



U.S. AIR FORCE

Headquarters U.S. Air Force

Integrity - Service - Excellence

Air Force Update



Be America's Best...War-Winning Capabilities, on Time, on Cost



- **Strategic Sourcing Governance**
- Successes/Available Strategic Sourcing Vehicles
- In-progress Strategic Sourcing Efforts
- FSSI Participation

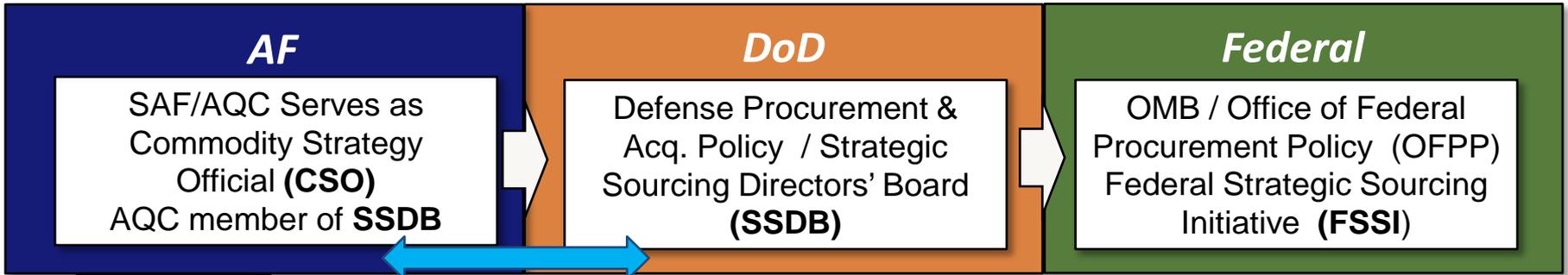


Strategic Sourcing Governance Air Force



U.S. AIR FORCE

Oversight, Policy, Management & Reporting



Air Force Specific Strategic Sourcing Governance & Execution



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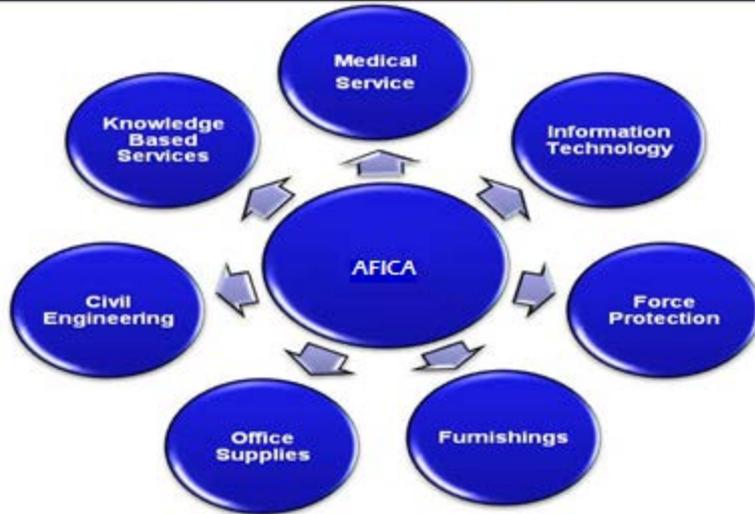


Strategic Sourcing Governance Commodity Councils

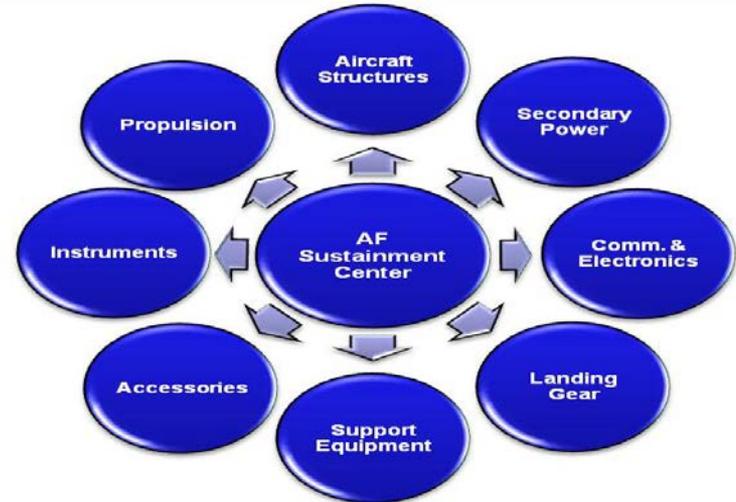


U.S. AIR FORCE

AF Commodity Councils



AF Sustainment Commodity Councils



Objectives

- Leverage AF spend to improve supply availability
- Drive commonality and standardization
- Eliminate duplication of effort
- Minimize supply chain costs

