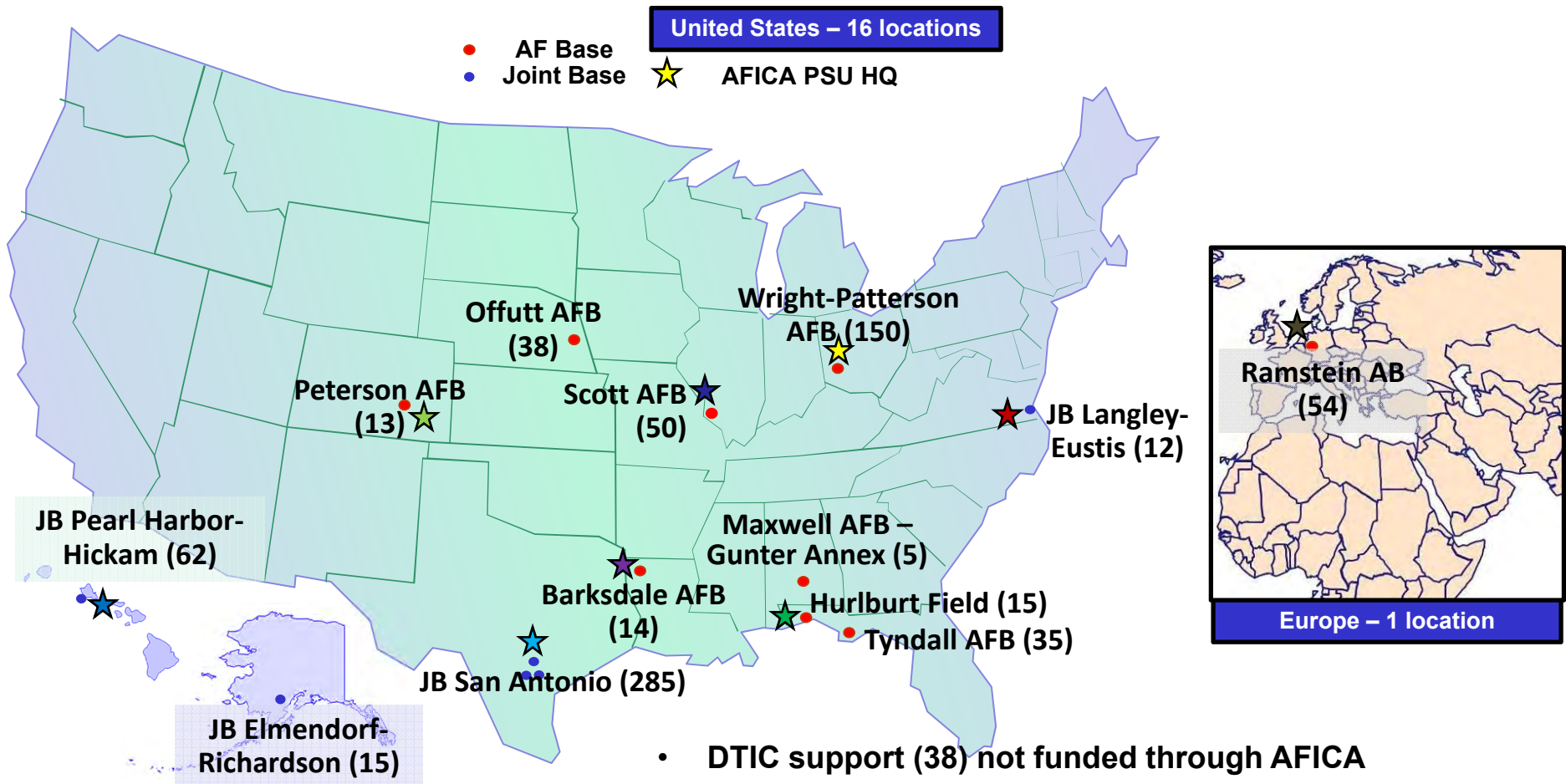
Major Contingency Operation (MCO)

Small Scale Contingency (SSC)

Smarter Acquisitions in peacetime and in war...full range complexity and dollar value acquisitions and contracts



AFICA: Where We Are



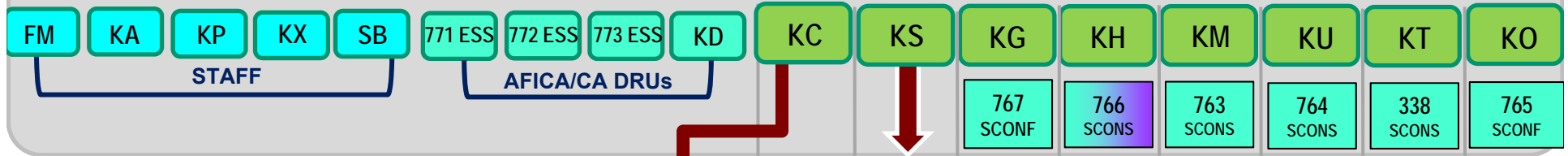
***739 Authorizations, 17 Locations, supporting AFIMSC and 8 MAJCOMs**

ACC	AETC	AFGSC	AFSOC	AMC	USAFE	PACAF	AFSPC
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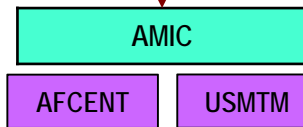
U.S. Air Force Operational Contracting

HQ AFICA
WPAFB



KEY:

