Missile Defense Agency
FY13 Services Acquisition Policy and Oversight Year in Review
Implementation of Better Buying Power 2.0 Initiatives
February 10, 2014

1.0 Component Specific Implementation of Better Buying Power (BBP) 2.0

The Missile Defense Agency (MDA) has made great strides in implementing Better Buying Power (BBP) 2.0, Improving Tradecraft in the Acquisition of Services, in Fiscal Year 2013 (FY13). This year we concentrated on two specific initiatives: (1) increasing effective competition, and (2) increasing small business participation. We emphasized effective competition and increased our metrics from 66% in FY12 to 77.9% in FY13, exceeding DPAP goals. We increased small business participation in Services contracting from 33% of services dollars awarded in FY 12 to 52% in FY13, and increased agency small business participation in all prime contracts from 5.89% in FY 12 to 7.98% in FY13, which exceeded the FY13 agency goal of 7.1%.

MDA procures a preponderance of the Agency's services under the Missile Defense Agency Engineering and Support Services (MiDAESS) program which consists of 36 competitively-awarded indefinite delivery/indefinite quantity (ID/IQ) contracts and 59 active task orders aligned under seven different functional capability groups. Each task order is competed from the 36 contracts, each having three or more qualified companies per group. The multiple award IDIQ approach employed by the MiDAESS program has raised overall competition levels by increasing the frequency of task order (TO) competitions, and affording all contract holders fair opportunities to compete. Current MiDAESS operations include 45% small businesses and 55% large businesses prime contractors. In FY13 MDA realized new award savings of $6.1M by awarding five new task orders that further consolidated support across the Agency. MDA also saw $28.4M in FY13 savings as a result of re-competing work that was awarded in the first round of task order competitions in 2010.

To support the development of enterprise-wide processes (rising to the Agency Director's attention), MDA approved and released two key policy issuances (Acquisition Management and Source Selection Procedures) in FY13. These issuances support the Defense-AT&L Implementation Directive for BBP 2.0 in that they better ensure the achievement of affordable services, eliminate unproductive processes and bureaucracy, promote effective competition, and advance improved methods for acquiring services. They include the following:

- MDA Instruction 5013.02-INS, Acquisition Management. This instruction was developed on the basis of overarching principles that underlie BBP 2.0. It describes the MDA acquisition framework as a flexible, tailorable tool applied to Ballistic Missile Defense System (BMDS) acquisitions and provides acquisition management policy whereby the BMDS, its component programs, and enabling programs and services are acquired.

- MDA Manual 5013.06, Source Selection Procedures. This manual standardizes the competitive negotiated source selections, outlines a common set of principles and

procedures, and addresses MDA-specific expectations. This manual also references the advocacy and support for small business utilization, best value approach and innovation as key components for successful acquisitions.

Four additional issuances directly impacting improving tradecraft in services acquisition were drafted in FY13 and have been subsequently approved:

- MDA Manual 5013-05-M, Market Research, provides direction and a uniform approach for conducting and documenting market research within the Missile Defense Agency (MDA) in accordance with regulatory requirements and sound business practices. The program manager, with support from MDA functional areas and the Office of Small Business Programs (OSBP), is responsible for market research.

- MDA Manual 5013.14-M, Acquisition Plan Development Process, provides direction and a uniform approach for conducting and documenting acquisition plans within the MDA in accordance with regulatory requirements and DOD guidance.

- MDA Interim Guidance Memorandum (DA-07), Staffing Contract Requirements Package and Request for Proposal provides guidance for staffing the contract requirements package, and draft and final requests for proposal for new contracts and modifications to existing contracts.

- MDA Manual 5013.03-M, The Acquisition Team (Pre-Award), describes the responsibilities and procedures for establishing acquisition teams (AT) within the MDA. The AT, following a disciplined approach, assists MDA program managers (PMs) and other responsible officials in acquisition planning and other key activities in support of specific contract actions.

While it was too early by the close of FY13 to quantify the impact that these more recent policy issuances have had, the Agency looks forward to reporting specific outcomes and successes in the FY14 report.

2.0 Services Acquisition Workshop (SAW) Implementation

This year, MDA began acquisition planning to support a comprehensive agency omnibus Integrated Research and Development for Enterprise Solutions (IRES) acquisition. In preparation thereof, SAW training was conducted at multiple MDA locations over a two-day period in June 2013. The workshop phase 1 (Planning Stage) covered the following topics: Team Composition, Team Charter, Communication Plan, Stakeholder Analysis, Risk Analysis, GFP/GFM, Vision, High Level Results, Project Management, Conducting Market Research, Writing a Performance Work Statement, Writing Performance Tasks, Measuring Performance, and various other topics needed for a complete PWS Package. The IRES SAW, phase 2 (Defining the Requirements) training, is planned for mid FY14.

