Welcome to Army Small Business Mega Session

Moderator: Grace K. Fontana, USACE

Speakers:
- Lloyd C. Caldwell, P.E., SES, Director, Military Programs, USACE
- Tommy L. Marks, SES, Director, Office of Small Business Programs, Department of The Army
Military Programs Small Business Conference

Mr. Lloyd C. Caldwell, P.E.
Director of Military Programs
Headquarters, U.S. Army Corps of Engineers

6 November 2015
Agenda

- USACE Military Programs and Trends
- Strategic Sourcing Initiative
- Services Optimization Initiative
- Facility Sustainment & Re-Capitalization
- Questions
USACE Military Programs

- Military Construction
- Overseas Contingency Operations (OCO)
- COCOM Support
- Installation Support
- Environmental
- Real Estate Services
- Interagency and International Services
- Energy and Sustainability
Military Program Trends
FY00-17

Program ($Millions)

As of 30 Jun 15
FY15 Military Programs - $19.2B

- Army Construction: $1,794 (9%)
- AF Construction: $1,035 (5%)
- Department of Defense: $2,812 (15%)
- Planning and Design: $2,038 (11%)
- Host Nation/Foreign Military Sales: $5,264 (27%)
- Real Estate: $463 (2%)
- Research and Development: $528 (3%)
- Overseas Contingency Operations (OMA): $349 (2%)
- Environmental: $1,201 (6%)
- Other: $896 (5%)
Strategic Sourcing in USACE

- Under Secretary of Defense memo 17 Jun 13 issues a DoD wide Strategic Sourcing Concept of Operations

- The goal of Strategic Sourcing is
  - to leverage Army resources to efficiently obtain services during these times of decreasing resources
  - to operate as a collaborative and structured process of analyzing spending and to make business decisions about acquiring and managing services more effectively

- Presently 36 preferred sources available to the Army through GSA, DoD organizations or Army Commands. Examples – GSA OASIS, CHESS, Huntsville Furnishing Program

- USACE implements Strategic Sourcing through our enterprise missions by the processes and collaboration of our districts, centers and MSCs. Example are:
  - Construction
  - Architect-Engineer Services
  - Environmental Services
  - Energy and Sustainability Services
  - Real Estate Services
  - Installation Support
Service Contracts Optimization Initiative

- Army policy - SecArmy memo, 28 Sep 11, and ASA(ALT) memo, 20 Dec 11.
- USACE policy - OPORD 2012-81, 29 Nov 12, and FRAGO 1, 21 Jul 13.
- New DODI 5000.ac to be issued by OSD that will change some processes in approving the issuance of service contracts.
- OSD and DA continue to emphasize close scrutiny of issuance of service contracts.
- Commanders are responsible for all lifecycle phases of their services program and are accountable for acquiring services in the most efficient and effective manner to serve the Army.
- Oversight within USACE by Command Services Executive (CSE) – Director of Military Programs.
- The CSE manages all USACE services requirements greater than $10M to ensure that acquisitions are appropriate and effective.
- Applies to all USACE services acquisitions except Civil Works funded and includes construction MATOCS that cross MSC boundaries.
Services Acquisition Governance

Army Command Services Executives

10 Portfolio Managers / Portfolio Coordinators - Army-wide view

- Knowledge Based Services - Bill Mercer @ ASA(ALT) / Bill Mercer
- Equipment Related - Leslie Wilson-Smith @ TACOM / James H. Lewis
- Transportation - Don Morrow @ SDDC / James H. Lewis
- Engineering & Technical – Mary Fitzgerald @ RDECOM / Bill Mercer
- Logistics Management – Jerome Jastrab @ ASC / James H. Lewis
- Medical - Helen Edwards @ MEDCOM / Jae Nelles
- Electronics & Communications – Sally Gann @ NETCOM / Bill Mercer
- Facility Related – Jacob Hansen @ IMCOM / Jae Nelles
- Architect/Engineering – Herbert Eichler @ USACE / Jae Nelles
- Education and Training – Penny Walker @ TRADOC / Bill Mercer