- MAJCOM
- Specialized/Mission Execution



Operational Contracting Units
at the Installation Execution
Level Receive Contracting
Authority from AFICA

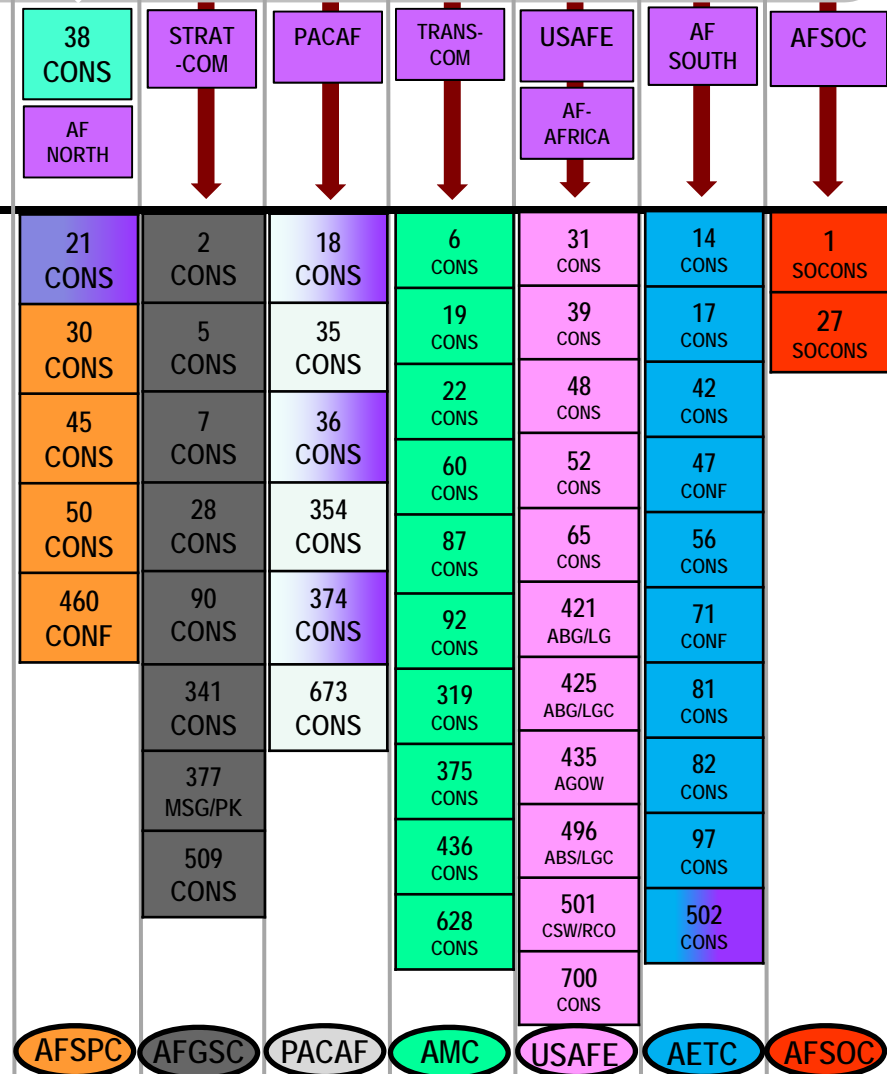


Staff: 186
Direct Execution: 3053
(includes Specialized/Mission &
Installation Execution Levels)

Installation Execution Level

4 CONS	332 ECONS
9 CONS	379 ECONS
20 CONS	380 ECONS
23 CONS	386 ECONS
49 CONS	407 ECONF
55 CONS	
99 CONS	
325 CONS	
355 CONS	
366 CONS	
633 CONS	

ACC



5 FOCUS AREAS

MAJCOM Support



Mission Execution



Enterprise Sourcing



Expeditionary Ops



High -Performing Workplace



AFICA Flight Plan

Decrease MIPR fees across MAJCOMs by 10%

Decrease bridge contracts by 25% (\$ and actions)

Improve ACQ excellence by 10% in 1 year

Level 2 maturity by Oct 2017

Level 3 Maturity & Institutionalize Enterprise Sourcing by Oct 2021

Achieve FOC to deploy C2 support within 72 hours

Expand influence to integrate OCS AF enterprise wide

Reduce risk 2% annually

Achieve 5% increase in favorable UCA responses

Provide career feedback to 100% of CIV personnel

Increase communication reach by 5% a year

KEY ENABLERS

MIPR Tracking Tool

TEAM Dashboard

Bridge Tracker

KT FileShare

TEAM Dashboard

AFBIT

BICC

Category Management

Cost Savings Tracker

C2 Map of the World

Joint Theater Support Contracting Command (JTSCC) 'in a box'

Unit Climate Assessment Action Plan

AFICA Workplace Development Tool

Save \$2B over next 5 years



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■ How AFICA is Innovating the Fight

■ Aiming to Change our Culture

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How AFICA is Innovating the Fight: Aiming to Change Our Culture



■ **Present day-**

- Spend money fast, reward those that spend it really fast
- Buy tactically (“eaches”) -
*Buy to satisfy my org’s needs vs. **OUR** (as one Air Force) needs*
- Process oriented (no thinking) – *read a step, do a step, eat a banana*
- Lack of analytics, market knowledge & business acumen

■ **IDEAL Culture:**

- Reward savings, good spending practices, critical thinking, and data-driven, fact based decision making!
- ‘Re-absorb’ savings to fund other requirements
- Buy as a single entity, one Air Force
- Emphasize innovation – “out of the box” thinking

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How AFICA is Innovating the Fight: Aiming to Change Our Culture



IDEAL STATE-

- **Reward savings, good spending practices, critical thinking, data-driven, fact based decision making!**
- **‘Re-absorb’ savings to fund other requirements**
 - HOW? – Drive and Enable the Right Behaviors
 - Cost Savings Tracker (CST)
 - Business Intelligence Competency Cell (BICC) & Air Force Business Intelligence Tool (AFBIT)
- **Buy as a single entity, one Air Force**
- **Emphasize innovation – “out of the box” thinking**
 - HOW? – Establish necessary programs and processes
 - Enterprise Sourcing
 - Category Management (CM) & CM Program Support Office

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How AFICA is Innovating the Fight:

Drive & Enable the Right Behaviors – CST



AFICA's Road to \$2B !!



