

**National Defense Industry Association (NDIA)
Missile Division Luncheon Series
Event #816C - MiDAESS**



26 February 2008

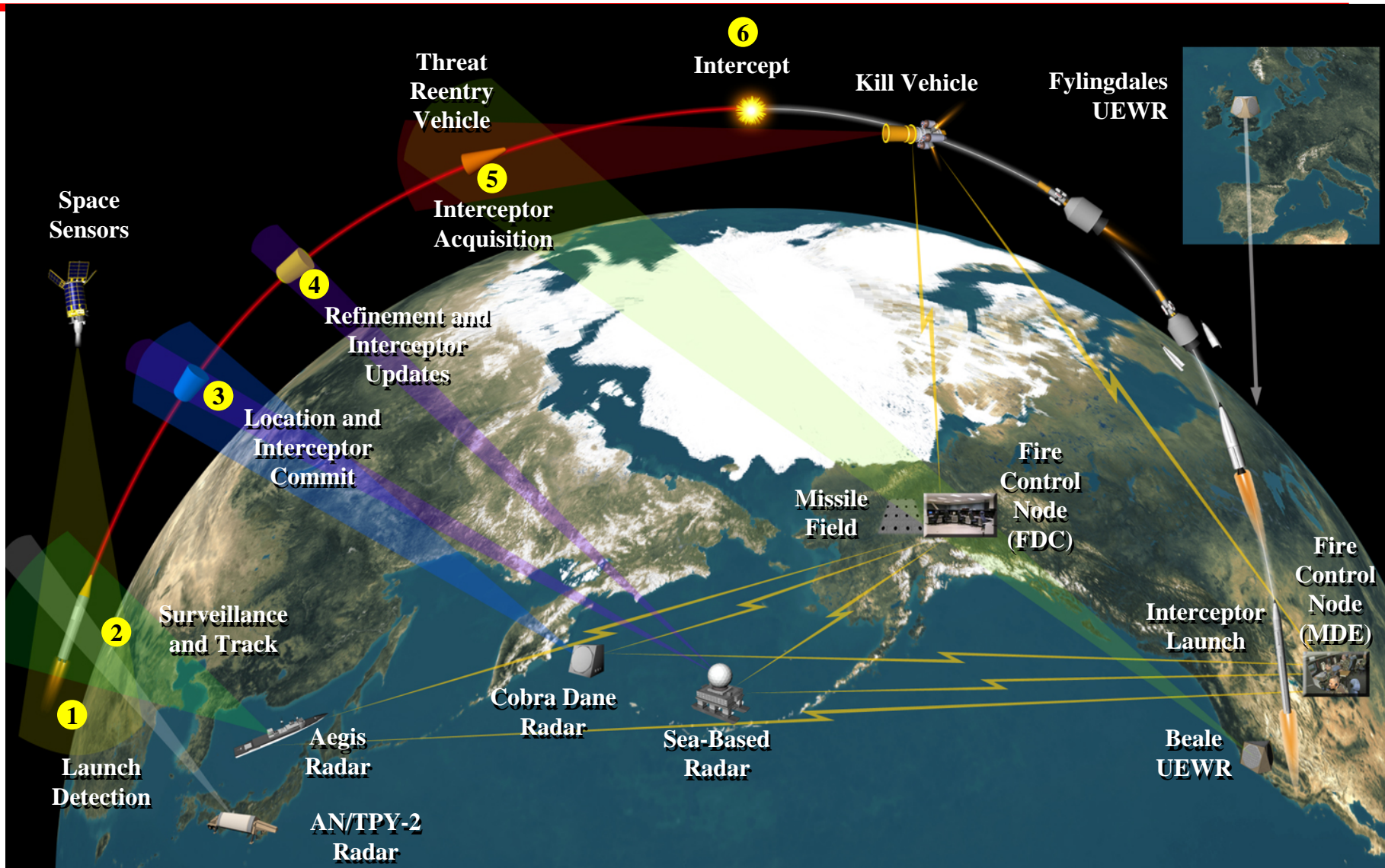


Purpose

- **Strengthen Government-Industry Partnership through Dialogue and Interaction with NDIA**
- **Engage in One-on-One Non-Attribution Discussions**