* Part of KBS portfolio group
** Part of Facilities portfolio group
Facility Sustainment & Re-Capitalization

- Shrinking MILCON program budgets driving Capital Investment Strategies focused on SRM

- Goal: Inventory-wide Facility Condition Index (FCI) Goal of 80%

- Same concerns for sustainment as re-capitalization
  - Safety
  - Schedule
  - Quality
  - Cost

FCI as a percent of PRV for 385K Assets (PRV = $647.2B)

- Good (90-100) - 58.6%
- Fair (80-89) - 19.7%
- Poor (60-79) - 14.3%
- Failing (<60) - 7.4%
Point of Contact

Mr. Herb Eichler
herbert.eichler@usace.army.mil
202-761-5537
Small business is big business in the Department of the Army!
Army Civil Works Program

Society of American Military Engineers Small Business Conference

MG Ed Jackson, P.E.
Deputy Commanding General for Civil & Emergency Operations
U.S. Army Corps of Engineers

6 November 2015
Civil Works Value to the Nation

- Every $1 spent on Flood Risk Management prevented nearly $8 in flood damages (Both adjusted for inflation)
- 707 dams; 14,700 miles of levees; 400 miles of shoreline protection
- 180 major ports (250K+ tons of commerce), 887 smaller harbors
- 13,000 miles of commercial inland waterways generate $18B and 500,000 jobs annually
- Environmental restoration
- Response to 40 Presidentially declared disasters a year
- Nation’s largest outdoor recreation program – 370 million visits a year
- Stewardship of 11.7 million acres of public lands
- 75 hydropower plants produce 3% of US electric energy
- Water supply: 6.5 billion gallons per day
- Nearly $4.8 B in contracts to private business

“The Nation’s security depends on its economic strength, and its economic strength depends on its infrastructure”
Funding Trends by Business Line
(Adjusted for Inflation to 2015)

$ Millions

Fiscal Year


$ Millions

20000 18000 16000 14000 12000 10000 8000 6000 4000 2000 0

Supplementals
Expenses
Water Supply
Emerg Mgt
Recreation
Regulatory
Environment
Navigation
FUSRAP
Hydropower
Flood Risk Mgt

Katrina
Post-Katrina + ARRA
Miss R Flood
Sandy
**FY15 Work Plan Programmatic**

Deliver enduring, comprehensive, sustainable, and integrated solutions to the Nation’s water resources & related challenges through collaboration with our stakeholders (Regions, States, localities, Tribes, other Federal agencies)

<table>
<thead>
<tr>
<th>Business Line</th>
<th>Amount</th>
<th>% of Appr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navigation</td>
<td>$2.331 B</td>
<td>43%</td>
</tr>
<tr>
<td>Flood Risk Management</td>
<td>$1.599 B</td>
<td>29%</td>
</tr>
<tr>
<td>Ecosystem Restoration, Stewardship &amp; FUSRAP</td>
<td>$621 M</td>
<td>11%</td>
</tr>
<tr>
<td>Regulatory</td>
<td>$200 M</td>
<td>4%</td>
</tr>
<tr>
<td>Recreation</td>
<td>$243 M</td>
<td>4%</td>
</tr>
<tr>
<td>Hydropower</td>
<td>$228 M</td>
<td>4%</td>
</tr>
<tr>
<td>Water Supply</td>
<td>$44 M</td>
<td>1%</td>
</tr>
<tr>
<td>Emergency Management</td>
<td>$35 M</td>
<td>1%</td>
</tr>
<tr>
<td>Expenses</td>
<td>$181 M</td>
<td>3%</td>
</tr>
</tbody>
</table>

Figures including supplemental appropriations.
Major Construction Projects
($5M or More in FY15 Work Plan)

Numbers in circles = $million appropriated
Thank You!