



Agenda

Current Acquisition Environment-Strategic Sourcing

Types of Contract Vehicles

Specific Contract Vehicles for Navy-wide Use

DOD EMALL

Conclusion

Report Documentation Page

*Form Approved
OMB No. 0704-0188*

Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

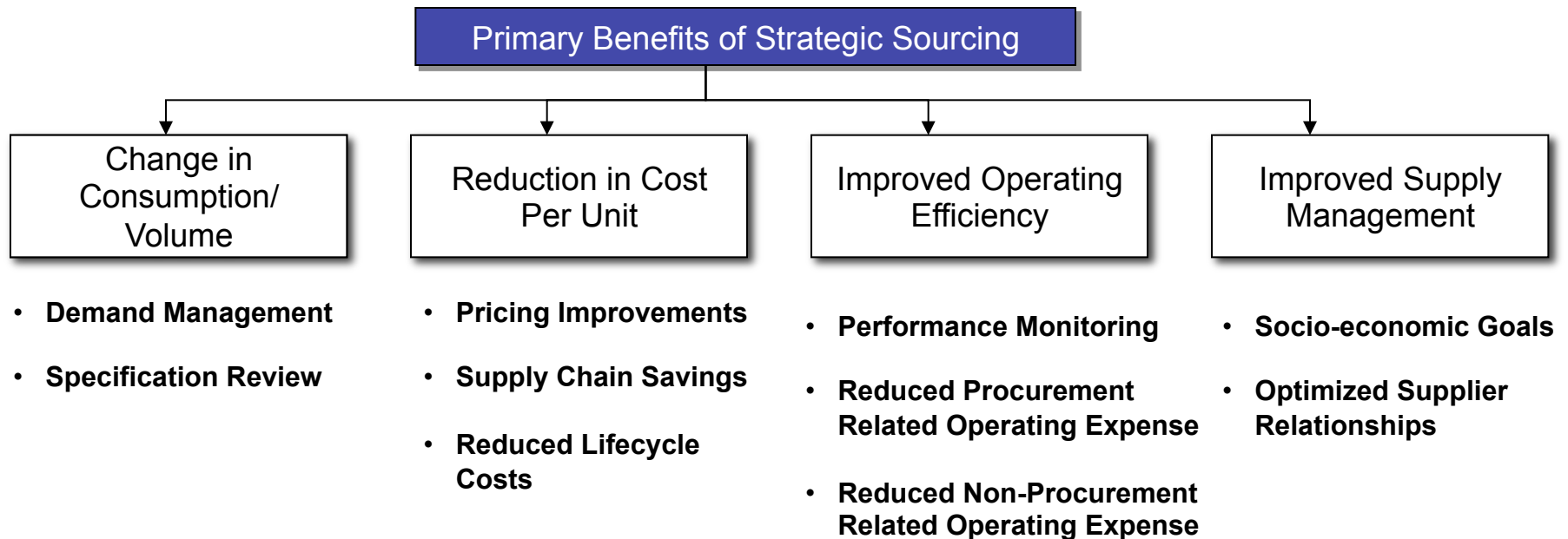
1. REPORT DATE AUG 2011	2. REPORT TYPE	3. DATES COVERED 00-00-2011 to 00-00-2011			
4. TITLE AND SUBTITLE Current Acquisition Environment-Strategic Sourcing		5a. CONTRACT NUMBER			
		5b. GRANT NUMBER			
		5c. PROGRAM ELEMENT NUMBER			
6. AUTHOR(S)		5d. PROJECT NUMBER			
		5e. TASK NUMBER			
		5f. WORK UNIT NUMBER			
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Department of the Navy, Washington, DC, 20374		8. PERFORMING ORGANIZATION REPORT NUMBER			
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)		10. SPONSOR/MONITOR'S ACRONYM(S)			
		11. SPONSOR/MONITOR'S REPORT NUMBER(S)			
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES Presented at the 2011 Navy Gold Coast Small Business Conference, 22-24 Aug, San Diego, CA.					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified	Same as Report (SAR)	21	



Current Acquisition Environment

Strategic Sourcing is...