An Integrated Approach To Ballistic Missile Defense





Integrated Ballistic Missile Defense System

Sensors



Defense Support Program



Space Tracking and Surveillance System



Sea-Based Radars



Forward-Based Radar With Adjunct Sensor



Midcourse X-Band Radar



Early Warning Radar



Airborne Laser



Kinetic Energy Booster



Aegis Ballistic Missile Defense / Standard Missile-3



Multiple Kill Vehicle



Ground-Based Midcourse Defense



Terminal High Altitude Area Defense



Sea-Based Terminal



Patriot Advanced Capability-3

Command, Control, Battle Management & Communications



NMCC USSTRATCOM USNORTHCOM USPACOM EUROM CENTCOM

Designated Lead Service:

Army

Navy

Air Force

TBD



Why MiDAESS?

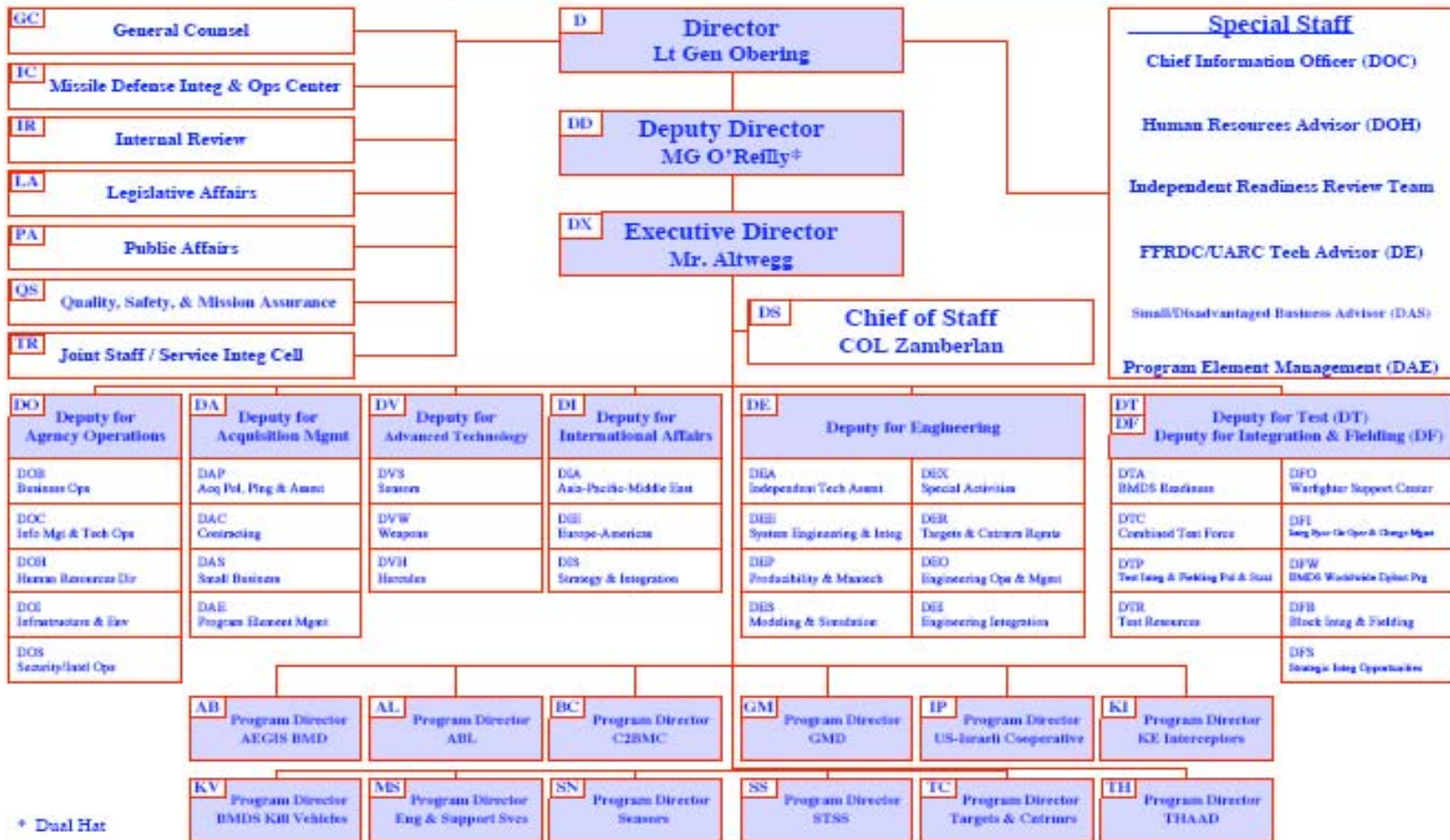
- Adopt **Matrix Management** for Contracted Workforce
- **Cross-flow BMD Expertise** and Knowledge Across the Agency
- **Centralize** Control of **Acquiring Manpower** with Decentralized Execution
- Be **Transparent** in our Contracted Workforce Use
- **Accurately Account** for our **Cost of Doing Business**
- **Actively Manage Quality** of Contracted Workforce
- **Gain More Cost-effective** Contractor Support



