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US Army Contracting Command



Industry Engagement Sessions Army Contracting Command Warren, MI

Overview of the Contracting Process and the Various Contracting Roles

Vito Zuccaro, C, Force Projection/Tactical/MRAP Division
LTC Reginald Martin, Deputy Division Chief



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Agenda

- Mission and Vision
- Definitions
- Organization
- ACC Warren Customers
- Contracting Authority
- Contract Division Structure
- Major Principles of Federal Acquisition
- Procurement Life Cycle
- Path of a Procurement
- Procurement Process
- Contracting Interactions
- Better Buying Power (BBP)
- Questions



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Army Contracting Command

Mission

ACC Provides Responsive, Innovative and Efficient Procurement Solutions to Enable the Army's Global Warfighting Dominance

Vision

ACC is DoD's Preeminent Provider of Decisive Edge Contracting Solutions and Practices



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Definitions

- Acquisition / Procurement
 - Acquiring, by contract with appropriated funds, supplies or services by and for the use of the Federal Government
 - It begins at the point when agency needs are established and includes those technical and management functions directly related to the process of fulfilling agency needs by contract
- Contracting
 - purchasing, renting, leasing, or otherwise obtaining supplies or services from nonfederal sources



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Army Materiel Command ([AMC](#))

- General Dennis L. Via
 - Commanding General
 - 4 Star General
- Headquartered at Redstone Arsenal
- Army's premier provider of materiel readiness:
- Major Subordinate Commands
 - Tank and Automotive (TACOM) Life Cycle Management Command (LCMC)
 - Research, Development & Engineering Command (RDECOM)
 - **Army Contracting Command (ACC)**
 - Army Sustainment Command (ASC)
 - Aviation and Missile (AMCOM) LCMC
 - Communications Electronic (CECOM) LCMC
 - Joint Munitions and Lethality (JM&L) LCMC
 - Joint Munitions Command (JMC)
 - Military Surface Deployment and Distribution Command (SDDC)
 - US Army Security Assistance Command (USASAC)





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Army Contracting Command (ACC)

- Major General Theodore C. Harrison
 - Commanding General
 - 2 Star General
- Headquartered at Redstone Arsenal
- Mission: Provide global contracting support to Warfighters through the full spectrum of military operations.
- Five Contracting Centers and Two Subordinate Commands