... the *collaborative* and *structured* process of critically analyzing an organization's spending and using this information to make business decisions about acquiring commodities and services more effectively and efficiently. *



*OMB letter 20 May 05



Current Acquisition Environment (Cont' d)

IAW the Strategic Sourcing Process, profiling the targeted commodity and analyzing the market are the 1st and 2nd steps; they are “key” to developing a sourcing strategy.

COMMODITY STRATEGIC SOURCING PROCESS



- ◆ **Assess & prioritize opportunities based on thorough organization-wide spend analysis**
- ◆ **Ensure commodity is “properly defined” – develop detailed profile of commodity including spend profile & specifications**
- ◆ **Develop a basic fact base around how much we are spending with which suppliers; identifying the users (or customers)**
- ◆ **Conduct market analysis to identify supply & demand levers, new suppliers, small business niches or niche markets**
- ◆ **Understand requirements, develop sourcing strategy based on commodity profile & supply market analysis**
- ◆ **Develop & issue RFx based on strategy, conduct negotiations, evaluate proposals, and award contract(s)**
- ◆ **Implement contract process & policy changes; continually measure, track & manage performance**



Current Acquisition Environment (Cont' d)

Strategic Sourcing is a process for addressing the need for improving acquisitions through better analysis of requirements and cost drivers

Strategic Sourcing has been federally mandated by the Office of Management and Budget (This is not just a Navy issue)

Bottom Line... Strategic Sourcing Initiatives:

- Streamline processes

- Create efficiencies

- Leverage spend

- Reduce costs

- Identify Small Business Opportunities



Agenda

Current Acquisition Environment

Types of Contract Vehicles

Specific Contract Vehicles for Navy-wide Use

DOD EMALL

Conclusion



Types of Contract Vehicles

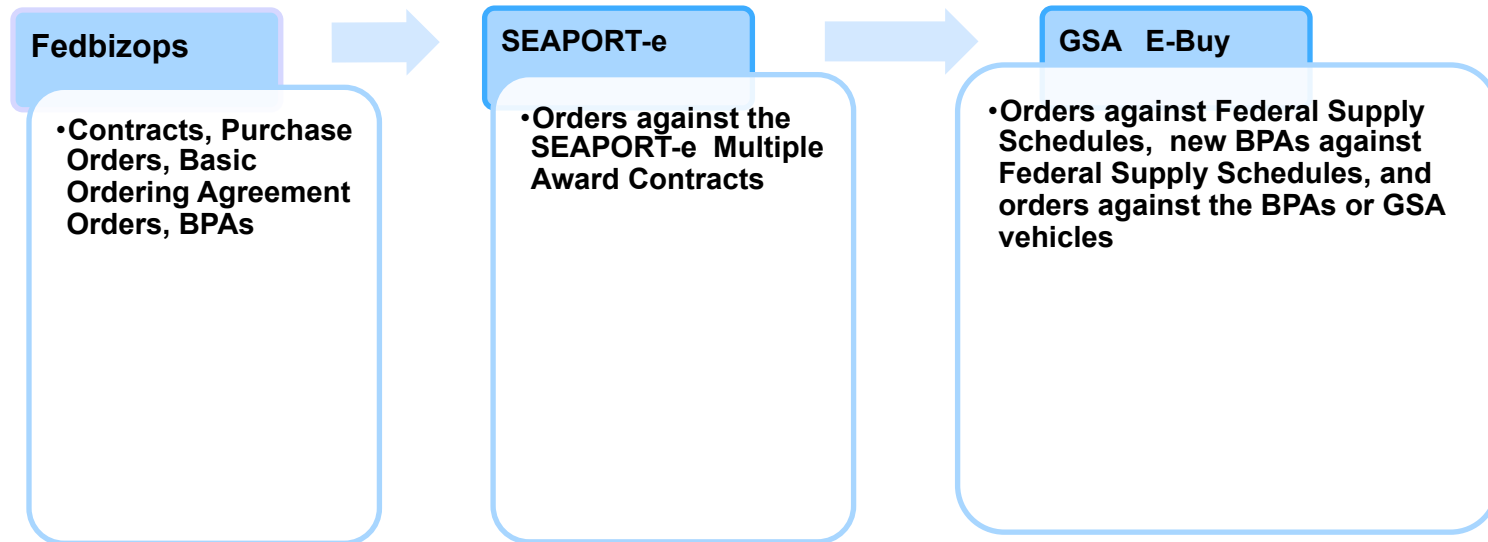
- From the initiation of a requirement or a new contract solution, there are a few basic questions:
 - How are we purchasing now?
 - Are we being efficient or achieving lower costs?
 - Do we have existing contracts in place?
 - What type of contract vehicle will meet this requirement?
 - How should this requirement be priced? Firm Fixed Price? Cost Type?