Responsible For

- Researching commodity market
- Developing AF-wide commodity sourcing strategies
- Executing commodity sourcing strategies

Not Responsible For

- Functional area prioritization
- Developing the demand planning forecast
- Tactical planning, scheduling & asset management

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Content



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Successes – Available Strategic Sourcing Vehicles (AFICA)



Commodity Council	Projects	Spend	Cost Efficiency	Description
Civil Engineering	Taxiway Lighting ★	FY11-FY16 \$3.2M	FY11-FY16 \$8.0M	<ul style="list-style-type: none"> Conversion of current incandescent taxiway lighting fixtures in use on airfield with Light-Emitting Diode (LED) fixtures
	AF Tools and Parts (AFTAPP)	FY13 \$7.4M	FY13 \$.72M DoD (\$.23M AF)	<ul style="list-style-type: none"> Re-compete of industrial supply (MRO) BPAs Series of multiple-award BPAs for the supply of MRO tools and parts at discounted pricing to DoD customers 28.72% rate savings off retail prices 8.9% rate savings off GSA prices
	Elevator Maintenance ★	FY14-FY16 \$9.0M	FY14-FY16 \$1.4M	<ul style="list-style-type: none"> Standardized PWS for preventative maintenance, corrective repair, and inspection / testing services on existing elevator, escalator, dumbwaiter, wheelchair/stair lifts and dock leveler equipment in CONUS
AF Furnishings	Seating ★	FY11-FY16 \$24.3M	FY11-FY16 \$1.8M	<ul style="list-style-type: none"> Wood and non-wood upholstered seating and other seating applications for executive and task oriented environments
	Systems & Modular	FY14-FY16 \$92.0M	FY14-FY16 \$24.8M	<ul style="list-style-type: none"> Monolithic and stackable panel systems, freestanding modular furniture, product accessories, demountable walls and related design and installation services
Office Supplies	Office Supplies ★	FY12-FY16 \$134.2M	FY12-16 \$9.9M	<ul style="list-style-type: none"> Leverage the Federal Strategic Sourcing Initiative (FSSI) for purchase of office supplies. Only 50% of total is FSSI. Remainder goes to AbilityOne stores

★ Indicates Mandatory Use

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U.S. AIR FORCE

Successes – Available Strategic Sourcing Vehicles (AFICA)



Commodity Council	Projects	Spend	Cost Efficiency	Description
Force Protection	Load Carrying System I ★	FY11-FY14 \$17.9M	FY11-FY14 \$5.4M	<ul style="list-style-type: none"> • Purchase of all Security Forces load carrying system and accessory items
	Civilian Police/Guard Uniforms ★	FY12-FY16 \$17.5M	FY12-FY16 \$3.0M	<ul style="list-style-type: none"> • AbilityOne contract to provide primary duty uniform items, utility uniform items, outerwear and accessories (belts, caps, patches, badges, etc.) for 4,000 Civilian Police/Guards
Information Technology	Digital Printing & Imaging ★	FY11-FY16 \$127.3M	FY11-FY16 \$21.0M	<ul style="list-style-type: none"> • Digital network printers, network multifunctional devices, associated ink/toner cartridges/supplies
	Client Computing and Servers ★	FY11-FY16 \$863.6M	FY11-FY16 \$258.7M	<ul style="list-style-type: none"> • Desktops, laptops, notebooks/tablets. • CCS Quantum Enterprise Buy (QEB) process supports two semi-annual buying periods which provides updated products for purchase
	Cellular Services and Devices ★	FY11-FY16 \$252.6M	FY11-FY16 \$13.3M	<ul style="list-style-type: none"> • Joint Army/Air Force negotiated agreements with four U.S. cellular companies (AT&T Mobility, Sprint, T-Mobile and Verizon Wireless) to offer a consolidated one-stop shopping point for cellular services and devices

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Successes – Available Strategic Sourcing Vehicles (AFICA)