Missile Defense Agency

APPROVED

H. G. O'Brien
April 4, 2008





OFPP Policy Letter – 93-1 Reissued

Management Oversight of Service Contracting

OFFICE OF FEDERAL PROCUREMENT POLICY (OPFF)

- **During the 90s, a review was conducted to determine:**
 - **If the service contracts were accomplishing what was intended**
 - **Whether the contracts were cost effective**
 - **Whether inherently governmental functions were being performed by contractors**

- **Results of the Review indicated:**
 - **Contracting practices and capabilities were uneven across the Executive Branch**
 - **Various common management problems needed to be addressed**

- **Policy Letter 93-1 issued to:**
 - **Establish Government-wide policy, assign responsibilities, and provide guiding principles for Executive Departments and agencies in managing the acquisition and use of services**
 - **Improve acquisition, management, & administration of service contracts**



OFPP Policy Letter – 93-1 Reissued

Management Oversight of Service Contracting

- When contracting for services, it is the policy of the Federal Government that:
 - **Program officials are responsible for accurately describing the need** to be filled or problem to be resolved through service contracting to assure full understanding and responsive performance by contractors
 - Government **retain inherent governmental decision-making authority**
 - **Services are obtained through the most cost effective manner**, without barriers to full and open competition, and free of any potential conflict of interest
- Agency officials need to be able to make sound judgment on requirements, estimated cost, and contractor performance
- Agency officials must retain control over, and remain accountable for, policy decisions that may be based, in part, on contractor performance and products



OFPP Policy Letter – 93-1 Reissued

Management Oversight of Service Contracting

- Agency officials must provide an enhanced degree of management controls and oversight when contracting for functions that closely support the performance of inherently Governmental functions
- Agency officials must **ensure that any actual or potential conflicts of interest are identified and that appropriate steps are taken to avoid, neutralize, or mitigate** them. Service contracts are not to be awarded to any individual or organization that is unstable, or potentially unable, to render impartial advice or assistance to the Government, or that has unfair competitive advantage over competing contractors unless every effort is first taken to mitigate such conflict or advantage.



Service Contracting – FAR 37.1

37.101 Definitions.

As used in this part—

“Service contract” means a contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply. A service contract may be either a nonpersonal or personal contract. It can also cover services performed by either professional or nonprofessional personnel whether on an individual or organizational basis. Some of the areas in which service contracts are found include the following:

- (1) Maintenance, overhaul, repair, servicing, rehabilitation, salvage, modernization, or modification of supplies, systems, or equipment.
- (2) Routine recurring maintenance of real property.
- (3) Housekeeping and base services.
- (4) Advisory and assistance services.
- (5) Operation of Government-owned equipment, real property, and systems.
- (6) Communications services.
- (7) Architect-Engineering (see [Subpart 36.6](#)).
- (8) Transportation and related services (see [Part 47](#)).
- (9) Research and development (see [Part 35](#)).