With no individual MiDAESS requirements valued at $100M or more, we anticipate the SAW will be utilized prior to developing any future acquisition strategy for the MiDAESS program. In FY13, the MDA continued to execute existing services work under the DPAP SAW thresholds ($1B or more, SAW required; $100M or more, SAW recommended) in accordance with prior DAU SAW guidance for the MDA MiDAESS program. That continuing engagement allowed the MDA to continue championing BBP 2.0 objectives in development and implementation of a more robust acquisition policy portfolio, which in FY13 included the roll-out of the Comprehensive Acquisition Process (CAP). The MDA CAP was designed as an online tool to document the procurement process flow from beginning to end that is supplemented by checklists, Agency directives, instructions, manuals, and "drill down" training links to assist MDA program management offices in conducting acquisitions. The CAP provides a standardized procurement methodology used agency-wide in FY13.

3.0 Enterprise-wide Contractor Manpower Reporting Application (eCMRA)

MDA drafted implementing instructions for internal agency use while awaiting further guidance on the operational status of the 4th Estate (All Other Defense Components) eCMRA website. Although reporting inputs for labor executed during FY13 were to commence on January 1, 2013, the 4th Estate eCMRA did not become operational until September 2, 2013. As of that date, MDA is compliant with eCMRA requirements.

In FY13, all service contracts for MiDAESS and non-MiDAESS efforts were being modified to include the eCMRA reporting requirements to report prime and subcontractor labor hours by contract within the FY13 period of performance. MDA support services contractors are required to submit information directly to the eCMRA - Contractor Manpower Reporting Application website in support of this OSD requirement.

4.0 Services Oversight

During FY13, MDA provided a more concerted effort on creating an environment to leverage organizational, Agency and OSD oversight opportunities to more effectively manage services acquisitions. As such, information and communication was increased both laterally and vertically throughout the Agency to enhance stakeholders' understanding of our support services. Internally, the MDA positioned a host of technical, programmatic and oversight tools, some newly executed in FY13, to ensure proper definition of work and decision making at the appropriate level. These complementary bodies are codified in the recently released MDA Instruction 5013.02-INS, Acquisition Management, that includes acquisition of services.

The Director for Acquisition (DA) is responsible for developing, maintaining, implementing, and advocating the MDA acquisition framework and underlying policies and process. The DA, also the Agency Senior Services Manager, provides oversight on all Agency acquisition and contracting matters, including that for the acquisition of services and the MiDAESS program. In line with the BBP fundamental principles, for FY13, the Agency focused on supporting its mission objectives effectively and efficiently while limiting unproductive processes. Under the direction of DA, MDA worked to develop and improve requirements definition in the acquisition

of services, expand the use of requirements review boards and work to develop tripwires (i.e. threshold metrics that signal areas that may need further attention), and to strength contract management outside of the normal acquisition chain. In FY13, these efforts were codified in Agency policies and supported by tools and training to support the Agency requirements and contracting communities.

Throughout FY13, DA hosted weekly meetings with the MiDAESS Program Manager to discuss and address ongoing strategic initiatives (e.g. BBP 2.0) and planning (e.g. MiDAESS post-award peer review (scheduled for February 2014)), hot topics and actions, including program support, competition, schedules, policy matters, and sequestration and budget and funding impacts and mitigation strategy planning. Additional opportunities for senior leader visibility and discussion on the status of new and existing services acquisitions include the recurring Executive Management Board (EMB) and Organizational Review/Program Review (OR/PR). These Agency-wide senior leader reviews are in addition to recurring, regular program and organizational reviews that monitor and assess services acquisition efforts. The realized benefit of the DA/MiDAESS meetings has been the needed attention to the Agency services acquisitions managed by the MiDAESS program office, as well as the focused planning for Agency support of BBP 2.0 initiatives.

5.0 Expanded Use of Requirements Review Boards and Tripwires

MDA did not formally develop tripwires for FY13 since the MiDAESS program office had historically managed measures of effectiveness. In FY14 MDA is developing a structured approach for periodic review of service acquisition requirements using threshold metrics or tripwires to signal areas that warrant further attention by the Agency. The MDA tripwires will be aimed at reducing our reliance on bridge contracts, reducing procurement action lead times, and monitoring wrap rates on all of our services contracts.