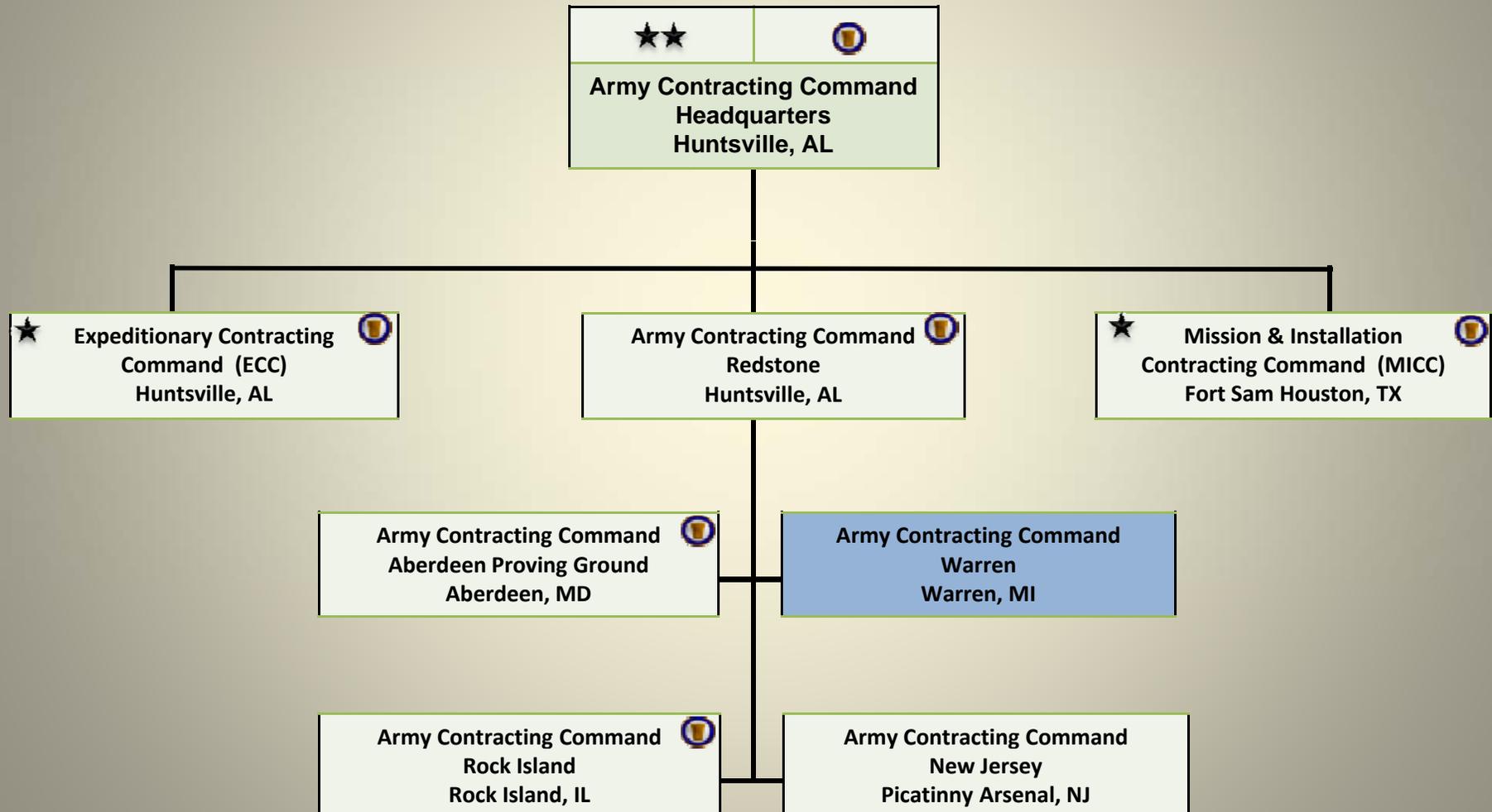




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Army Contracting Command – Warren

- Ken Bousquet
 - *Executive Director/PARC (acting)*
 - *(Principle Assistant Responsible for Contracting)*
- Kristan Mendoza
 - *Executive Director/PARC (acting)*
 - *Effective January 2015*
- *Located in Warren, MI*
- *3 Directorates*
 - *Combat Support Contracting*
 - *4 Divisions*
 - *Combat & Armaments Contracting*
 - *5 Divisions * Includes S3COE*
 - *Operations*
 - *3 Divisions*





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ACC-WRN contracts for systems, research & development, and services for:

- Combat and Tactical Vehicles
- Construction and Material Handling Equipment
- Concept and Research & Development Efforts
- Fuel and Water Distribution Systems
- Small Arms & Targetry
- Fire Control Systems
- Chemical Defense Equipment
- Logistics and general support

- Base Operation Support & Depot Maintenance
- Public/private partnerships
- Sets, Kits, Outfits, & Tools
- Army Diving Program
- Sustainment of Non-intrusive Cargo Inspection Systems
- Optics
- MRAP
- Bridging

Contracting and Acquisition Advisory Services

- Acquisition planning and strategies
- Contract execution and management
- Pricing services
- Government Purchase Card administration

Magnitude

- ACC-WRN has 694 employees at five geographic locations
- FY14 Obligations \$5B
- Executed 26,356 contract actions against 11,643 CARs

We manage \$138B cradle-to-grave contract actions, with \$65B in open active contracts

Major Customers

- PEO Ground Combat Systems
- PEO Ammo
- PEO Combat Spt & Combat Service Spt
- RDECOM, TARDEC/ARDEC
- System of Systems Engineering & Integration
- PM Light Armored Vehicle
- Joint PEO Chemical Biological Defense
- TACOM Integrated Log Spt Center
- PEO Soldier
- Foreign Military Sales
- Installation Mgt Activity
- Other Services Marine Corp, Navy, Air Force



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Contracting (or Procurement) Authority