Commodity Council	Projects	Spend	Cost Efficiency	Description
Medical	Clinical Acquisition Support Services (CLASS)	FY12 – FY13 \$358M	FY12 – FY13 \$34.6M	<ul style="list-style-type: none"> Personal services contract to supplement the permanent clinical staff at Air Force MTFs within the 50 United States and Guam with qualified health care workers providing direct health care services to eligible beneficiaries. Services include a wide range of activities such as treatment, movement of patients, advice, clinical evaluations, recommendations, area and equipment preparation, and other clinical services to supplement the MTF's clinical staff
	Consultant, Advisory & Technical Services (CATS)	FY12 – FY13 \$48.5M	FY12 – FY13 \$21M	<ul style="list-style-type: none"> Non personal services contract for A&AS support including management and professional services; engineering and technical services; and studies analyses and evaluations throughout the Continental United States including Alaska, Hawaii, and territories
	Medical Support Services (MSS)	FY12 – FY13 \$49.9M	FY13-FY13 \$2.18M	<ul style="list-style-type: none"> Non personal services contract for medical support (non-patient care) positions and services with the addition of biomedical/ environmental safety and public health for AF requirements at AF organizations and some joint services bases across 63 Medical Treatment Facilities (MTFs)
	Temporary Medical Staffing (TMS)	New Award	New Award	<ul style="list-style-type: none"> Personal services contract to fill temporary (less than 365 days) staffing shortfalls at military treatment facilities (MTFs) with qualified health care workers providing direct health care services to eligible beneficiaries

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Successes – Available Strategic Sourcing Vehicles (MAJCOM)



Organization	Projects	Spend	Cost Efficiency	Description
MAJCOM (USAFE)	Furniture Buys	FY13 \$2M	FY13 \$.34M	<ul style="list-style-type: none"> Refined folding wardrobe requirement – 24 contracts consolidated into 3 agreements Revised specs, savings an estimated 75 man-days 667 extra units for USAFE families Partnered with US Army – increased reqts, decreased costs
MAJCOM (USAFE)	Appliances Program	FY13 \$2M	FY13 \$.32M	<ul style="list-style-type: none"> Consolidated 3,200+ washer/dryers Germany-wide – upgraded products provide families higher QoL
MAJCOM (USAFE)	Household Goods (HHG)	FY13 \$7.5M	FY13 \$1.5M	<ul style="list-style-type: none"> HHG consolidation – Unified solicitation, resulting in one Germany-wide OPR
MAJCOM (USAFE)	Custodial Services	FY13 \$13M	FY13-18 \$3.2M	<ul style="list-style-type: none"> Led Germany-wide merger of custodial services – Reduced CONS effort by 50% Level of service consistent

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Successes – Available Strategic Sourcing Vehicles (AFSC)



Organization	Projects	Spend	Cost Efficiency	Description
AFSC (Tinker AFB - 421st SCMS)	J85 Management of Items Subject to Repair (MISTR)	FY12-FY16 \$66M	FY12-FY16 \$18M	<ul style="list-style-type: none"> • Remanufacturing services for J85 MISTR components. Supports United States Air Force, Navy, and Foreign Military Sales (FMS) T-38 trainer aircraft
AFSC (Tinker AFB - Strategic Alternate Sourcing Program Office - SASPO)	Diminishing Manufacturing and Material Shortages Enterprise (DMSMS) Analysis and Resolution Support	FY13-FY15 \$11.6M	FY13-FY15 \$4.3M	<ul style="list-style-type: none"> • DMSMS Enterprise effort – consolidation of 4 separate contracts into one competitive 8a effort estimated \$4.3 M savings/efficiencies
AFSC (Hill AFB)	Design and Engineering Support Program (DESP) 3 ★	FY12-FY13 \$152.3M	FY12-FY13 \$48.5M	<ul style="list-style-type: none"> • Provides engineering services in support of any system/subsystem within the AF and DoD and provide engineering, technical and support services • MAC IDIQ with 26 Prime Contractors (6 are SB) • Hill AFB administers contract. Tinker and Robins are ordering centers and mandatory users
	On-Call Maintenance Contracts	FY13-FY14 N/A	FY12-FY13 \$.21M	<ul style="list-style-type: none"> • Analyzed 23 requirements – resulted in \$217K in savings from FY13 O&M dollars by de-scoping contracts
AFSC Sustainment Commodity Councils (CCs) (Tinker, Robins and Hill AFB's)	All Programs/Contracts	N/A	FY13 \$82.4M	<ul style="list-style-type: none"> • Sustainment CC and Planning and Execution squadron savings come in two forms (Budgetary Reduction w/Strategic Contracts and Alternate Sourcing) – Budgetary Reduction \$65.7M from strategic sourcing and Alternate Sourcing reduction of \$16.7M

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In-Progress Strategic Sourcing Efforts (FY14)



