Welcome to Contracting

Moderator:  Maj. Gen. Robert Griffin, USA (Ret.), CH2M HILL

Speakers:  Mr. Stuart Hazlett, SES, US Army Corps of Engineering
Ms. Renae Kvendru, NAVFAC Southwest
USACE Acquisition and Contracting Perspective

Stuart A. Hazlett
Director of Contracting
23 May 2013
USACE Mission Areas

BUILDING STRONG – USACE Supports the Army and the Nation

Military Programs
- Military Construction
- COCOM Support, Overseas Contingency Operations (OCO)
- Installation Support, Environmental, Energy and Sustainability
- Power Reliability

Civil Works
- Navigation, Hydropower
- Flood Control, Shore Protection
- Water Supply, Regulatory
- Recreation, Disaster Response
- Environmental Restoration

Homeland Security
- Critical Infrastructure
- Anti Terrorism Plans
- Intelligence
- Facility Security Partnership

Interagency Support
- Federal
- State
- Local
- International

Real Estate
- Acquire, Manage and Dispose
- DoD Recruiting Facilities
- Contingency Operations

Research & Development
- Warfighter
- Installations & Energy
- Environment
- Water Resources

Geospatial Support
- Support to Civil Works Programs
- Support to Military Programs
- Common Operating Picture/Environment
- Support to Emergency & Contingency Ops

USACE Has a Diverse Mission Set Driven by Diverse Customers
Global Engagement - Interagency & International

- Physical Presence - 34 Countries
- Engagement - 100+ Countries

Kajaki Dam Hydraulic Analysis, Afghanistan
ARCTIC
GIS and H&H Workshops, Mongolia

Brazilian Engineers Engagement with USACE

USACE Supports the Army and the Nation.
USACE SPEND

ARMY FY12

USACE, $21,486, 20%

AMC, $74,574, 69%

C-JTSCC, $1,988, 2%

INSCOM, $1,514, 1%

MEDCOM, $3,622, 3%

NGNC, $1,309, 7%

PEO STRI, $2,359, 2%

ERDC, $882, 4%

NAD, $3,438, 16%

SAD, $2,682, 13%

POD, $1,156, 8%

NWD, $2,383, 11%

SPD, $1,731, 8%

SWD, $1,992, 9%

TAD, $2,427, 11%

LRD, $1,703, 8%

MVD, $1,258, 6%

NGB, $3,309, 3%

INSCOM, $1,514, 1%

MEDCOM, $3,622, 3%

POD, $1,156, 5%

SAD, $2,682, 9%

SPD, $1,731, 8%

SWD, $1,992, 9%

TAD, $2,427, 11%

ERDC, $882, 4%

HNC, $1,492, 7%

AGC, $210, 1%

HECSA, $132, 1%

FY12 Obligations - $M

ARMY FY12 Obligations= $108,852M

USACE FY12 Obligations: $21,486M; 86K Actions

USACE FY11 Obligations: $24,086M; 102K Actions

Army FY12 Obligations= $108,852M

Obligations - $M

$4,500

$4,000

$3,500

$3,000

$2,500

$2,000

$1,500

$1,000

$500

$-


LRD MVD NAD SAD POD NWD SPD SWD TAD ERDC HNC AGC HECSA

Actions

18,000 16,000 14,000 12,000 10,000 8,000 6,000 4,000 2,000

BUILDING STRONG®
Better Buying Power: Seven Major Areas
(Established in 24 Apr 2013 Memo)

• Promote effective competition;
• Achieve affordable programs;
• Control costs throughout the product lifecycle;
• Improve tradecraft in acquisition of services;
• Incentivize productivity and innovation in industry and Government;
• Eliminate unproductive processes and bureaucracy; and
• Improve the professionalism of the total acquisition workforce.
Acquisition and Contracting Improvement

- Effective Source Selections
- Improve Oversight
- Improve Acquisition Training Education
- Core Competencies
Contract Obligations: Command Summary
2QFY13
Quarterly Comparison of Contract Obligations

Thru 2QFY12

- ACC $29B: 15.70%
- USACE $6B: 4.61%
- MEDCOM $1.8B: 2.12%
- PEO-STRI $854M: 1.89%
- NBG $758M: 1.77%
- INSCOM $710M: 1.27%
- C-JTSCC $512M: 2.41%

Total Dollars: $40,187,692,336

Thru 2QFY13

- ACC $23.6B: 16.50%
- USACE $5.4B: 5.03%
- MEDCOM $1.6B: 2.34%
- PEO STRI $784.8M: 0.74%
- NGB $759.5M: 0.52%
- INSCOM $167.5M: 0.74%
- C-JTSCC $239.5M: 2.41%

Total Dollars: $32,502,060,711

BUILDING STRONG®
### USACE Obligations

**USACE FY13 Overview**

**Contract Obligations**

**Projected vs. Actual**

<table>
<thead>
<tr>
<th></th>
<th>FY13Q1 Obligs</th>
<th>FY13Q2 Obligs</th>
<th>FY13Q3 Obligs</th>
<th>FY13Q4 Obligs</th>
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</thead>
<tbody>
<tr>
<td>Current Projection</td>
<td>$2,958,030,230</td>
<td>$7,050,888,331</td>
<td>$11,538,484,554</td>
<td>$20,008,427,169</td>
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<tr>
<td>Actuals</td>
<td>$2,473,005,636</td>
<td>$5,410,103,731</td>
<td>$0</td>
<td>$10,000,000,000</td>
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**Delta 23% decrease**

