

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

DLA's current Senior Services Manager (SSM) was appointed on August 23, 2011. DLA appointed Portfolio Managers in April 2012, for its three main portfolios: Facilities Related Services, Electronic and Communication Services, and Knowledge Based Services, which comprise over 95% of its entire service contract awards by obligation. DLA has been actively tracking its awards to small businesses for these three main portfolios and has improved substantially from FY10 to FY13 in terms of dollars awarded (see Figure 1 in the Appendix). DLA has placed strong emphasis on making awards to small businesses. A review of awards in DLA's Portfolio Groups shows that for Small Business Eligible awards, Facilities Related Services is the largest Portfolio Group (see Figure 2). When one reviews all awards, Facilities Related Services become even more prominent, as indicated by the pie chart in figure 3 of the Appendix. The overwhelming majority of all of DLA's Service Acquisitions are primarily awarded as firm fixed price contracts. Using uncertified FPDS-NG data, in FY13, ninety-one percent of DLA's contracts for service acquisitions were firm fixed price, based on total dollars. Dollar for dollar, DLA more closely manages the relatively small number of contracts that are cost oriented, or use incentives, or its very limited number of Time and Materials awards. A graphic representation of this information can be found in Figure 4. DLA's services awards are primarily competitive, as demonstrated in the graph in Figure 5 of the Appendix. Targeted awards refer to sole source 8(a) awards, or other similarly reserved items. Amounts under the simplified acquisition procedures are not shown, due to the limited impact. Only 6.7% of DLA's services awards are not competed. Of that 6.7%, 53% is unavailable for competition.¹ Of the remaining dollars approximately 71% is due to the availability of only one source.

2.0 Services Acquisition Workshop (SAW) Implementation

DLA strongly supports the concept of SAWs and has found them productive. In future years, DLA expects to hold fewer SAWs, since thresholds are expected to be increased to be more in line with the rest of DoD, and with the recommended OSD threshold of \$100 million. The last DLA SAW for a service requirement was held in November 2012 by the DLA Contracting Services Office (DCSO). The SAW revealed that the Performance Work Statement (PWS) required significant work and the issues identified were addressed. Contract award for this requirement is anticipated by the end of Fiscal Year (FY) 14. DLA decided to require a SAW for a Performance Based Logistics (PBL) requirement primarily for supplies, due to its broad scope. This was a joint SAW, held in March 2013, with representatives from DLA Aviation, Army, Navy, and Air Force for a Honeywell PBL requirement. This SAW provided organization and direction, and allowed a review of the PWS by the entire Multi-Functional Integrated Process Team. This ensured the acquisition strategy was thoroughly reviewed and validated. In FY12, DLA's total dollars for service acquisitions were only about 1% of all of DoD's acquisitions, yet its one SAW for a Service Acquisition in that year covered 12.5% of all SAWs held by DoD. In FY13, this number was more proportionate to the total number of participants in SAWs held by DoD; however DLA still held 5% of all SAWs for DoD, when counting the joint command Honeywell PBL requirement. There were a total of twenty-one

¹ FPDS-NG shows two categories under "Not available for competition. These are "Authorized by Statute" and "Utilities FAR 41.2". In addition, a third FPDS-NG category has been included that covers "Authorized by Statute below Simplified Acquisition Procedures)

DLA personnel that participated in the SAWs described above.

3.0 Enterprise-wide Manpower Reporting (eCRMA)

The 4th Estate was not required to require contractor reporting into the eCRMA until FY14. DLA prepared guidance in readiness, and on October 9, 2013 DLA amended the [Defense Logistics Acquisition Directive](#) (DLAD). The change required contracting officers to amend services contracts with the CMR requirement, as well as to include the requirement for future contracts. The DLAD requirement can be found in [37.103-90\(e\)](#).

4.0 Services Oversight

4.1 Portfolio Management:

Services Oversight is accomplished in part by DLA's three Portfolio Managers. DLA contracting offices are required to coordinate services acquisitions estimated to be over \$10 million with the responsible Portfolio Manager. Any acquisition over \$1 million, but below \$10 million must be provided to the responsible Portfolio Manager for portfolio analysis/management purposes. This change was effected on May 31, 2013 and has been incorporated into the Defense Logistics Acquisition Directive in [7.102-90\(e\)\(3\)](#).

4.2 DLA Acquisition Oversight and Specific Services Guidance:

DLA Contract Clearance and Oversight is generally described in [DLAD 1.690](#). The policy is generally applicable to both services and supplies. It requires HCAs to provide monitoring and oversight of all phases of the procurement system. Clearance procedures for all acquisitions are required to have a structure similar to that of an Acquisition Strategy Review Panel (ASRP) and an Integrated Acquisition Review Board (IARB). Review thresholds for service acquisitions differ in that they are lower than that of supplies. High level reviews for service acquisitions require the involvement of the DLA Senior Services Manager. Services Oversight is primarily accomplished based on ASRPs. Follow up can be accomplished during IARBs, and local Acquisition Review Boards particularly in regard to contract performance. Review of Service Acquisitions differ from review of supply acquisitions for Senior Procurement Executive clearance, since the threshold for all services is \$250 million for all DLA contracting activities, and vary from \$2 million to \$50 million for non-contracting activity contracting offices. Specifics for FY13 reviews are provided in the following section.

