



Welcome



Integrity - Service - Excellence

BES Industry Exchange Forum #2

4 April 2012



Industry Exchange Forum #2



- **LCMC 5-Center Stand-Up**
- **Budget - Sequestration**
- **VERA/VSIP #3**
- **Industry Day May '12 COAs**
- **Exchange Forum #1 Review**
- **Homework**



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- **LCMC 5-Center Stand-Up – Gating Issues**
 - Congressional Reporting Requirements
 - GO Confirmations
 - OCR Approval
 - I-Plan

- **AFPEO BES Impacts**
 - Compared to Product Centers and ALCs – Minimal
 - Still working through reporting chains (Functionals and Processes)
 - Re-aligning several BES programs under C3I&N



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- **Budget - Sequestration** (15 Nov 12 - Jim Garamone, American Forces Press Service – Interview of Defense Secretary Panetta)
- DOD already is cutting \$450 billion over the next 10 years, Panetta wrote to Arizona Sen. John McCain and South Carolina Sen. Lindsey Graham.
- “These cuts are difficult and will require us to take some risks, but they are manageable,” Panetta wrote. “If the maximum sequestration is triggered, the total cut will rise to about \$1 trillion compared with the fiscal year 2012 plan.”
- If triggered, sequestration would begin in January 2013, Panetta wrote, noting it would add \$500 billion to \$600 billion to already-planned cuts. The fiscal 2013 budget would be cut by \$100 billion. While military personnel probably would be exempted, the secretary added, the rest of the cuts would come from other parts of the DOD budget, and no major weapon program would be exempt.
- The department, Panetta wrote, could not exempt all civilian employees.
- “Furloughs -- perhaps a month or more [in length] -- might well be needed because there would not be time to reduce personnel levels to achieve savings,” according to an enclosure Panetta sent to the senators.
- Sequestration, the secretary wrote, would tie DOD’s hands and cut 23 percent equally to each major investment and construction program.



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- **Budget – Sequestration (con't)** (2 Dec 11 - Amber Corrin, [Blog archive](#))
- **Sequestration's threat went something like this: If the super committee failed to act by Nov. 23, it would trigger automatic cuts equaling the aforementioned \$1.2 trillion across the federal budget. The cuts would be split equally between defense spending and non-defense spending, effective Jan. 2, 2013. For DOD, this means about \$600 billion in budget cuts over the next 10 years**
- **“While this is certainly a lot of money, it represents approximately a 15 percent reduction below the baseline 10-year budget provided by the Congressional Budget Office,” David Berteau, president and director of the International Security Program at CSIS, and Ryan Crotty, a research associate with the CSIS Defense-Industrial Initiatives Group, wrote in a Dec. 2 analysis piece. “Despite the outcry from the Pentagon, the total level of these cuts is less than catastrophic. Even under sequestration, the DOD budget in 2013 would be approximately equal to the base budget in 2007 (adjusted for inflation) and well above the low points of defense spending in the late 1990s.”**



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- **Budget – Sequestration (con't)** (20 Jan 12 - [Michael O'Connell](#) [@moconnellWFED](#) - Interview of Russel Rumbaugh, co-director of budgeting for foreign affairs and defense at the [Stimson Center](#))
- "What we've already seen from both the administration and the Pentagon is they're not going to provide a budget at sequester levels," said Russel Rumbaugh, co-director of budgeting for foreign affairs and defense at the [Stimson Center](#). "They're going to come in at the levels mandated by the Budget Control Act, the debt deal signed last August."
- Rumbaugh told [The Federal Drive with Tom Temin](#) that he thinks DoD is on the right course.
- "Sequester is a very unlikely occurrence," he said. "Sequester was a very effective tool throughout the 1990s, when we did successfully reduce our deficit and did successfully bring our budget into surplus."
- Since sequester was created, it's been triggered five times. Once, in 1986, sequester was triggered and a portion of funds was taken away. But in three of the remaining four occurrences, Congress waived off or modified the sequester. The sequester that occurred in 1991 did take money from the budget — just \$1.4 million of the entire domestic spending, which was less than 2,000th of percent.
- "Nobody — the Pentagon, either party in Congress, either house in Congress &mdash really wants the sequester to take effect," Rumbaugh said. "It's a very bad budgeting mechanism. It's intentionally designed to be bad." If the sequester were to kick in, it would mean a 10-percent cut in spending in one year, not just from the DoD budget but the domestic budget as well.



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- **VERA/VSIP #3**

- AF will participate
- Reduction Quotas – TBD
- Solicitation beginning in Jun 12 with a separation date of 31 Aug 12

- **VERA/VSIP #4?**

- Given the current budget unknowns we believe probability is high



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Industry Day May '12 COAs

Option 1

- No Vendor Industry Day (VID) in conjunction with MITS
- Delay to a future date

Option 2

- 23 May - Half day of Division leader briefings following MITS
- 24 May – One-on-one sessions with PEO, Deputy Director, Division leaders, PMs and ENs at Gunter

Option 3

- 23 May - No VID activities
- 24 May – One-on-one sessions with PEO, Deputy Director, Division leaders, PMs and ENs at Gunter



Industry Exchange Forum #2



•Exchange Forum #1 Review

–Feedback

- Well received
- Meaningful open discussion
- Appreciated opportunity to exchange viewpoints

–BES took several actions:

- Produced “Spec” sheets for programs – Hand out
 - Supportability risk included
- Collaborate with Industry to Enhance Competition
 - Morning Panel Theme
 - PWS Template for Sustainment Programs
 - »Workshop
 - Instructions to Offerors – Source Selection Criteria
 - »Workshop
- Continue to update Smart Guide – Hand out
- Continue to pursue efforts to promote innovation
 - Focus at next Industry Exchange Forum - TBD



BES Program Data Sample



HOMEWORK

PROGRAM	# of ORGANIC POSs	CONTRACTOR FTEs	TOTAL \$ (M)	APPROPRIATIONS			
				3400	SMAG	3600	3080
Program A	3	10.5	3.0	0.14	2.86		
Program B	0	14	1.8	1.8			
Program C	8.7						
Program D	6.3	29.5	4.54	4.54			
Program E	2.1						
Program F	5.5	20	4.6	4.6			
Program G	3.1	0.7	1.149	1.149			
Program H	2.8	3.1	1.106	1.106			
TOTAL	31.5	77.8	16.195	13.335	2.86		

Number of Prime Contracts 6
 Number of A&AS Contracts 3



BACK-UP



AFPEO BES ACAT Programs



Name/Acronym	ACAT Lvl	Location
Expeditionary Combat Support Systems (pre-MAIS) ECSS	ACAT IAM	WPAFB
Defense Enterprise Accounting & Management System (DEAMS)	ACAT IAM	WPAFB
Air Force Integrated Personnel & Pay System (AF-IPPS)	ACAT IAM	Hanscom
Deliberate & Crisis Action Planning & Execution (DCAPES)	ACAT III	Gunter
Electronic Forms (eFORMS)	ACAT III	Randolph
AF Equal Opportunity Network (AFEON)	ACAT III	Randolph
AF/A1 Service Oriented Architecture (SOA) Services	ACAT III	Randolph
Electronic Board Operations Support System (eBOSS)	ACAT III	Randolph
System Metric and Reporting Tool (SMART)	ACAT III	Hanscom
Scientific & Technical Enterprise System (STES)	ACAT III	WPAFB
Contingency Acquisition Support Model (cASM)	ACAT III	WPAFB
Predictive Readiness Indicator Measures (PRISM)	ACAT III	WPAFB