Savings by PSC

\$332,187,850
Facilities & Construction
Facility Related Services
M1JZ

\$117,887,979
Facilities & Construction
Facility Related Services
S216

Cost Saving Tracker

\$229,114,384
IT
IT Hardware
7010

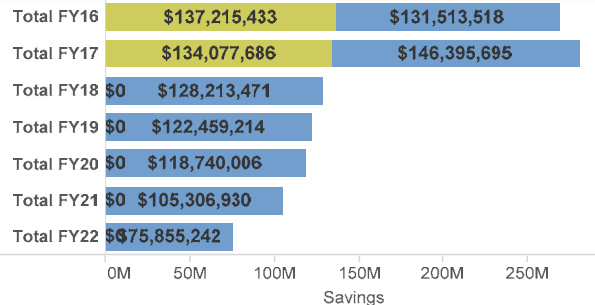
\$31,095,486
Professional
Services
Management

\$20,096,742
Professional

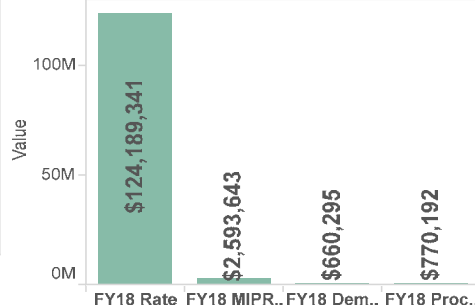