**4th Qtr $20B**

*Adapting to the Gap is the Challenge.*
Questions?
NAVY ACQUISITION
SAME 2013 Joint Engineer Training Conference & Expo

Renae Kvendru
Chief Contracting Officer
Enable the Warfighter • Act Judiciously • Maintain Readiness
### MILCON Workload

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>% WORKLOAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance &amp; Production</td>
<td>27%</td>
</tr>
<tr>
<td>Unaccompanied Personnel Housing</td>
<td>5%</td>
</tr>
<tr>
<td>Land Operational Facilities</td>
<td>15%</td>
</tr>
<tr>
<td>Utilities, Land, &amp; Site Improvements</td>
<td>20%</td>
</tr>
<tr>
<td>Administrative</td>
<td>2%</td>
</tr>
<tr>
<td>Waterfront Operational Facilities</td>
<td>4%</td>
</tr>
<tr>
<td>Training Facilities</td>
<td>15%</td>
</tr>
<tr>
<td>Community Facilities</td>
<td>4%</td>
</tr>
<tr>
<td>Medical Facilities</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>% WORKLOAD</th>
</tr>
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<tbody>
<tr>
<td>Southwest</td>
<td>10%</td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>13%</td>
</tr>
<tr>
<td>Marianas</td>
<td>26%</td>
</tr>
<tr>
<td>Southeast</td>
<td>11%</td>
</tr>
<tr>
<td>Washington</td>
<td>15%</td>
</tr>
<tr>
<td>Europe</td>
<td>1%</td>
</tr>
<tr>
<td>Hawaii</td>
<td>13%</td>
</tr>
<tr>
<td>Northwest</td>
<td>7%</td>
</tr>
<tr>
<td>Far East</td>
<td>2%</td>
</tr>
<tr>
<td>Midwest</td>
<td>2%</td>
</tr>
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</table>
Budget: Acquisition Impacts

Throughout DOD, focus is on competition, maximizing the value of every dollar, and reducing budgets.

How does this impact procurements, acquisition strategy, and ultimately our private sector contractors?

Shift in Internal Focus
Increased Competition
Reduced Requirements
Importance of Price in Source Selections
Increased Oversight
Small Business Impacts
1. Shift in Internal Focus (what’s driving us)

- Fundamental shift from focusing on execution dates to ensuring every acquisition is a sound use of the taxpayer’s money
- Quality, fairness and the best value to the Government over speed
- Better acquisition planning
- More compliance oversight
2. Increased Competition (resulting in best overall value)

- Allow 30 days for proposal submission
- Fewer sole source contracts
- Reduced reliance on bridge contracts
- Lower NTE value on Multiple Award Contracts (MACs)

3. Reduced Requirements (minimum needs met)

- Reduced level of facilities support services and pre-priced options to increase/decrease service
  - Contractor impacts: potential increased risk in pricing, managing resources, out year financial projections; lower level of services may promote “bad advertising” for contractor
- More austere facilities (no desirables/betterments)
4. Importance of Price in Source Selections

- More reliance on LPTA than trade-off approach
- More emphasis on *price* in evaluations
  - Instituted change from technical more important than price to technical equal to price
  - Realized 40% savings
- Price only (with responsibility determination) task order awards on Multiple Award Contracts
- Standardized evaluation factors
5. Increased Oversight (improve quality)

- Contracting Officer’s Representatives (CORs)
  - Increased scrutiny and visibility of CORs at DoD level
  - Increased training and improved processes
  - Improved contract management and oversight

- Contracts Court
  - Review requirements for need and to ensure proper execution
  - Knowledge Based Service Contractors with CAC card/NMCI account
  - Tripwires
    - Labor Rates (greater than $230K/year)
    - Bridge contracts
    - Source Selection Premiums
    - Single-bid procurements
6. Small Business Impacts (balance socioeconomic considerations with maximizing competition)

NAVFAC exceeded all Small Business goals in FY12 and is tracking to exceed all in FY13; **48% of all eligible dollars awarded to small business**

FY13 initiatives:

- Increase rotation/competition among Section 8(a) procurements
- Evaluate Section 8(a) firm’s number/value of prior awards and stage in 8(a) program (developmental or transitional) prior to sole source
- Expand market research in selecting most qualified Section 8(a) firm
- Increase number of 8(a) competitive MACs and BOAs (applies to other SB programs as well including WOSB, HUBZONE, SDVOSB)
- Increase use of Small Business Reserves in Unrestricted Multiple Award Contracts

**FAR 19.502-2(b):** “The contracting officer shall set aside any acquisition over $150,000 for small business participation when there is a reasonable expectation that (1) Offers will be obtained from at least two responsible small business concerns… and (2) Award will be made at fair market prices.”
How to do Business with the Navy

• Contact the Small Business Specialist

• Respond to Sources Sought Announcements

• Monitor Navy Electronic Commerce Online (NECO) or Federal Business Opportunities (FedBizOpps) for procurement opportunities

• Submit timely, responsive proposals

• Earn outstanding past performance evaluations, put safety first, and track and meet all business subcontracting goals

• Learn from debriefs
Questions?

Learn more about NAVFAC …

1. Visit our webpage @ www.navfac.navy.mil
2. Go to “Organization” Tab
3. Select desired NAVFAC component
4. Go to “Contact Us/Visitors”