- The United States Constitution provides the Federal Government with authority to maintain a military
- To do so, procurement of supplies and services is necessary
- Contracting authority for the Army flows as follows:
 - President
 - Secretary of Defense
 - Secretary of the Army
 - Commander, Army Materiel Command (AMC)
 - Head of Contracting Activity (HCA)
 - Principle Assistant Responsible for Contracting (PARC)
 - Contracting Officers



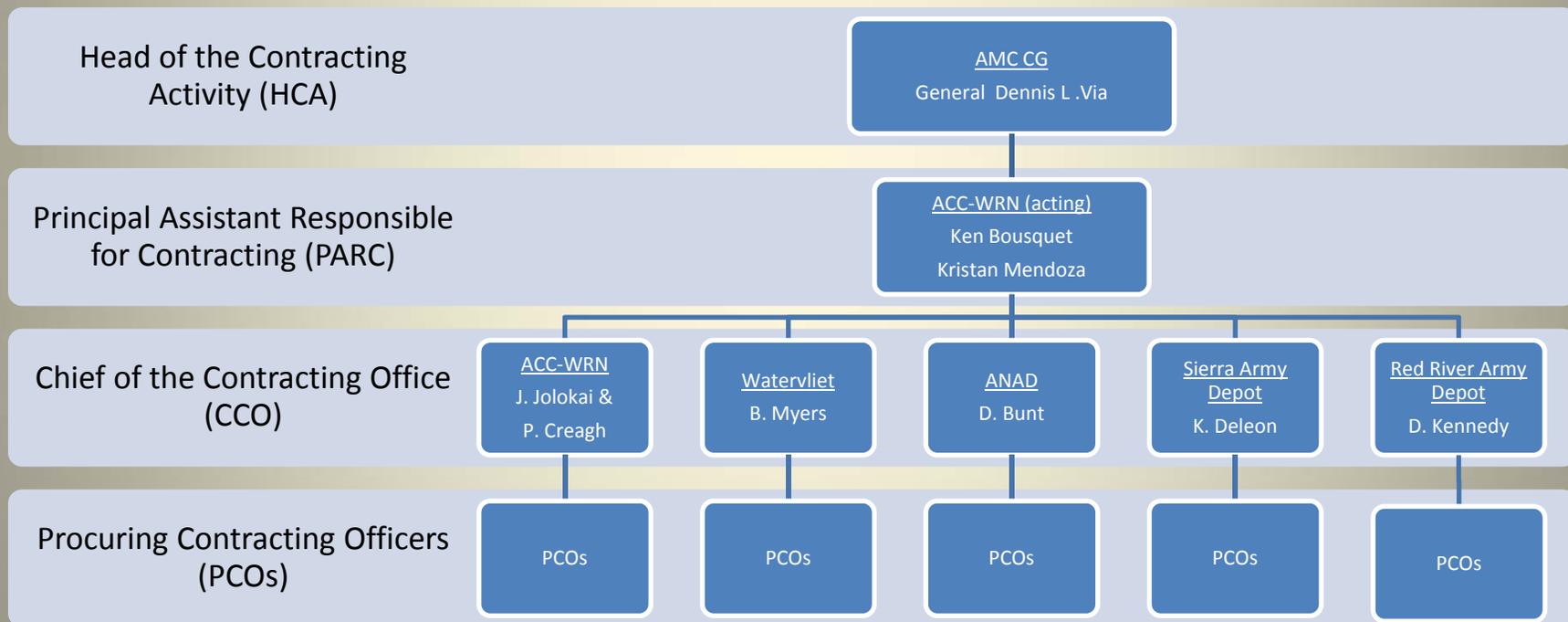
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Flow of Contracting Authority





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Authority to Award Contracts

- Contracting Officers are given the authority (via a warrant) to award contracts on behalf of the Federal Government
- They alone have the authority to award, modify, or terminate contracts
- Contracting Officers rely on several groups of people in making contract awards and follow-on administration
 - Contract Specialists
 - Cost/Price Analyst
 - Program Office
 - Other members of the acquisition team



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Division Structure



Team Leaders and above possess Procuring Contracting Officer warrants.