Types of Contract Vehicles

- Key Point: Procurement opportunities at various sites
- Solicitation Process will define the type of order or contract vehicle awarded
 - During solicitation phase, vendors may raise questions or request changes
 - Vehicle and contract type decision rests with contracting officer





Agenda

Current Acquisition Environment

Types of Contract Vehicles

Specific Contract Vehicles for Navy-wide Use

DOD EMALL

Conclusion



Specific Contract Vehicles for Navy-wide Use

- The Department of Navy has established sourcing strategies for a number of supplies and services:
 - Wireless Services (cell phones, Blackberries, etc.)
 - Office Supplies
 - Incidental Janitorial Supplies (at solicitation phase)
 - Furniture
 - Maritime Coatings
 - Services: i.e. Integrated Logistics Support, IT Development and Support, and Standard Program Management services
- The current vehicles have been competed
- The multiple award IDIQs and BPAs contain provisions for fair opportunity comparison or competition at the delivery order level.
- Lengths limited to allow regular opportunities for new entrants within 3-5 years



Wireless Services

Key Changes & Benefits:

Old Wireless Stand Alone Contracts

- No competition
- Pricing fixed
- Hundreds of CLINs
- Hours to generate a Task Order or Modification
- Each feature an “add-on”
- Services and devices ordered separately
- Reports manually generated, labor intensive
- No visibility of Navy-wide spend or usage data

New Wireless MACs

- Task Orders competed
- Pricing subject to decrease as a result of competition
- One CLIN per ordering period
- Minutes to generate a Task Order or Modification
- ELINs/Plans inclusive of device and “add-on” features like PTT and Unlimited Texting
- Contractor-provided web portals for Task Order and Navy-wide level data including spend and usage data
- 24/7 Support (online chat help)



Office Supplies

- Since 2006, Navy policy has required activities to purchase office supplies through DOD EMALL Navy Contract Corridor or from local base supply stores (ServMarts)
- The DOD EMALL allows for immediate price comparison
 - GSA's Federal Strategic Sourcing Initiative (FSSI) Office Supply BPAs are hosted on the Navy Contract Corridor on DOD EMALL
 - The FSSI BPAs, commonly referred to as "OS2", were competitively awarded for use by all Federal Agencies and have offered discounts to their regular GSA/FSS schedule pricing
 - OS2 suite consists of 15 BPAs
 - 13 BPAs are small business
 - The Navy has consistently saved 1.0% - 1.2% by using these vehicles



Office Supplies (Cont' d)