5.0 Expanded Use of Requirements Review Boards and Tripwires

5.1 Requirement Review Boards:

Acquisition Strategy Review Panels (ASRPs) serve as DLA's Requirements Review Boards. In FY13 at DLA Headquarters high dollar value contracts and options were reviewed by Portfolio Managers, DLA's Services Program Manager, contract oversight staff, and unless delegated, they were approved or coordinated with the Senior Services Manager. Membership in the ASRP at the Headquarters level includes the requirements owner, and every major stakeholder, as

described in [DLAD PGI 1.690-7\(b\)](#). [DLAD 1.690-2](#) states that review procedures in the field shall be similar in structure. In DLA, Acquisition Strategy Review Panels deliberate prior to Acquisition Strategy Approvals. Over \$500 million of various types of service acquisitions were reviewed at the Headquarters level in FY13. Issues that are normally addressed are validity of the requirement, strategic sourcing, clarity of Performance Work Statements, scope, labor mix, performance measurement, source selection plans, market research and incentive implementation. During field activity review, some examples of changes based on a review of strategy were change in contract type, change to an established GSA Schedule for Managed Print Service, and change in source selection strategy after a review of performance risk. A specific example on an acquisition is provided from DLA Distribution as follows. DLA Distribution applied lessons learned from the acquisition planning, pre-award and post award issues from a prior Hazardous Material 3PL contract at another DLA contracting activity, to better solidify solicitation documents such as the Statement of Work, CDRLs, and Technical Exhibits. In doing so, better and more relevant information was provided to potential offerors during the solicitation phase. This decreased the amount of questions asked during solicitation and site visits, which reduced the amount of amendments issued. This led to a reasonable solicitation open timeframe, thus allowing for a timely award. While the contract was awarded on November 22, 2013, for approximately \$24 million, solicitation, and planning took place in FY13.

5.2 Tripwires:

DLA currently uses the Hi-Viz designation, as detailed in [DLAD 1.690-4](#) as tripwires. As stated in that subsection it is intended to ensure acquisitions representing the highest risk to the Agency in areas such as mission criticality, financial investment, and stewardship responsibilities receive oversight at an appropriate management level. In FY13, DLA Headquarters tracked 16 different critical requirements for services acquisitions, whose total value are estimated to exceed \$1.4 Billion.

6.0 Health Assessments

DLA's Procurement Management Reviews (PMRs) serve this function, for those contracting offices with substantial service awards. The PMR is defined in [Part 2](#) of the DLAD as the DLA Acquisition (J7) review that "is conducted by an independent and objective team of contracting professionals from DLA Acquisition and field contracting activities and offices to provide periodic and specific subject and/or area reviews of contracting activities and offices." PMR policy is stated in the DLAD in [1.601-90\(b\)\(3\)](#) and referenced in [DLAD 1.690-7\(b\)](#) in relation to ASRP and IARB policy. The PMR only reviews awards, it does not review actions before they have been awarded. One PMR indicated that field offices were not fully compliant with use of the Contracting Officer Representative Tracking Tool, and Contracting Officer Representative's (COR) reports and documentation of COR performance required improvement. To a lesser extent, Independent Government Cost Estimates required improvement, and performance should be better documented. Strategies addressing these issues were rotation details among DLA contracting offices, and additional training. Another PMR noted several substantial concerns regarding COR documentation. As a result, DLA Headquarters subject matter experts spent several weeks training the workforce in the field and reinforcing the necessity for a thoroughly

documented file.

7.0 Acquisition Strategy Approvals

Acquisition Strategy Approvals are addressed concurrently when requirements are reviewed. As noted above, DLA HQ reviewed over \$500 million in Service Acquisitions in FY13. Some issues addressed were clarity of Performance Work Statements, scope, labor mix, performance measurement, source selection plans, and incentive implementation.

8.0 Strengthening Contract Management Outside of the Normal Acquisition Chain

DLA is primarily concerned with providing supplies and services to the Warfighter; therefore it has a strong acquisition focus. Contract management outside of the normal acquisition chain is strong, and has been made stronger in recent years since DLA started stressing Portfolio Management. As noted previously, DLA has three appointed Portfolio Managers that address the preponderance of DLA's service acquisitions. These Portfolio Managers are located in DLA Information Operations (J6), DLA Logistics Operations, and DLA Installation Support (DS). DLA Contracting Personnel work with others in these Directorates, and in other DLA Directorates, as well as with outside stakeholders as required by the situation. In June 2013, the Vice Director, DLA, senior DLA leaders, and the Director of DCSO met to prioritize spend plan and contracting resources for proposed requirements. This meeting resulted in cost savings of approximately \$3.6 million, based on a decision to co-term licenses to take advantage of volume discounts. Senior leaders continue to meet regularly for the review of spend plan, priorities and potential efficiencies for DLA's requirements.