Savings by FY

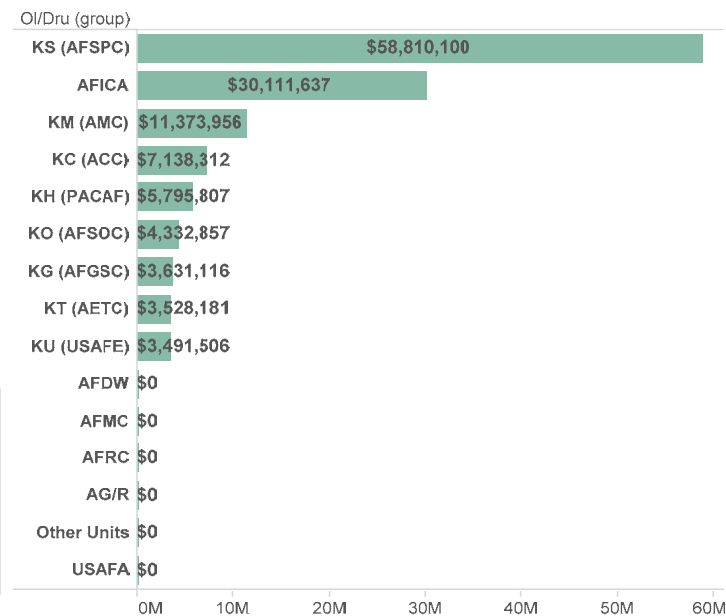
PCST CST



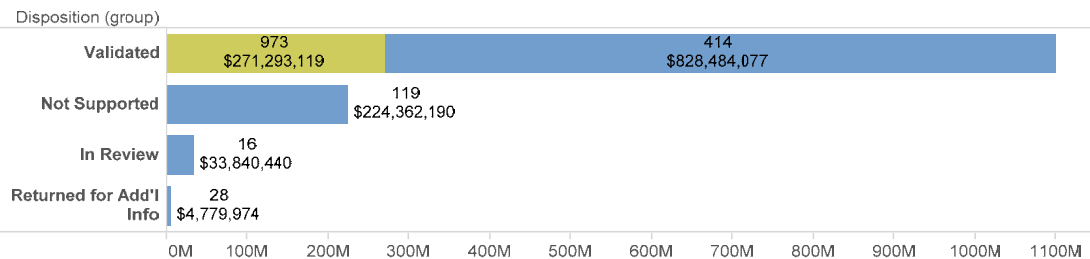
Savings Type FY18



Savings by OL FY18



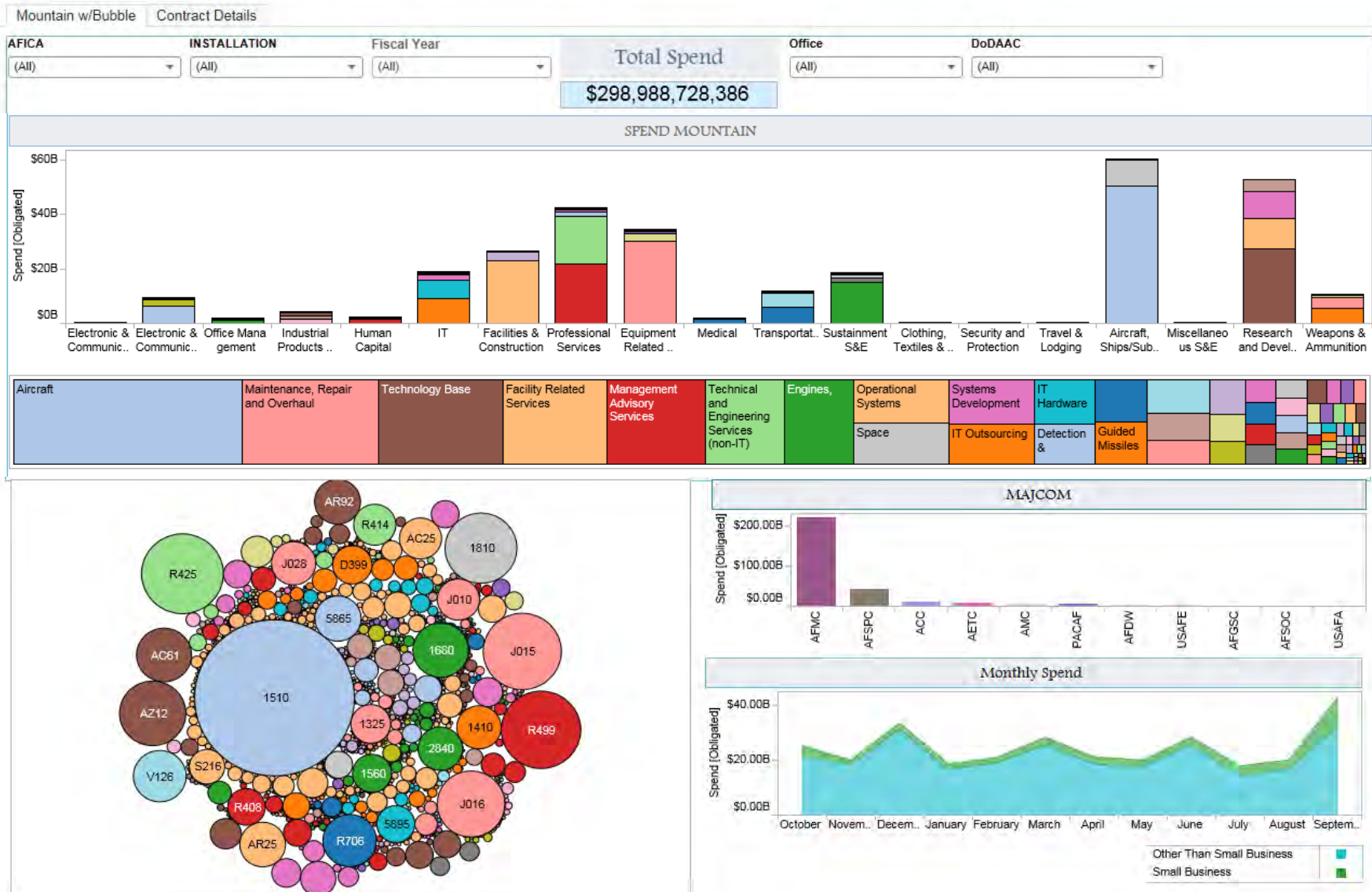
Savings by Disposition





How AFICA is Innovating the Fight:

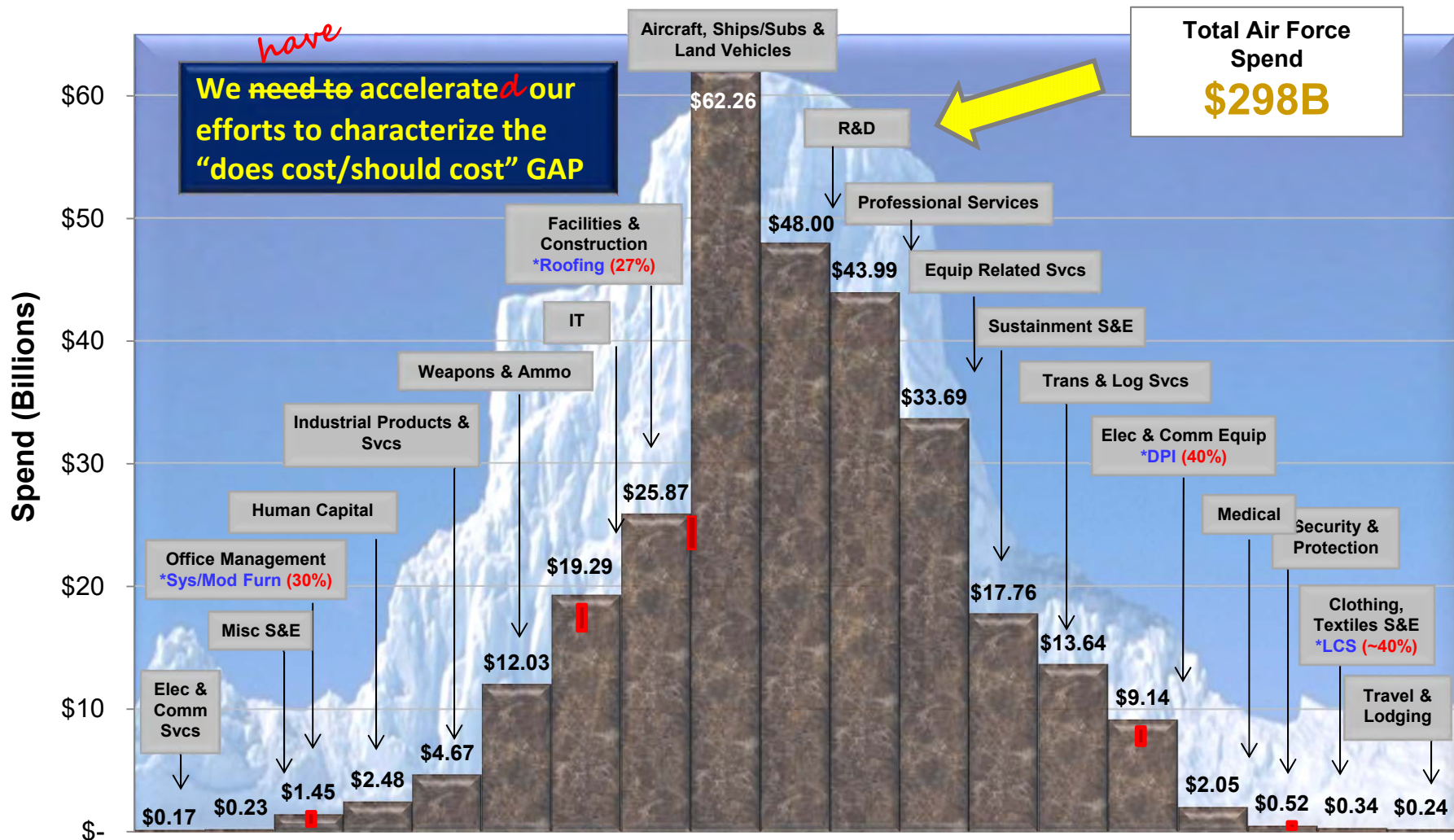
Drive & Enable the Right Behaviors – BICC & AFBIT