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Division Chief Duties

- Oversee all requirements
- Ensure mission is carried out
- Brief senior leadership on efforts
- Strategic leadership view of organization
- Ensure division pursues organizational goals
- Work with program/requirements office
- Work with other division chiefs on organizational challenges
- Regular communication with group chief, team leaders, customers and industry
- Serve on special projects – source selections, interview panels
- Personnel concerns
- Manage personnel and workload
- Ensure training and development for division and themselves





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Group Chief Duties

- Oversee all requirements
- Brief division chief on efforts
- Work closely with program/requirements office on contract strategies and contract issues
- Work closely with team leaders and buyers on resolving issues
- Serve on special projects – source selections, interview panels
- Regular communication with division chief, team leaders, customers and industry
- Personnel concerns
- Ensure training and development for group and themselves
- Manage personnel and workload
- Serve as acting division chief as necessary





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Team Leader Duties

- Oversee all requirements
- Brief group and division chief on efforts
- Daily contact with program/requirements office to strategize and resolve contract issues
- Regular contact with group chief
- Daily contact with contract specialists to review work and resolve issues
- Regular communication with division chief, group chief, buyers, customers and industry
- Personnel concerns
- Ensure training and development for team and themselves
- Serve as acting group chief as necessary





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Contract Specialist Duties

- Oversee all assigned requirements
- Daily contact with team leader
- Work with program/requirements office on contract issues and requirements
- Proposal analysis
- Contract negotiations
- Work with offices such as legal small business, competition advocate, DCAA, DCMA
- Daily interaction with teammates to resolve issues
- Serve on special projects
- Contract Specialist training and development





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Major Principles of Federal Acquisition

- Competition (vs. sole or limited source)
- Transparency (open to the public—synopsis)
- Best value decisions
- Preference for commercial items
- Fair and reasonable price
- Ethical conduct
- Social/industrial base goals
 - SBs, SDBs, SDVOSBs, WOSBs
 - Multiple sources to maintain industrial base



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Procurement Life Cycle

Acquisition Lifecycle Management





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The Path of a Procurement

- Establishment of a bona-fide need
- Funding is committed for the need
- Requirement is refined
- Requirement is advertised to public
- Solicitation released to public
- Contractors submit proposals
- Proposals are evaluated
- Negotiations may be held
- Contract Awarded