In FY13, MDA began work on our policy to incorporate requirements review boards for each of our services procurements. The MiDAESS program office created a requirements integration division tasked with identifying, assessing, reviewing and validating requirements for the acquisition of services. This integration effort, reaching across the BMDS, allowed for cross-functional/inter-disciplinary collaboration and logical integration of requirements enterprise-wide. These assessments increased efficiency by reducing redundant services and consolidating other activities into more appropriate task orders. This organization was instrumental in supporting MDA's FY13 sequestration actions, where the agency leadership's directive to reduce cost while maintaining essential mission services was successfully executed. Over $30M in MiDAESS cost savings and cost avoidance was realized in FY13, while maintaining key contract support to high-visibility flight tests, deployments, operational weapons systems and other Agency priorities.

In FY13, MDA developed the MiDAESS Acquisition Review (MAR) process, codified under MS 5210.01-PRO, that lays out the responsibilities and procedures for the management and administration of task order modifications to ensure a fully coordinated and integrated customer requirement exists prior to beginning any task order modification.

6.0 Health Assessments

Due to resource constraints in FY13, MDA did not formally implement a consolidated, comprehensive health assessment policy. Still, we completed number of routine health assessments to include: Contractor Performance Assessment Reports (CPARs), financial execution reviews, and general contract administration and surveillance to include monthly reviews of technical performance, schedule, cost, and associated trend analysis. In addition, all service acquisitions have assigned contracting officer representatives (CORs) who employ tailored quality assurance surveillance plans to monitor contractor performance (IAW MDA 5010.11-INS).

The MiDAESS program office provides enterprise wide support services for all Agency programs. To help assess the efficiency and effectiveness of the services program execution, MDA commissioned a comprehensive (360 degree) MiDAESS survey in FY13 to gain formal feedback from internal and external stakeholders and industry partners in support of focused program and process improvements. The results of that effort were presented to the Director, and are being addressed in program process reviews and streamlining initiatives as well as in some ongoing adjustments to the MiDAESS program.

7.0 Acquisition Strategy Approvals

The MDA has positioned a host of technical, programmatic and oversight tools, some newly executed in FY13, to ensure proper definition of work and decision making at the appropriate level. These complementary tools are codified in the recently released MDA Instruction 5013.02-INS, Acquisition Management.

This comprehensive document ensures all new MDA acquisitions are vetted through an Acquisition Strategy Panel (ASP) chaired by the appropriate Program Executive or Functional Manager for review and approval, and then to an Acquisition Strategy Board (ASB) chaired by the Director. DA chairs all ASPs for the acquisition of services, which are based on clear, performance-based requirements captured in a performance work statement (PWS) to the maximum extent practicable; exceptions to this must be separately approved. The MDA ASP and ASB processes ensure services are acquired using a strategic, enterprise-wide approach that is applied to both the planning and execution of the services acquisition.

MDA has centralized management of most acquisition of advisory and assistance services under a centralized program office, MiDAESS. The Program Manager for the acquisition of services validates program requirements and sourcing strategies to support identifiable and measurable cost, schedule, and performance outcomes consistent with customer needs. Resulting business arrangements must be in the best interest of both MDA and DoD, while being compliant with applicable statutes, regulations, policies, and other requirements, whether the services are acquired by or on behalf of the DoD.

Further, contracts and orders awarded under the auspices of MiDAESS affirm our success in challenging requirements and ensuring scopes of work are expressed in terms of expected performance outcomes utilizing performance-based work statements.

8.0 Strengthening Contract Management Outside of the Normal Acquisition Chain

MDA is a research, development, and acquisition Defense Agency. In accordance with the [MDA Charter](), the MDA Director fulfills multiple acquisition roles, including head of agency, head of contracting activity, head of procuring activity, and the MDA senior procurement executive. As such, acquisition and contract management and associated workforce training and development sets the foundation to successfully fulfill those roles in support of the Agency mission.

In FY13, MDA released Instruction 5010.03-INS, "Defense AT&L Workforce Education, Training and Career Development Program" to create and support a professional, agile, and motivated workforce that consistently makes smart business decisions, acts in an ethical manner, and delivers timely and affordable capabilities to the warfighter. This initiative, combined with a more robust Agency-wide acquisition framework under the Comprehensive Acquisition Process and associated support structure, is intended to ensure a consistent approach, methodology and implementation of acquisition of products and services. It also has the desired result of supporting contract and acquisition personnel managing smaller, geographically isolated services through acquisition reach-back and application of common standards.

MDA continued to improve its CAP library to better assist and train requiring activities and acquisition personnel. The CAP library was designed as a "how to" guide for the MDA user community, including those outside of the normal acquisition chain, e.g. Contracting Officer Representatives, who play a vital role in the MiDAESS program office supporting the acquisition of services.