How AFICA is Innovating the Fight:

Drive & Enable the Right Behaviors – BICC Mountain of Spend



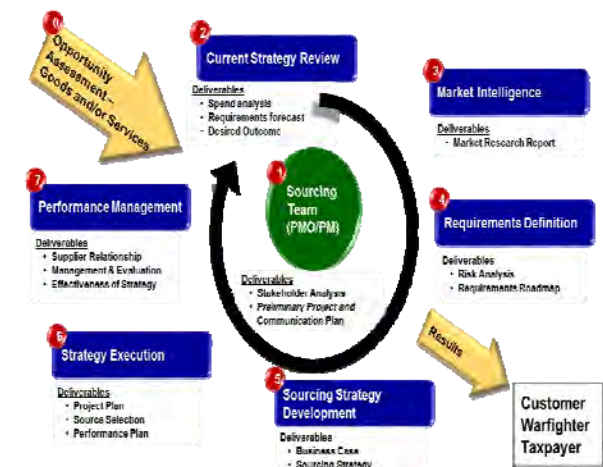
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How AFICA is Innovating the Fight: Enterprise Sourcing



- **Acting as one enterprise**
 - No longer 80+ contracting units operating independently
 - One entity operating at 80+ locations
- **Applying strategic sourcing concepts/processes**
 - 7-step deliberate process
 - Rigorous review of previous acquisition
 - Informed spend analysis
 - Thorough market intelligence
 - Acting as business leaders
- **At local, regional, enterprise levels**
 - Right solution at the right time and place
- **To reduce costs & improve mission effectiveness**
 - Looking for **rate**, **process**, and **demand** savings



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Enterprise Sourcing Successes



Executive Office & Conference

USAF-wide 5-yr BPA

Awardees: **100% SB**

**Increased SB
utilization by 38%**

Savings/Efficiencies:

\$2.05M (12%) saved for 1st 2 yrs



Digital Printing and Imaging

USAF-wide 5-yr BPA

Awardees: **67% SB**

**Increased SB
utilization by 14%**

Savings/Efficiencies:

\$25.4M (40%) saved 1st 2.5 yrs



Roofing Replacement Repair

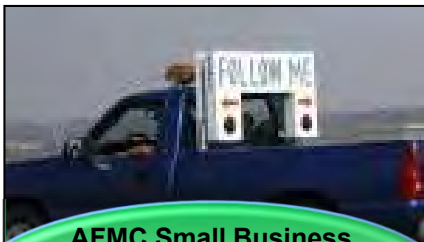
USAF-wide 5-yr IDIQ

Awardees: **96% SB**

**Increased SB
utilization by 23%**

Savings/Efficiencies:

\$12.064M (27%) saved 1st 1.5 yrs



**AFMC Small Business
Special Achievement
Award
Market Research**

Transient Alert Services

USAF-wide 5-yr IDIQ

Awardees: **100% SB**

**Increased SB
utilization by 24%**

Savings/Efficiencies:

\$6.3M projected over next 5 yrs



System & Modular Furniture

USAF-wide 5-yr 2-Tier/C-Type

Awardees: **100% SB**

**Increased SB
utilization by 49%**

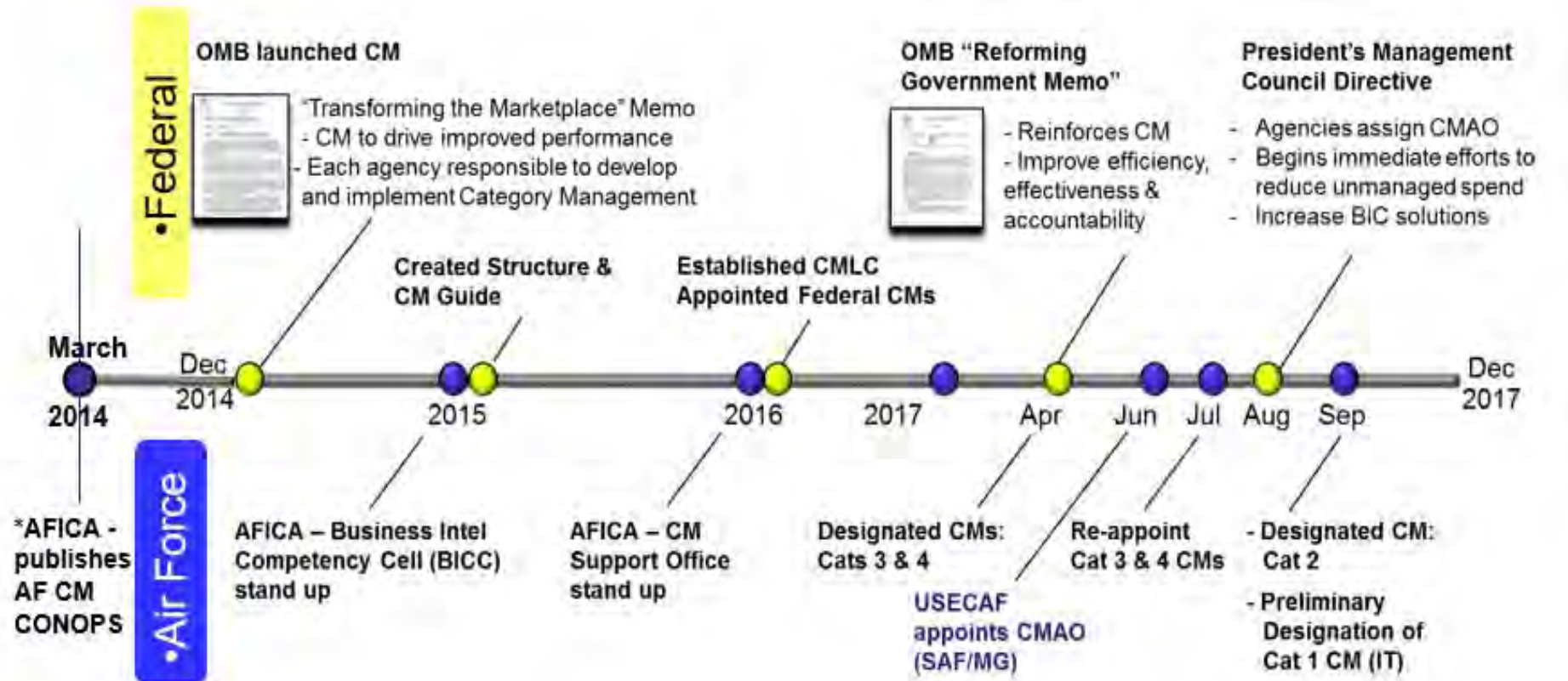
Savings/Efficiencies:

\$11.6M (30%) saved 1st 3yrs

Strategic Sourcing increasing SB utilization!!



