CBDAIF
Services Sector Update

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Services Sector - Business Environment
(JPEO and adjacent CBD-related markets)

- Customer Perspectives:
  - Continuing Pressure Placed by OSD and Service HQ's to reduce spending on services
  - Services Being Bundled With Products for end-to-end solutions/support
  - Many customers are moving from LOE-based contracting to product-based or managed service-based transactions – commercial-like practices
  - LPTA-based procurement approaches are tilting back to tradeoff-based awards
  - Continued support for small business set asides, small business bundling, and higher subcontracting set-aside goals in full/open contracts
  - Continued use of IDIQs by an organization, an agency, DoD-wide, and government-wide
- Company Perspectives:
  - Continue efforts to streamline or acquire/divest or diversify – or some combination of all 3
  - Emphasis on strategy, prioritization, differentiation, and pursuing larger bids
  - Relook and reemphasize selected investments in IRAD, certifications, and mobility/cross-training initiatives
  - Employees are increasingly mobile as they look for interesting work, shorter commutes, better salaries, benefits, and training

New DoD Policy 5000.4 – Services Contracting

- Establishes:
  - Functional Domain Experts (FDEs) with expertise in certain technical areas who are responsible for determining what is the most efficient and cost-effective way to buy services within their portfolios.
    - FDEs will put processes in place to monitor post-award performance, identify best practices, develop metric cost and performance and make policy recommendations.
  - Component Level Leads (CLLs) under the FDEs that will closely monitor contract performance and execution to ensure efficiencies and provide appropriate training to program managers.
  - Reporting requirements that, when developed, will require frequent (quarterly?) reporting of procurement metrics by organizations
  - A Services Requirement Review Board (SRRB) that will review all proposed acquisitions over $10M.

- <u>**What are implications for JPEO and its acquisition strategies? What are implications for contractors?**</u>

Questions from the Service Sector Companies

- TO forecast for new or recompeted OPETS TO’s, if any?
- TO forecast for JE-CLASS?
- Acquisition strategy for OPETS follow on?
- Product vs service considerations anticipated for JE-RDAP?
- How will OCI be managed among contract vehicles/task orders and across JPMs? Will OCI avoidance be required and/or will mitigation techniques (eg. Firewalls and other strategies) be acceptable?