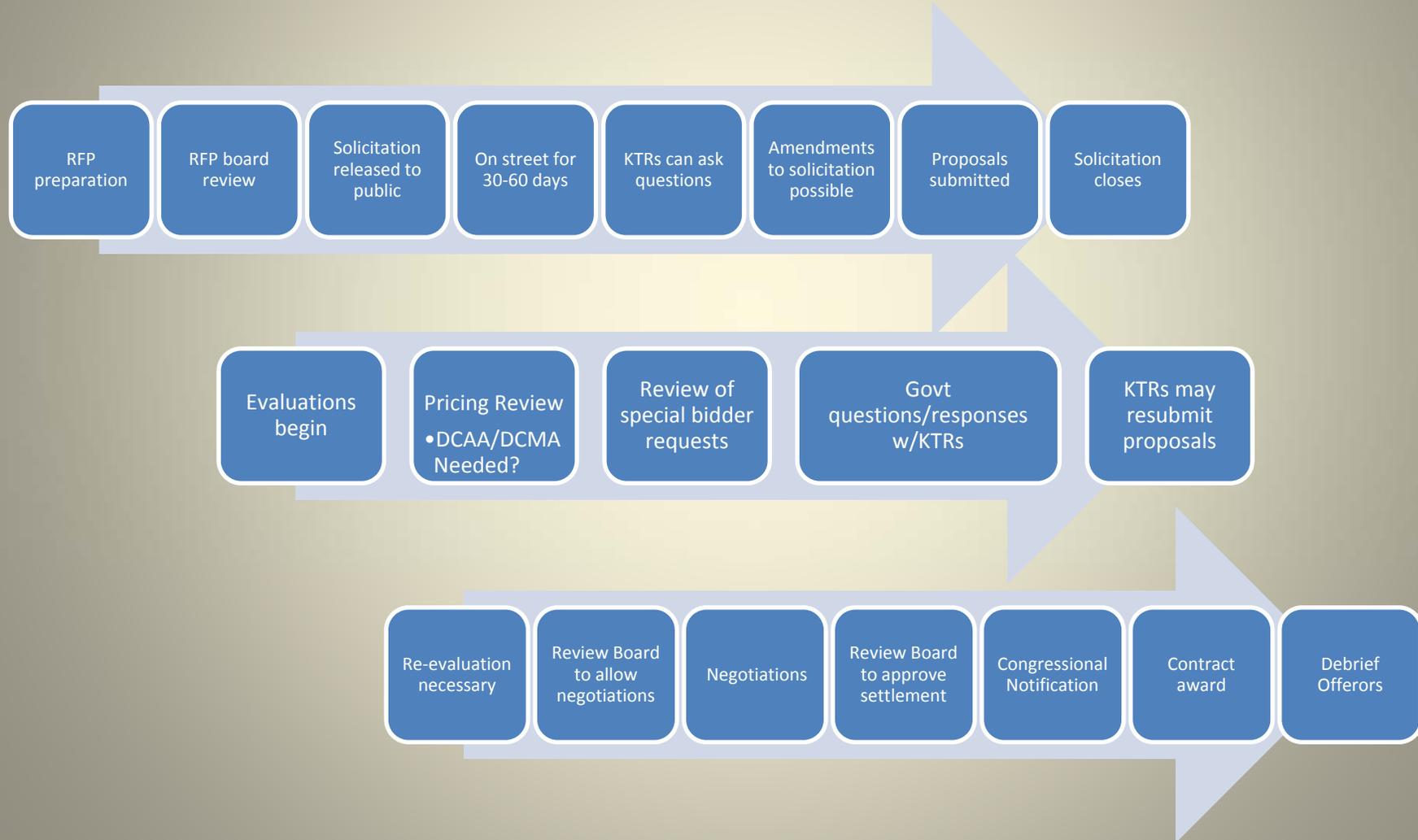
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Procurement Process





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Contracting Interactions





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Other Reviews Prior to Award

- Operations Security – review of information that will be released to the public, if there are concerns
- Official pricing Review – Contractor submits cost and pricing data > \$700K
- Field Pricing Support – DCAA Audit – fixed price >\$10M and cost type > \$100M
- Pre Award Survey – review of contractor’s financial, organizational and operational status before award to determine responsibility and eligibility for award
- Subcontracting Plan > \$650K and large business, must go to small business office for review
- Equal Employment Opportunity > \$10M, ensure the contractor is in compliance with nondiscrimination regs
- Congressional Notification for Award > \$6.5M



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Program Office

- Defines the requirement
- Responsible for acquisition planning
- Conducts market research
- Coordinates with customers/end users
- Monitors contractor performance after award
- Nominates Contracting Officer Representatives (COR)



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Office of
Small Business Programs



Small Business Administration
Procurement Center
Representative (PCR)



OFFICE OF
SMALL BUSINESS PROGRAMS
TACOM LCMC - WARREN, MICH



- Offices are located at each Federal Contracting Activity
- Advises small businesses and conducts a Small Business outreach program
- Reviews and evaluates all varieties of acquisition planning documents
- Monitors and reports on performance against the activity's Small Business goals

- Reports to the President
- Provides financial, contractual and training/counseling help to small businesses
- Screens proposed Federal acquisitions for small business set-aside suitability
- Oversees more agencies than TACOM LCMC





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Competition Advocate

- The Competition in Contracting Act (41 U.S.C. 253) requires that Federal Government contracts be awarded through the use of full and open competition
- Limited exceptions are permitted, provided a justification is approved
- Each Federal Government agency must appoint a Competition Advocate to review proposed noncompetitive actions
- Competition Advocate coordination and/or approval is required for all such actions >\$650K



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General Counsel (Legal Office)

- FAR requires legal review of contracting actions
- Each activity coordinates with General Counsel as to which actions require review
- Typical documents reviewed are acquisition plans, solicitations, contracts, unauthorized commitments, protests, and terminations