How AFICA is Innovating the Fight: Category Management

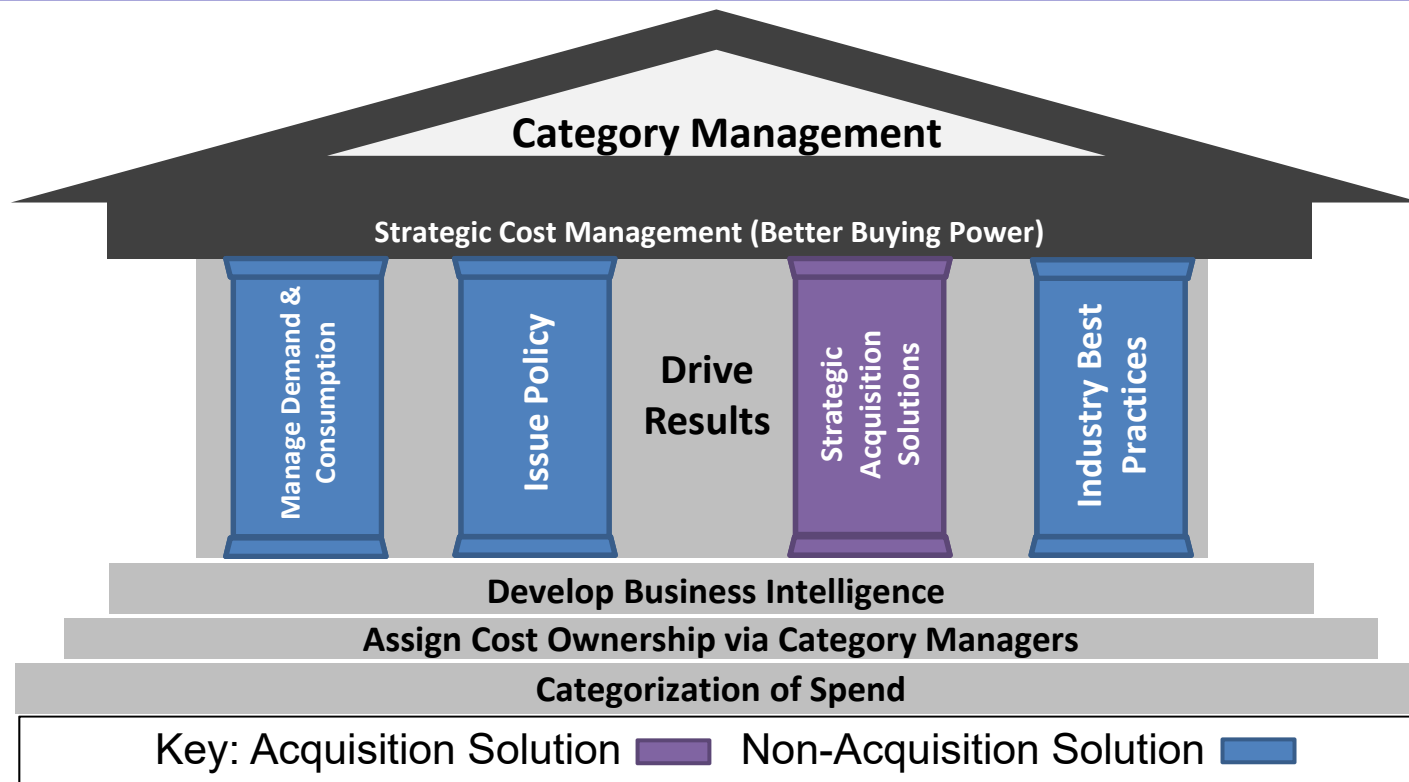


- Established program and processes before OMB guidance

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How AFICA is Innovating the Fight: *Category Management*



Key Points

- Ignites shift in AF culture from 'just spending' to Strategic Cost Management (SCM)
- Air Force category structure aligns to OMB's government-wide program
- Assigns cost management authority & responsibility to requirement owners
- Comprehensive analysis → robust business intelligence → data driven solutions
- Achieves SCM by shaping, managing, and strategically acquiring requirements



How AFICA is Innovating the Fight: Category Management



Current State of Purchasing:

- Lack of coordination across agencies
- Duplicated efforts
- Many agencies; no leveraged buying power

Future State of Purchasing:

- Synchronized procurement across government
- Industry involvement in developing best category strategies
- Core competencies leveraged to match customer needs
- One common management framework





How AFICA is Innovating the Fight: Category Management



General Government Categories

1. IT	2. Professional Services	3. Security and Protection	4. Facilities & Construction	5. Industrial Products and Services
1.1 IT Software 1.2 IT Hardware 1.3 IT Consulting 1.4 IT Security 1.5 IT Outsourcing 1.6 Telecommunications	2.1 Business Administration Services 2.2 Legal Services 2.3 Management Advisory Services (Excludes R&D 17.0) 2.4 Marketing and Distribution 2.5 Public Relations and Professional Communications Services 2.6 Real Estate Services 2.7 Trade Policy and Services 2.8 Technical and Engineering Services (non-IT) (Excludes 1.0) 2.9 Financial Services 2.10 Social Services	3.1 Security Animals & Related Services 3.2 Security Systems 3.3 Security Services	4.1 Construction Related Materials 4.2 Construction Related Services 4.3 Facility Related Materials 4.4 Facility Related Services 4.5 Facilities Purchase & Lease	5.1 Machinery & Components 5.2 Fire/Rescue/Safety/Environmental Protection Equipment 5.3 Hardware & Tools 5.4 Test & Measurement Supplies 5.5 Industrial Products Install/Maintenance/Repair/Rebuild 5.6 Basic Materials 5.7 Oils, Lubricants, and Waxes
6. Office Management	7. Transportation and Logistics Services	8. Travel and Lodging	9. Human Capital	10. Medical
6.1 Office Management Products 6.2 Office Management Services 6.3 Furniture	7.1 Package Delivery & Packaging 7.2 Logistics Support Services 7.3 Logistics Civil Augmentation Program 7.4 Transportation of Things 7.5 Motor Vehicles (non-combat) 7.6 Transportation Equipment 7.7 Fuels	8.1 Passenger Travel 8.2 Lodging 8.3 Travel Agent & Misc. Services	9.1 Alternative Educational Systems 9.2 Educational Facilities 9.3 Educational Institutions 9.4 Specialized Educational Services 9.5 Vocational Training 9.6 Human Resources Services	10.1 Drugs and Pharmaceutical Products 10.2 Medical Equipment & Accessories & Supplies 10.3 Healthcare Services

11. Aircraft, Ships/Submarines & Land Combat Vehicles	12. Weapons & Ammunition	13. Electronic & Communication Equipment	14. Sustainment S&E	15. Clothing, Textiles & Subsistence S&E
11.1 Aircraft 11.2 Land Combat Vehicles 11.3 Ships & Submarines 11.4 Space	12.1 Ammunition & Explosives 12.2 Fire Control 12.3 Guided Missiles 12.4 Guns 12.5 Nuclear Ordnance 12.6 Weapons	13.1 Communication Equipment 13.2 Detection & Coherent Radiation Equipment 13.3 Electrical and Electronics Equipment 13.4 Night Vision Equipment	14.1 Drones 14.2 Engines, Components & Spt Eq 14.3 Materials 14.4 Supply Parts 14.5 Support Ships & Small Craft 14.6 Training Aids and Devices	15.1 Subsistence 15.2 Textiles, Clothing & Equipage
16. Miscellaneous S&E	17. Research and Development	18. Equipment Related Services	19. Electronic & Communication Services	
16.1 Non-Food Items for Resale 16.2 S&E Not Classified Elsewhere	17.1 Systems Development 17.2 Operational Systems Development 17.3 Technology Base 17.4 Commercialization 17.5 Pre-FY 1998 2-Digit Category	18.1 Maintenance, Repair and Overhaul 18.2 Equipment Modification 18.3 Installation of Equipment 18.4 Quality Control 18.5 Technical Representative Services 18.6 Purchases and Leases	19.1 Equipment Maintenance 19.2 Equipment Leases	