Commodity Council	Projects	Spend	Cost Efficiency	Description
Civil Engineering	Roofing	FY14-FY16 \$90.0M	FY14-FY16 \$12.8M	<ul style="list-style-type: none"> Replacement and repair of low and steep slope roofing
	Fire Personnel Protective Equipment	FY14-FY16 \$24.0M	FY14-FY16 \$4.6M	<ul style="list-style-type: none"> Standardize structural and proximity fire PPE, as well as provide advanced inspection and cleaning services across the AF
	Retro-Commissioning (HVAC)	FY 14-FY16 \$12.0M	FY 14-FY16 \$2.5M	<ul style="list-style-type: none"> Audit, optimization and repair of facility HVAC components
	GSA Special Order Program Pilot (GSOPP)	FY14-FY16 \$60.0M	FY14-FY16 \$9.0M	<ul style="list-style-type: none"> Major HVAC components including Chillers, Package Units and Air Handlers. Primary focus on installation of equipment by AF resources
	Rubber Removal	FY14-FY16 \$27.0M	FY14-FY16 \$2.2M	<ul style="list-style-type: none"> Airfield rubber removal, surface preparation, and restriping for CONUS bases
AF Furnishings	Flooring	FY15-FY16 \$18 M	FY15-FY16 \$1.8M	<ul style="list-style-type: none"> Project includes carpet and carpet tiles CONUS
	Filing & Storage	FY14-FY16 \$16.2M	FY14-FY16 \$1.6M	<ul style="list-style-type: none"> File cabinets, free standing storage, free standing shelving and related services CONUS
	Executive Office/Conference Furniture	FY14-FY16 \$36.9M	FY14-FY16 \$3.7M	<ul style="list-style-type: none"> Project includes private office, conference and reception area furniture



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In-Progress Strategic Sourcing Efforts (FY14)



Commodity Council	Projects	Spend	Cost Efficiency	Description
Force Protection	Law Enforcement Equipment	FY14-FY16 \$28.0M	FY14-FY16 \$7.0M	<ul style="list-style-type: none"> Consists of 34 COTS items grouped into 4 categories: Black Nylon Duty Gear, Common DoD Civilian and Military Items, Vehicle Patrol Kit, and Crime Scene Preservation Kit Affects 30,000 Security Forces personnel CONUS & OCONUS
	Load Carrying Systems II	FY14-FY16 \$32.0M	FY14-FY16 \$9.9M	<ul style="list-style-type: none"> Re-compete of Load Carrying Systems I. Purchase of all Security Forces DF-LCS equipment, kits, accessories and non-flame resistant combat shirt
	Combat Airman	FY14-FY16 \$352.0M	FY14-FY16 \$133.8M	<ul style="list-style-type: none"> Body armor, fire resistant garments, gloves, etc.



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In-Progress Strategic Sourcing Efforts (FY15+)



Commodity Council	Projects	Spend	Cost Efficiency	Description
Civil Engineering	Water Leakage	FY15-16 \$50.0M	FY15-16 \$3.3M	<ul style="list-style-type: none"> Detection and minor repairs of underground pipe water leakage
	Streamlined GSA Enterprise Supply Chain Mgt	TBD	TBD	<ul style="list-style-type: none"> Add efficiencies to current procurement of CE commodities at GOCESS operations Ability to leverage better prices (GSA continuously negotiates) GSA Pilot: 1-yr @ Luke AFB starts June 2012
AF Furnishings	Dormitory Furniture II	TBD	TBD	<ul style="list-style-type: none"> All inclusive AF dormitory needs. Includes beds, dressers, wall lockers, chairs, night stands and mattresses for all AF CONUS locations plus AK and HI
Knowledge Based Services	Temporary Assistance Services (AFTAS-I)	FY15-17 \$67.2M (est)	TBD	<ul style="list-style-type: none"> Temporary Employment Agency Services for brief or intermittent staffing needs of less than 121 work days to meet AF surge requirements Not currently utilized by the AF; appears to be used by both the Army and Navy Conducting market research to determine potential AF usage



Sustainment In-Progress Strategic Sourcing Efforts (FY14)