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DCAA

- Responsibilities and Duties:
 - Perform all needed contract audits for DoD
 - Provide accounting and financial advisory services to DoD (and civilian agencies when requested) acquisition and contract administration components during all contract phases:
 - Pre-award
 - Contract execution
 - Settlement (contract closing)



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DCAA Audits Through Various Phases

Pre-award

Accounting System

Estimating System

Proposal Review

- Labor Rates

- Indirect Rates

- Materials

- ODCs

Throughout
Contract Life

Annual Incurred
Cost Reviews

Real Time Labor

Provisional Billing
Rates

Progress Payments

Vouchers

Accounting System

Contract
Completed

Contract Closing



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DCMA

- Provides Administrative Contracting Officer (ACO) services
- Helps develop Requests for Proposals (RFPs) other solicitation packages, and contracts
- Supports source selection actions
- Evaluates contractor proposal and pricing data
- Supports contract negotiations
- Conducts formal and informal Pre-award surveys



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Better Buying Power (BBP)

- Frank Kendall III, Undersecretary of Defense for Acquisition, Technology and Logistics.
- The Pentagon is looking for new ways to partner with industry to help improve the procurement process thereby benefitting both parties.
- Office of the Secretary of Defense introduced BBP initiatives in 2010 aimed at improving the productivity of the Defense Department's acquisition of both products and services.
- Understand BBP is not a magic, overnight fix rather the goal is continuous, incremental improvement.



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Better Buying Power

- “Defense acquisition is a complicated business, with many independent actors and actions that all need to be executed professionally and with sound judgment to achieve success across the wide variety of product and service types DOD acquires.”
- “Better Buying Power is at heart a pragmatic and ongoing search to identify and reinforce all the many actions that contribute to increased productivity.”

Better Buying Power 4 Years On: Is It Making a Difference? Frank Kendall, Defense One, April 2014.



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Better Buying Power

- There have been three BBP initiatives released by OSD:
 - Develop critical thinking skills and better decision making tools
 - Streamline management and processes
 - Develop the best defense products
 - Forge better relationships with industry
 - Promote competition
 - Incentivize productivity
 - Control lifecycle costs
 - Improve professionalism
- BBP has been successful but this is an ongoing process.
- We must continue to use the practices and policies that have worked and incorporate new initiatives on the way to being more efficient.



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Help Us Help You

Relationships with the Government:

- Can be a powerful team
 - We need each other
 - Satisfy requirements, build businesses
 - Build the relationship - trust
- Arms length relationship
 - Federal law, regulations, rules
 - Ensure fairness, protect taxpayer
- Prior to proposal submission
 - Ask questions to ensure an adequate proposal is submitted
 - Call the Contract Specialist (buyer)
 - Call the Procuring Contracting Officer (PCO)
- Following award:
 - Monitor your contract
 - Don't hide issues
 - Call the Contracting Officer Representative (COR), buyer and PCO
- Open communication with the Government
 - Work with the Government to seek resolutions



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Questions?





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Contracting Officer's Representative (COR)

- Appointed, in writing, by the Contracting Officer to oversee and monitor the work performed under a contract
- A technical expert regarding the work to be performed
- Has limited authority—does not have authority to direct changes to the contract
- Keeps detailed records of contract performance
- Reports any discrepancies in performance to the Contracting Officer





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Procuring Contracting Officer (PCO)

- Appointed by the PARC
- Awards, modifies and terminates contracts
- An authorized agent who:
 - Exercises independent judgment
 - Performs a fiduciary responsibility
 - Is responsible for a fair and reasonable price
- The Contracting Officer is the **only** official authorized to contractually bind the Government





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Contract Specialist & Cost/Price Analyst

- GS 1102 series
- Assists the Contracting Officer in award and administration of contracts
- Operates independently with minimum supervision
- May perform as a Team Leader
- Responsible for developing competition, solicitation/contract documents, analyzing proposals, performing cost/price analysis, contract negotiations, contract award, administration and closeout



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Potential Additional Steps in the Process

- DCAA Audit
- Preaward Survey
- Certificate of Competency
- Protest

Still working
this chart,
would like
to add more
events and
the days



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Relationships with the Government:

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