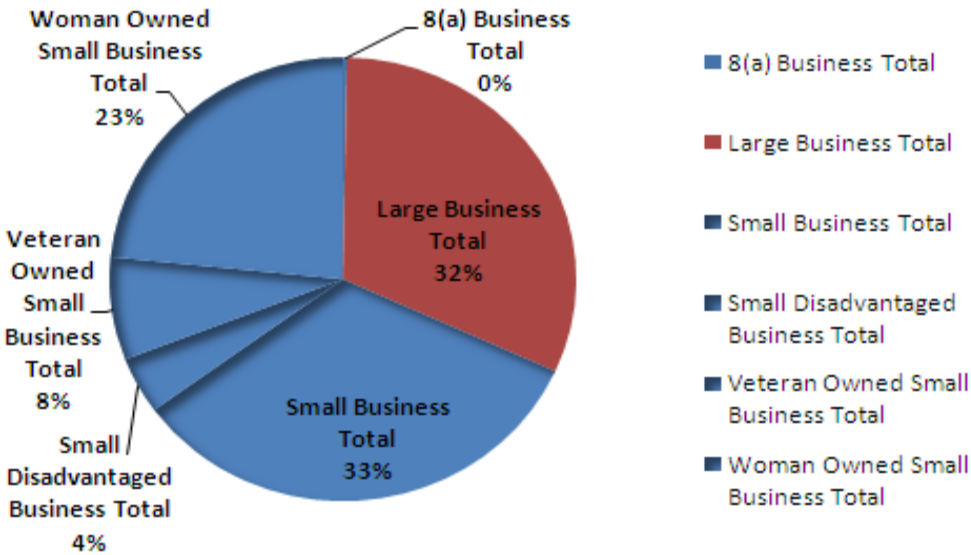
- Tracking Spend and Meeting Socio-Economic Goals
 - The Navy is committed to Small Business.
 - On behalf of DON, NAVSUP 02 actively tracks Navy spend for office supplies
 - DOD EMALL is one of the Navy's primary sources for ordering office supplies
 - Small business participation in office supplies remains strong
 - DOD EMALL Stats for Office Supplies (OS) and Small Business (SB):
 - FY07 OS = \$58.7M SB = \$40.7M or 69.3%
 - FY08 OS = \$76.2M SB = \$54.3M or 71.3%
 - FY09 OS = \$87.4M SB = \$62.4M or 71.4%
 - FY10 OS = \$63.8M SB = \$40.5M or 63.4%
 - FY11 OS = \$72.4M* SB = \$50.1M or 69.4%

**Spend from 01 Oct 10 – 31 Jul 11*

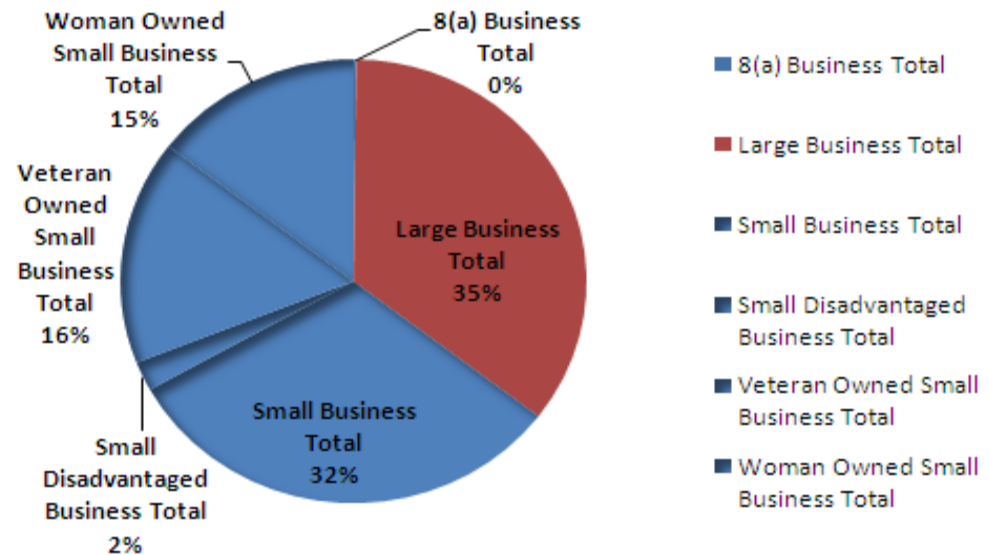


Janitorial & Sanitation (JANSAN) Supplies (At Solicitation Phase)