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Organization	Projects	Spend	Cost Efficiency	Projected Implementation Date/Savings
AFLCMC	Fighter Bomber – F-16 FMS Support Equipment IDIQ Contract	TBD	TBD	• FY14
	Professional Acquisition Support Services II	TBD	TBD	• Completion 3rd Qtr FY 14
	Engineer Technical Acquisition Support Services II	TBD	TBD	• Completion 4th Qtr FY 14
	Air Force Integrated Personnel and Pay System (AFIPPS)	TBD	TBD	• In Source Selection
AFSC Sustainment Commodity Councils (CCs) (Tinker, Robins and Hill AFB's)	All Programs/Contracts	TBD	FY14 \$35.3M	• Savings for FY14 in Budgetary Reduction is \$35.3M
AFSC (Hill AFB)	On-Call Maintenance Contracts (Fixed Price)	TBD	FY14 \$.15-.2M	• Process improvement conducted, results only award on –call maint contracts when service is required
	GPC Program	TBD	TBD	• Seeking vendor discounts where total spend is >\$500K. FY14 plan to place agreements with individual vendors w/minimum of 1% discount, savings will be projected in Mar 2014
AFTC (Edwards and Eglin AFB's)	Aircraft Data Recorders for Test Community	TBD	TBD	• Early Stages (Working Requirements Identification/ Definition)

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AF Participation in FSSI Working Groups



Office Supplies
(OS3)

Building
Maintenance &
Operations (BMO)

MRO & JanSan

Information
Services

Education &
Training

Cellular Services

Cyber Security
Software

Laptops/Desktops

Medical & Lab
Equipment

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Backups

Be America's Best...War-Winning Capabilities, on Time, on Cost



- **AF Tools and Parts Program (AFTAPP)**
 - 21,454 orders placed in FY13 across DoD
 - \$715K savings DoD-wide (includes \$228K savings for AF)
 - 80% of contracts awarded to small business; 40% SB spend and 38% of orders filled by small business in FY13

- **Load Carrying Systems I**
 - 100% Small business set-aside
 - Vendor performance (less than 1% late delivery on 1.9M items procured over 5 year period)
 - Approximately \$5.4M in rate and process savings

- **Systems and Modular Furniture**
 - Innovative, 2 tier acquisition strategy gives large business discounts (23-31% over GSA high-volume pricing) with small business credit
 - Standardizes products and simplifies processes for customers



- **Clinical Acquisition Support Services (CLASS)**
 - 2nd Generation Strat Vehicle—still saving 10% from previous effort
 - \$34.6M in savings AF-wide on \$358M spend
 - 100% Small Business set-aside
 - Under Strat Sourcing for this reqmnt SB spend increased by 42%
- **Consultant, Advisory & Technical Services (CATS)**
 - Small Business/Large Business Pools—65% awarded to SB
 - \$21M in savings AF-wide on \$48.5M spend
 - Under Strat Sourcing for this reqmnt SB spend increased by 55%
- **Medical Support Services (MSS)**
 - 2nd Gen Strat Vehicle—still saving 4.4% from previous effort
 - \$2.18M in savings AF-wide on \$49.9M spend
 - 100% Small Business set-aside
 - Under Strat Sourcing for this reqmnt SB spend increased 29%



■ MAJCOM Furniture Buys

- 24 contracts consolidated into 3 agreements
- Revised specifications saved an estimated 75 man-power days
- Refined \$2M Folding Wardrobe requirement, saving \$338K

■ MAJCOM Appliances Program

- Consolidated 3,200 washer/dryer units Germany-wide with increased Quality of Life
- \$324K savings on \$2M spend

■ MAJCOM Household Goods (HHG) Consolidation

- Unified solicitation, resulting in one Germany-wide OPR
- Estimated \$1.5M savings on \$7.5M spend



Additional Strategic Sourcing enablers that promote success



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- **Standard strategic sourcing process and training** – AF process deployed via workshops and online training options; materials made available via SharePoint site
- **Standard AF Commodity Council process**
 - Commodity Management Plan
 - Commodity Sourcing Strategy
- **Cross-functional sponsorship and buy-in from the outset**
 - While contracting is a key player in the process, other stakeholders must be involved throughout the process in order to be successful
- **Consistent strategic sourcing guidelines through policy**
 - AFFARS Informational Guidance IG5307.104-93 AF Strategic Sourcing and Commodity Council Guide being updated to reflect AFICA stand-up
- **Mandatory Usage Policy** — when appropriate, mandatory usage policy maximizes savings by promoting desired behavior
- **Encourage broad utilization of new enterprise contracts** by obtaining signatures on policies from functional sponsors – both contracting and requirement generating owners
- **Communicate with stakeholders across multiple channels**
 - Strategically Sourcing column in SAF/AQC monthly newsletter highlights successes across the Air Force and encourages new collaborations

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