



# 2011 APBI

## What's new in Service Contracts?



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# Agenda



- Introductions
- Administrative Guidelines
- Who is ACC-Warren?
- What is a Service?
- What services does ACC-Warren buy?
- Who are our customers?
- How you can increase your Prime Contractor awards
- Opportunities for defense contractors at ACC-Warren
- Contract Dollar Breakdown for Services
- What's new?
- Q&As
- Open Forum for Questions and Comments



# Acronym List

- ACC-WRN: Army Contracting Command - Warren
- HAZMAT: Hazardous Materials
- ILSC: Integrated Logistics Support Center
- IT: Information Technology
- PEO: Program Executive Office
- PM: Program Manager
- RD&E: Research, Development & Engineering



# Administrative Guidelines

- Please silence cell phones
- Questions may be asked during this training at any time
- We have a sign-in sheet if you would like a copy of the slides





# Who is ACC-Warren?

ACC-Warren is more a community of “focus” or “purpose” than one of location or a single chain of command. It unites a community of Army organizations that focus on soldier and ground systems throughout the entire life cycle of those systems from concept development, through technology development, system development and demonstration, production and deployment, operations and support, and finally disposal.



# What's a Service? FAR Definitions



FAR 37.101 - a **service** contract directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish a product.

Examples:

- **Maintenance, overhaul, repair, servicing, rehabilitation, salvage, modernization, or modification of supplies, systems, or equipment**
- Routine, recurring maintenance of real property
- Housekeeping and base services (i.e.. Custodial services)
- Contract Advisory and Assistance Services (CAAS)
- Operation of Government-owned equipment, real property, and systems
- Communication services
- Architect – Engineering (A&E) Services
- Transportation Services

Note: Services can be either personal or non-personal

FAR 2.101 – “**Supplies**” means **all property** except land or interest in land. It includes (but is not limited to) public works, buildings, and facilities; ships, floating equipment, and vessels of every character, type, and description, together with **parts and accessories**; aircraft and aircraft parts, accessories, and equipment; machine tools; and the **alteration or installation of any of the foregoing**.



# What services does ACC-Warren buy?

- IT/ Telecommunications
- PM Support, Logistics, Engineering/Technical Support/R&D
- Logistics Support Services
- Management of Warehouse, Mailroom, HAZMAT, Freight Services, Shipping and Receiving Facilities, Movement and Relocation of Personnel and Office Equipment
- Waste Disposal/Recycling Services
- Base Maintenance and Operations (Facilities Support Services to Detroit Arsenal)
- Construction (Small to Medium Construction and Repair Work)
- Training Services for TACOM Personnel
- New Equipment Training Services for Vehicles
- Repair/maintenance of vehicles/RESET



# Are there services ACC-Warren does NOT buy?



- Large Construction Projects – These are contracted through the Army Corps of Engineers; and
- Transportation Services – We have no prime contracts for transportation services



# Who are our customers?

The Contracting Center provides contracting support to the requirements offices: see [www.tacom.army.mil](http://www.tacom.army.mil).

## Depots and Arsenal:

- Red River Army Depot (RRAD), Texarkana, TX
- Anniston Army Depot (ANAD), Anniston, AL
- Sierra Army Depot (SIAD), Herlong, CA
- Detroit Arsenal (DTA), Warren, MI
- Rock Island Arsenal (RIA), Rock Island, IL
- Watervliet Arsenal (WVA), Watervliet, NY

## PEO and PMs:

- Program Executive Office Combat Support & Combat Service Support (PEO CS&CSS), Warren, MI
- Program Executive Office Ground Combat Systems (PEO GCS), Warren, MI
- Program Executive Office Soldier (PEO Soldier), Natick, MA
- Joint Program Executive Office for Chemical and Biological Defense (JPEO CBD)
- Program Executive Office Integration (formerly FCS), Warren, MI
- Program Manager, Light Armored Vehicles (PM LAV)

## Directorates:

- ILSC
- TARDEC
- System of Systems of Integration (formerly FCS)
- Security Assistance Management Directorate (formerly FMS)



