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.

• What are implications for JPEO and its acquisition strategies? What are implications for contractors?
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?