Small Business Actions = 9,989



Small Business Dollars = \$2.8M



SB played a large role in NAVY Categorized EMALL JANSAN Spend--SB Categories VS LB

- JAN/SAN Suppliers, (including small business entities), increased significantly between FY07-FY09
 - Increased from 77 suppliers in FY07 to 415 suppliers in FY09
 - SB categories increased to ~\$2.8M dollars and 10K actions
 - The above displays ALL SB categories (actions & dollars) compared to Large Business
 - Actions: All SB = 68%, LB = 32%
 - Dollars: All SB = 65%, LB = 35%



Furniture - BPAs

- On 19 April, the Navy awarded a suite of 119 Furniture BPAs under the GSA's Federal Supply Schedule Program
- BPAs were solicited with announcement made through GSA eBuy system to vendors holding Federal Supply Schedules and through FEDBIZOPS
- Solicitation included four regions which allowed increasing award opportunities for small businesses
- 119 BPAs awarded under the Federal Supply Schedule Program
- Specific contracting authority delegation and NAVSUP policy requires Naval Facilities Engineering Command (NAVFAC) and Fleet and Industrial Supply Center (FISC) contracting offices to use these BPAs



Integrated Logistics Support Services – Global Business Solutions (GBS) contract – IDIQ contracts

- The Navy is developing a sourcing strategy for Integrated Logistics Support based on improving competition and use of more appropriate contract types
- No Navy-wide mandatory policy
- Will meet goals of increasing real competition and improve opportunities for small businesses
- Contract(s) close to award!
- A Navy-wide multiple award IDIQ solution – GBS contract
 - Firm Fixed Price or Cost Plus Fixed Fee orders
 - 100% small business set-aside
 - 4 geographic regions maximizes number of awards



IT Development and Support Services - IDIQ contracts

- The Navy is developing a sourcing strategy for IT services based on improving competition and maximizing use of existing solutions
- No Navy-wide mandatory policy
- Strategy recommendations emphasize using existing contract solutions, such as GSA Alliant which offers suite of small business contracts
- Goal is to increase competition and reduce costs
- Other existing solutions being evaluated based on cost benefit and small business opportunities



Standard Program Management Services

- The Navy is developing a sourcing strategy for Standard Program Management services aimed at increasing competition and use of more appropriate contract types
- No Navy-wide mandatory policy
- Goal is to use Performance Work Statement (PWS) templates for improving competition and contract definition
- Emphasis on using existing contract solutions such as SEAPORT-e and increasing competition
- Small businesses are well represented on SEAPORT-e



Agenda

Current Acquisition Environment

Types of Contract Vehicles

Specific Contract Vehicles for Navy-wide Use

DOD EMAIL

Conclusion



DOD EMALL

- DOD EMALL is an online tool –
 - Hosting IDIQ contracts and BPAs
 - Facilitates comparison of prices
 - Allows ordering officers to place orders and use the card as a method of payment
- DOD EMALL ordering significantly streamlines acquisition process and reduces requirements for generating written orders
- DOD EMALL is removing “open market catalogs” from DOD EMALL.
- Navy position -
 - Navy Contract Corridor hosts competitively awarded vehicles
 - Vendors must receive a contract or BPA to be hosted in the Navy Contracts Corridor



Agenda

Current Acquisition Environment

Types of Contract Vehicles

Specific Contract Vehicles for Navy-wide Use

DOD EMALL

Conclusion



Conclusion

- More emphasis on competition
- Selection of purchase vehicles based on a variety of considerations
 - Product or service
 - Size of the market / Socio-economic considerations
 - Consideration of how orders are placed
- Preference is for multiple award contract vehicles
- Watch for GSA e-Buy, Navy Electronic Commerce On-line (NECO), or FEDBIZOPs announcements