Service Contracting – FAR 37.1 (Cont'd)

37.102 Policy.

(a) **Performance-based acquisition** (see [Subpart 37.6](#)) is the **preferred method** for acquiring services (Public Law 106-398, section 821). When acquiring services, including those acquired under supply contracts or orders, **agencies must**—

(1) **Use performance-based acquisition methods** to the maximum extent practicable, **except for**—

- (i) Architect-engineer services acquired in accordance with [40 U.S.C. 1101](#) *et seq.*;
- (ii) Construction (see [Part 36](#));
- (iii) Utility services (see [Part 41](#)); or
- (iv) Services that are incidental to supply purchases;

and

(2) Use the following order of precedence (Public Law 106-398, section 821(a));

- (i) A firm-fixed price performance-based contract or **task order**.
- (ii) A performance-based contract or task order that is not firm-fixed price.
- (iii) A contract or task order that is not performance-based.

(b) **Agencies shall generally rely on the private sector for commercial services** (see **OMB Circular No. A-76, Performance of Commercial Activities and [Subpart 7.3](#)**).



Service Contracting – FAR 37.2

37.200 Scope of subpart.

This subpart prescribes policies and procedures for acquiring advisory and assistance services by contract.

37.203 Policy.

- (a) ...**advisory and assistance services** may be used at all organizational levels to help managers achieve maximum effectiveness or economy in their operations.
- (b) Subject to [37.205](#), agencies may contract for advisory and assistance services, when essential to the agency's mission, to—
- (1) Obtain **outside points of view** to avoid too limited judgment on critical issues;
 - (2) Obtain **advice regarding developments** in industry, university, or foundation research;
 - (3) Obtain the opinions, special knowledge, or skills of noted **experts**;
 - (4) Enhance the understanding of, and develop alternative solutions to, **complex issues**;
 - (5) **Support and improve** the operation of organizations; or
 - (6) **Ensure the more efficient or effective operation of managerial or hardware systems.**



Service Contracting – FAR 37.5

37.500 Scope of subpart.

This subpart establishes responsibilities for implementing Office of Federal Procurement Policy (OFPP) [Policy Letter 93-1, Management Oversight of Service Contracting](#).

37.503 Agency-head responsibilities.

The agency head or designee should ensure that—

- (a) **Requirements** for services are [clearly defined](#) and appropriate **performance standards are developed** so that the agency's requirements can be understood by potential offerors and that performance in accordance with contract terms and conditions will meet the agency's requirements;
- (b) Service contracts are awarded and administered in a manner that will provide the customer its supplies and services within budget and in a timely manner;
- (c) Specific procedures are in place before contracting for services to ensure that inherently governmental functions are performed by Government personnel; and
- (d) Strategies are developed and necessary staff training is initiated to ensure effective implementation of the policies in [37.102](#).



Service Contracting – FAR 37.6

37.600 Scope of subpart.

This subpart prescribes policies and procedures for acquiring services using performance-based acquisition methods.

37.601 General.

(b) **Performance-based contracts for services** shall include—

- (1) A **performance work statement** (PWS);
- (2) **Measurable performance standards** (*i.e.*, in terms of quality, timeliness, quantity, etc.) and the method of assessing contractor performance against performance standards

37.602 Performance work statement.

(b) Agencies shall, to the maximum extent practicable—

- (1) **Describe the work in terms of the required results rather than either “how” the work is to be accomplished or the number of hours to be provided** (see [11.002\(a\)\(2\)](#) and [11.101](#));
- (2) **Enable assessment of work performance against measurable performance standards;**
- (3) Rely on the use of measurable performance standards...to encourage competitors to develop and institute innovative and cost-effective methods of performing the work.

37.603 Performance standards. ...(a)...**standards shall be measurable** and structured to permit assessment of contractor performance



Contract Type - FAR 16.5 – Indefinite Delivery

16.500 -- Scope of Subpart.