Defense-Centric Categories

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How AFICA is Innovating the Fight: Category Management PSO



■ **Category Mgt Support Office**

- Analytic Support
 - Tools, Templates, and Training
 - Spend Reports, Industry Reports
 - Data Repository
- Category Mgt Training
 - Category Mgrs, Leads, and CIR teams
- Category Mgt policy/process

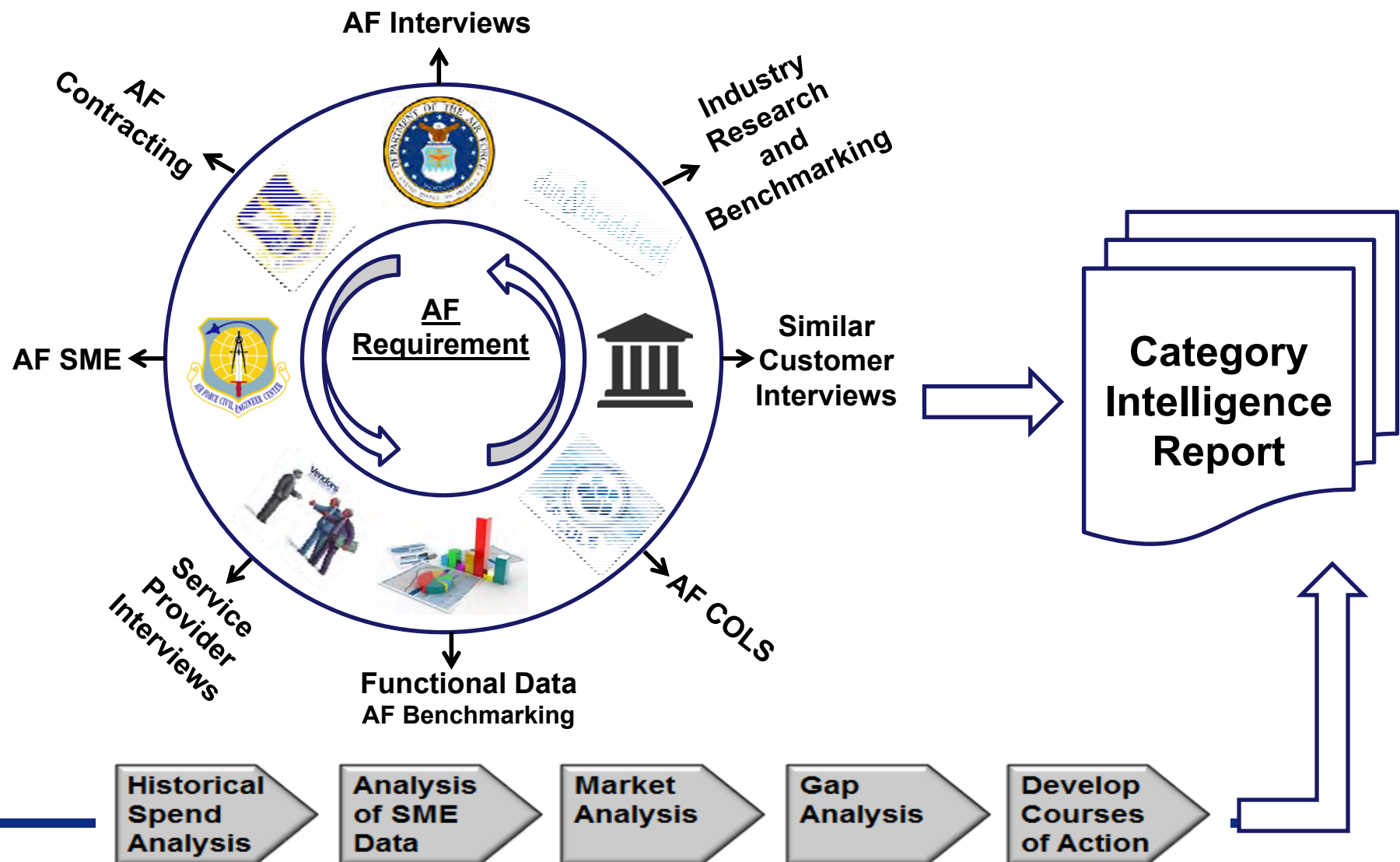


■ **Execution Support**

- Enterprise Sourcing Squadrons
 - 771st (Enterprise), 772nd (Civil Engineers), 773rd (Medical)
- Specialized Contracting Squadrons
 - MAJCOM focus (i.e. AETC – 338th)
- 70 Below Wing Contracting Squadrons



How AFICA is Innovating the Fight: *Category Management PSO*





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Teaming with FM: **Why this framework is so important**



- **AFICA/FM provides integral 'in-house' analysis**
 - **Focal point in ensuring the reasonableness of methodologies to capture cost avoidance within our CST**
 - **Partnered with AFMC/FMC to conduct thorough reviews of 4 mature Strategic Sourcing Programs:**
 - **Some savings were validated**
 - **Recommendations made to other programs to better capture actual savings**
 - **Spearheads Business Case Analyses (BCA), conducts cost/benefit analyses with AFICA units & collaborates with AF COE to leverage an independent cost estimating community**
- **Opportunities for future collaboration**
 - **Open discussions**



QUESTIONS?