# How you can increase your Prime Contractor awards?



- While selling directly to TACOM-LCMC may be your goal, it's important to note that much of the Command's procurement workload for the foreseeable future will remain tied up in long-term contracts with a relatively small number of major manufacturers and service providers. The prime contractor lists include contact information to help you explore subcontracting opportunities with the Prime Contractors for Systems, Services, and Construction.
- If you go to ProcNet:  
<http://contracting.tacom.army.mil/opportunity.htm>, TACOM-Warren posts all of its recently awarded contractual instruments, including modifications and delivery orders, here. Using this area of ProcNet as a reference source, prospective subcontractors can pinpoint TACOM prime contractors in possible need of suppliers to execute new major awards.



# What opportunities are there for defense contractors at ACC-Warren?



- The Contracting Center provides contracting support to the requirements offices: the ILSC, the PEOs and PMs, and the RD&E organizations. The Contracting Center is located at the six installations listed below. The Contracting Locations link on the left side of the ProcNet Home Page:

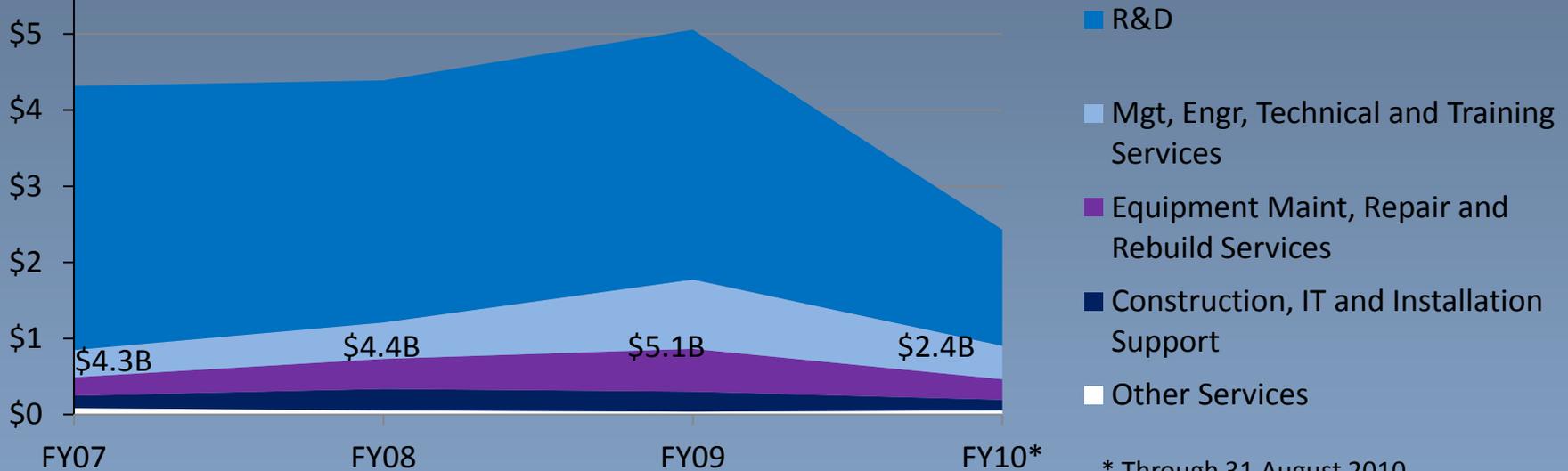
<http://contracting.tacom.army.mil/opportunity.htm>, will take you to **solicitations, contract awards, and other business information for all six installations.**

- Red River Army Depot (RRAD), Texarkana, TX
- Anniston Army Depot (ANAD), Anniston, AL
- Sierra Army Depot (SIAD), CA
- Detroit Arsenal (DTA), Warren, MI
- Rock Island Arsenal (RIA), Rock Island, IL
- Watervliet Arsenal (WVA), Watervliet, NY

# TACOM LCMC Contract Dollar Breakdown: Services Overall Awards, FY07 - FY10



\$ in Billions



\* Through 31 August 2010

	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10*</u>
R&D	\$3,467.4M	\$3,179.8M	\$3,281.6M	\$1,525.7M
Mgt, Engr, Technical and Training Services	\$357.0M	\$477.7M	\$909.2M	\$439.5M
Equipment Maint, Repair and Rebuild Services	\$242.7M	\$394.4M	\$562.0M	\$270.5M
Construction, IT and Installation Support	\$163.1M	\$282.1M	\$264.2M	\$137.7M
Other Services	\$84.2M	\$54.7M	\$37.4M	\$55.5M



# What's New?

- New Defense Department contracting reforms introduced by Pentagon acquisition czar Ashton Carter call for increased scrutiny over defense contractors.