- (a) This subpart prescribes policies and procedures for making awards of **indefinite-delivery contracts** and establishes a **preference for making multiple awards** of indefinite-quantity contracts.

- (b) This subpart does not limit the use of other than competitive procedures authorized by part 6.

(16.501-1 -- Definitions.

As used in this subpart --

“Task order contract” means a contract for services that does not procure or specify a firm quantity of services (other than a minimum or maximum quantity) and that **provides for the issuance of orders for the performance of tasks** during the period of the contract.

- (a) There are three types of indefinite-delivery contracts: definite-quantity contracts, requirements contracts, and **indefinite-quantity** contracts.



Contract Type - FAR 16 – Indefinite Delivery

(2) *Contracts for advisory and assistance services.*

- (i) Except as provided in paragraph (c)(2)(ii) of this section, if an indefinite-quantity contract for advisory and assistance services **exceeds 3 years and \$11.5 million, including all options**, the contracting officer **must make multiple awards**

—unless—

- (A) The contracting officer or other official designated by the head of the agency determines in writing, as part of acquisition planning, that multiple awards are not practicable. The contracting officer or other official must determine that **only one contractor can reasonably perform** the work because either the **scope of work is unique** or highly specialized or the tasks so integrally related;
- (B) The contracting officer or other official designated by the head of the agency determines in writing, after the evaluation of offers, that only **one offeror is capable** of providing the services required at the level of quality required; or
- (C) **Only one offer is received.**



MiDAESS Re-Cap – Effort is BMDS-Centric

- **Opportunities Available Across the BMDS**
 - **MiDAESS is BMDS-Centric Vice Element/Program-Centric**
 - **Most MiDAESS Work will be in Multiple Locations to Support a Function**
 - **MiDAESS Provides Agency with Opportunity to Cross-Level BMDS Expertise and Knowledge Sharing Throughout the Agency**
 - **Major Agency Functions Moving to Alabama Between 2008 And 2010**
 - **Advanced Technology, Engineering, Sensors, Targets**
 - **In addition to Element/Programs Already in Area**



MiDAESS Re-Cap – Contract Consolidation

- **Consolidation of Contractor Support Services along Functional Lines**
- **Agency Re-engineering and Principle of Centralized Control and Decentralized Execution**
- **Increases Transparency, Accountability, and Efficiencies**
- **Increases Emphasis on Quality by Using Ongoing Performance as a Prominent Basis for Awarding Future Work**
- **Complies with Recent Legislation on Contractor Support Services**



MiDAESS Re-Cap -- Events

- **Released MiDAESS “Draft” Request for Proposal on 30 Jan 08**
- **Conducted Two Industry Days - 05 & 07 Feb 08**
 - **05 Feb 08 @Huntsville, AL: 382 Industry Participants**
 - **07 Feb 08 @Crystal City, VA 144 Industry Participants**
- **Questions/Comments:**
 - **Submission Date Extended from 12 Feb to 28 Feb 08 to Allow More Time for Review of DRFP Documents and Comment Submission**
 - **Government Response Period to be Adjusted Accordingly**
 - **Currently Categorizing Questions and Sending to Functionals for Response**



Small Business and MiDAESS

- **Committed to Maximizing Small Business Utilization**
- **Draft RFP Maximizes Small Business Prime and Subcontracting Opportunities Based on Initial Market Research**
- **Your Input is Critical to Maximizing the Small Business “Footprint”**
- **Critical to Look at Draft RFP and Answer the Sources Sought**
 - **Are we using the Right NAICS Codes?**
 - **Do you have Capability to Meet the Requirements?**
 - **What Should Be Set-aside that Isn't?**
 - **Do we have Enough “Teeth” in our Evaluation Process?**
 - **What are the Barriers you see to your Participation?**



MiDAESS Information Sources

- **Questions and Recommendations**
 - **Email: MiDAESS@mda.Mil**
 - **Email: Professional Service Council - MDAInfo@pscouncil.org**
- **Updates and New Information will be Posted to FedBizOps Website**
 - **Solicitation Number: HQ0006-07-R-0012**
 - **Keyword: MiDAESS**

