



Industry Feedback on the FIRST Program

As Presented to
Army Sustainment Command
Advanced Planning Briefing to Industry
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Current Situation

- Exceptionally high activity level to meet customer requirements
- Rapid, continually changing mission requirements; uncertain future direction
- Unprecedented and continuing cost pressures
- Political oversight and guidance
- Impact of economy and domestic issues
- Iraq drawdown and Afghanistan build up
- Being asked to move forward without adequate information
- Reforming the Defense Acquisition Enterprise
 - ❖ Industry groups expressing their concern



Business Group Urges Acquisition Reform

- “Business Executives for National Security (BENS), nationwide, non-partisan organization, is primary channel through which senior business executives help enhance nation's security. Members use their business experience to inform, educate DoD decision makers and make recommendations to enhance communications between industry and DoD.”
- BENS player list is extensive, authoritative and balances industry and former DoD leaders
- July 2009 Report on “Getting to Best: Reforming The Defense Acquisition Enterprise
- “Today, a lack of trust interferes with relationships between Congress, Department of Defense, and defense industry. While causes are varied, predominant among them is adversarial nature of government-industry relationship that has evolved over the past several decades. The result is a damaging increase in legal wrangling, protests concerning contract awards, and lack of candor between the government and private sector.”



Business Group Urges Acquisition Reform

- The report posits: “How might a business perspective improve defense acquisition?”
 - ❖ Ensure interests and incentives of all enterprise stakeholders are communicated, understood, and agreed upon
 - ❖ Reform and create an environment where, rather than striving to become error-free on process side, the acquisition system would be aimed at achieving successful outcomes— providing users what they need, when they need it, and at a cost they can afford
 - ❖ Open lines of communication between DoD and suppliers—the defense industrial base in particular and the larger commercial sector. Private sector operates as a community of buyers and sellers. In defense acquisition such relationships are at “arm’s length” and legally restrained
- Most of today’s program management failures tend to be the result of a system that substitutes oversight for insight; confuses management with rules; is risk-averse and failure intolerant; is unnecessarily adversarial; is too often encrusted in layers of legislative and policy guidance

HOW CAN WE WORK TOGETHER AND APPROACH THE BASIC ISSUES?



Observations

- **Multiple Contracting Offices releasing FIRST Requests for Task Order Responses (RTORs)**
 - ❖ Different expectations in RTOR response
 - ❖ Lack of adequate dialogue with industry inhibits best solutions being provided
 - ❖ Inconsistent communications between Industry and Government
 - ❖ Acquisition Best Practices not uniformly adopted (Web sites, Electronic posts)
 - ❖ Overlapping schedules inhibits improvements
- **Milestones and schedules not reliable**
 - ❖ Costly to industry and the Government
 - ❖ Industry Days uncoordinated between contracting agencies and often not informative
- **RTORs released with inadequate information**
 - ❖ Undefined workload data (“Use at your own risk”)
 - ❖ Inconsistent application of EVMS
 - ❖ Page limit hinder full response to complex RTORs; one size doesn’t fit all
 - ❖ Inappropriate use of Firm Fixed Price CLINs
 - ❖ Performance Work Statements too generic for FFP
 - ❖ Different metrics for same/similar type of work



Observations (Continued)

Perception that Government fails to grasp Industry's concerns in a timely manner

- ❖ Results in Industry submitting numerous questions in order to clarify Government requirements (i.e. a recent TO had over 275 questions)
- ❖ RTORs released during non-working hours just before weekends/holidays, while a common practice, doesn't allow industry greatest opportunity to provide optimum solutions given compressed submission times
- ❖ Late responses/no responses to Industry posed questions on RTOR requirements

Use the number of questions as an internal evaluation of the TOR

Risk to Industry

- ❖ Requirements of Sarbanes/Oxley and other financial controls has forced decision making regarding risk upward, resulting in more Corporate oversight and time required to obtain approval to bid task orders
- ❖ RTOR response time inadequate to allow scheduling mandatory Corporate reviews
- ❖ Compressed acquisition schedules inconsistent with meeting export control compliance requirements with Departments of State (ITAR) and Commerce (EAR)

Greater focus on cost equals greater focus on TCN's equals a potential export license requirement



Pre- Solicitation Phase Recommendations

- **Improved communications with Industry is required**
 - ❖ Hold bi-annual APBIs
 - ❖ Timely updates on Acquisition Website on RTOR milestones
 - ❖ Advanced notification of date/time of TOR release
- **Meaningful Industry Days should be scheduled for each work site**
 - ❖ Schedule site visits well in advance of RTOR release
 - ❖ Provide Government personnel at Industry Day who are knowledgeable of the mission and the acquisition strategy
 - ❖ Encourage open dialogue as the only chance non-incumbents have to fully understand mission requirements
- **Draft RTORs should be released**
 - ❖ Enables Industry to comment on acquisition strategy to improve RTOR definition
 - ❖ Need to provide sufficient time between draft RTOR and final RTOR release; the more complex the task, the more time required
 - ❖ Should reduce:
 - Number of questions posed by Industry after final RTOR release
 - Potential protests by Industry



Solicitation Phase Recommendations

- **Provide Technical Volume page count consistent with RTOR complexity**
 - ❖ Most FLRCs doable in 30 pages
 - ❖ APS-3/APS-5 not doable in 60 pages
 - ❖ Doable equals easier for Government to evaluate and Industry to communicate
- **Need better defined evaluation criteria**
 - ❖ More emphasis on Past Performance vice Experience in Task Orders execution
 - ❖ Consider evaluating performance risk and proposal risk for all proposals
- **Match contract type to scope of work definition**
 - ❖ FFP when requirements are well defined; a poorly defined Fixed Price effort ultimately increases Industry risk and results in higher price
 - ❖ T&M or Cost Plus when requirements are ill defined or prone to change significantly. Consider 1st year Cost Plus until requirements are defined, then convert to Fixed Price
- **Apply work measurement tools (EVMS) consistently**
 - ❖ Define expectations of work measurement tools



Other Recommendations

Establish Industry Working Group

- ❖ Look at BENS effort for ideas, innovations
- ❖ Establish Project Teams to provide strategic direction and focus for each major command
- ❖ Leverage Partnering approach to address:
 - ❑ Increases productivity of the council
 - ❑ Allows greater focus on problem identification and solution
 - ❑ Address inclusion of requiring customer, contracting office, DCMA, DCAA and contractors
 - ❑ AMC has excellent guide to 5 Level Partnering Approach

Consider establishing Committee of Service providers (similar to ICAP) to keep Government advised of Service Industry concerns

- ❖ Provides direct interface between FIRST contractors and Government representatives to quickly identify problems and provide mutually agreeable resolutions



Closing Thoughts

- **Continuous communications critical to ensure Industry understand your concerns and you understand Industry concerns**

- **Pace of activity is unprecedented and the responsibility the government bears is extraordinary**
 - ❖ Intent is to appropriately increase the communications interaction so the lines are always open
 - ❖ Industry understands the nature of competition and wants to ensure they provide optimum solutions to effectively meet the requirements....and then deliver consistently

- **Addressing observations presented will help you, help industry, and most critically, serve the soldier!!**