## TWO SIGNIFICANT MEMORANDUMS:

- Dr. Carter's memorandum, dated 14 September 2010, entitled "Better Buying Power" and Mr. Shay Assad's memorandum, dated 24 November 2010, entitled "Improving Competition in Defense Procurements."



# Dr. Carter's memo states...

“...seeking to obtain greater efficiency and productivity in defense spending by pursuing initiatives in the following five areas: (1) Target Affordability and Control Cost Growth; (2) Incentivize Productivity and Innovation in Industry; (3) Promote Real Competition; (4) **Improve Tradecraft in Services Acquisition**; and (5) Reduce Non-Productive Processes and Bureaucracy.

This memorandum specifies actions that he expects you to **execute either immediately or in the time frame indicated** in order to implement the September 14 Guidance...”



# Memo: “IMPROVING COMPETITION IN DEFENSE PROCUREMENTS”



- Mr. Shay D. Assad, Director, Defense Procurement and Acquisition Policy in response to Dr. Carter’s memo has put emphasis on “maximizing competitions” in situations where only one offer is received in a procurement utilizing competitive procedures among other things.



# Dr. Carter has mandated:

Contracting Officers shall immediately start conducting negotiations with companies on the basis of non-certified cost or pricing data supplied by a would-be contractor in cases when only one firm responds to a full and open solicitation.

Read more: [Carter memo calls for increased contractor oversight - FierceGovernmentIT](http://www.fiercegovernmentit.com/story/carter-memo-calls-increased-contractor-oversight/2010-09-14#ixzz1aU0w6pGY)  
<http://www.fiercegovernmentit.com/story/carter-memo-calls-increased-contractor-oversight/2010-09-14#ixzz1aU0w6pGY>



# What these memos mean to you...



The number of competitive offers received: “Competition acquisitions that receive only one offer and were open for less than 30 days will be re-solicited for a minimum period of 30 additional days.” Therefore, you will notice most buys will be on the street for at least 30 days and may require additional cost data including **“other than certified cost or pricing data to support further analysis.”**



# More Cost Reimbursement Contracts

- At ACC-Warren, you will see an increase in more Cost Plus Fixed Fee arrangements; therefore...
- Small Businesses will be educated on the importance of obtaining an approved Accounting System with DCAA so they are able to compete on all possible actions.
- To get started, check out: <http://www.dcaa.mil/> and click on 'INFORMATION FOR CONTRACTORS' on the lower left side of the menu.



# Q&A

Q: Can you give us a forecast of future work?

A: No, it is difficult to forecast.



# Q&A



Q: What current contract mechanisms are available at ACC-Warren?

A: See below (POCs included):

- OMNIBUS III (white collar services) ProcNet site:  
<http://contracting.tacom.army.mil/installsupport/omnibusopen09/openseason09.htm>
- 'FIRST' Contract (blue collar services):  
<http://www.bragg.army.mil/Organizations/TENANT-UNITS/Mission---Installation-Contracting-Command/FIRST.aspx>
- TARDEC OMNIBUS ProcNet site (R&D):  
<http://contracting.tacom.army.mil/research/omnibus/tardecomnibus.htm>
- Service Contracting and Acquisition Support Division:  
<http://contracting.tacom.army.mil/installsupport/installationsupport.htm>



# Q&A

- Q: I am a small business. Where can I get more help?
- A: Go to the website for Office of Small Business Programs (OSBP):  
<http://contracting.tacom.army.mil/sbo/sbo.htm>



# Open Forum for Questions and Comments

