



# ***AF Small Business Programs***

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## **Air Force Small Business Program Update**



*Mr Joseph M McDade, SES  
SAF/SB  
21 Oct 2013*

**U.S. AIR FORCE**

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*Small Source – Right Value – Big Performance*



# *The Big Picture*

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## **THE AIR FORCE: POWERED BY AIRMEN AND FUELED BY INNOVATION**

***“If we make the right choices today, building on the innovation, we will be the dominant service in the foreseeable future.”***

**Eric Fanning, Acting Secretary of the Air Force, Air Force Association  
(Sep 2013)**



# Leadership & Accountability



THE SECRETARY OF THE AIR FORCE  
CHIEF OF STAFF, UNITED STATES AIR FORCE  
WASHINGTON DC



AUG 4 2012

MEMORANDUM FOR ALMAJCOM-FOA/CC

SUBJECT: Expectations for Senior Leaders in Achieving Our FY12 Small Business Goals

Dynamic small businesses play a central role in strengthening our industrial base and improving the performance and outcomes of the Air Force acquisition system. Small businesses not only lead the Nation in innovation, but they also drive competition and are incubators of job growth – creating two of every three new jobs in America. The small business industrial base has performed superbly for our Air Force in a number of mission-critical areas. In fact, small businesses account for the vast majority of contract work performed in our operational commands. In many cases, small businesses have employed business models that have saved the Air Force millions of dollars, produced key warfighter innovations, and provided agility and customer-focused service in an exemplary and highly responsive manner.

Recognizing the significance of a strengthened small business industrial base, Deputy Secretary of Defense Carter (DepSecDef) mandated senior executive members who acquire services or supplies, direct other Department of Defense (DoD) organizations to acquire services or supplies, or oversee acquisition officials have their FY 12 performance plans amended to include a new small business performance element. This new mandate for FY12 and beyond reflects the Department’s commitment to ensure senior leadership accountability in promoting robust Small Business Program implementation and increased small business utilization across the DoD.

We are working with our civilian senior executives (CSE) to ensure those who meet the DepSecDef’s criteria have their performance plans modified to include the new mandatory performance element. While this performance element is directed at our CSE Corps, we expect our commanders to ensure all general officers with similar duties demonstrate the same level of leadership commitment.

Mr. Joseph McDade, Director of our Small Business Program, has the lead for the Department of the Air Force in providing you with additional guidance and assistance in meeting the expectations established by the DepSecDef.

Michael B. Donley  
Secretary of the Air Force

Norton A. Schwartz  
General, USAF  
Chief of Staff

Attachment:  
DepSecDef Memo, “Advancing Small Business Goals in FY 2012,” dated 10 Feb 2012

**DEPSECDEF 10 Feb 2012 Memo**  
- Advancing SB Contracting Goals for FY12  
- Establishes FY12 Mandatory Performance Element for SES Performance Criteria

**SECAF - CSAF 4 Aug 12 Memo**

**FY13 NDAA – MADE IT “LAW”  
SES Performance Element**

**BOTTOMLINE:  
Senior Leader Accountability  
-- A Visible DIFFERENCE --**



## Partial List of Examples

### SB Prime Contracts Awarded & Projected – FYs 13-17

#### *SB Set-Asides Examples – Large dollar buys, funding obligated over time*

#### FY 13

- **\$5.7B**    **172 MAC/IDIQs (Multi-Year Ceilings)\***    100% SBSA    FY13

#### FYs 14-17\*

- \$960M    Adv Tech Exploitation Pgm II (ATEC II)    100% SBSA    FY14
  - \$600M    AFTC Test Msn Adv Svs (TMAS)    100% SBA (PEO/CM)    FY14
  - \$329M    Services Supporting AFNETOPs    100% SBSA (AFSPC)    FY15
  - \$275M    Front Range SABER    100% SBSA (AFSPC)    FY15
  - \$2.40B    LCMC Engr Prof Adv Asst Svs (EPASS)    100% SBSA (PEO/CM)    FY16
  - \$4.18B    20% of TSA III (\$20.9B ceiling)\*\*    Partial SBSA Prime (PEO ACS)    FY16
  - \$ 1.6B    AFSC Engr Prof Adv Asst Svs    100% SBSA (PEO/CM)    FY17
- \$10.34B**

\* Period of performance varies

\*\* 20% of the ceiling amount to be set aside for SBs as sub-contractors

***Acquisition Lead Times Range From 18-30 Months***



# Fully Leverage AF SB Contracts \$28M Savings (32%) -- Dec 12 Award



DEPARTMENT OF THE AIR FORCE  
OFFICE OF THE CHIEF OF STAFF  
UNITED STATES AIR FORCE  
WASHINGTON DC

**MANDATORY USE POLICY**  
Protecting Our Air Force Resources

JUN 2013

MEMORANDUM FOR DISTRIBUTION C

FROM: HQ USAF/CVA  
1670 Air Force Pentagon  
Washington, DC 20330-1670

SUBJECT: Contracted Advisory and Assistance Services (CAAS) IV

In December 2012, the Air Force awarded a \$4.7 billion contract for advisory and assistance services (A&AS). CAAS IV is a multiple-award, indefinite delivery/indefinite quantity contract with awards to 29 prime contractors, both large and small.

CAAS IV was developed to provide a single, expedited, and cost-effective vehicle for A&AS support. Since contract award, over 50 CAAS IV task orders have been issued, achieving 32 percent savings with \$3.4 million from Air Staff contract awards alone. Total savings has exceeded \$28 million to date and customer feedback has been consistently positive. Given these substantial savings, CAAS IV will now be the mandatory source for all new or follow-on Air Staff and Air Force District of Washington (AFDW) A&AS contracted support requirements. Prior coordination with AFDW/PK is necessary to provide control, oversight, and tracking of A&AS expenditures to facilitate sound business decisions in our current fiscal environment.

Please contact the AFDW/PKS Division Chief, Ms. Mary Kathryn Robinson, [marykathryn.robinson@afncr.af.mil](mailto:marykathryn.robinson@afncr.af.mil) or DSN 297-8046, with any questions regarding your organization's A&AS support.

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Innovation

FRANK GORENC  
Lieutenant General, USAF  
Assistant Vice Chief of Staff  
Director of Staff



# Room for Improvement

## SAME Air Force Work -- LB and SB Prime Contracts

### LB & SB Capabilities – SIMILAR Work being done by BOTH

- Improve Data-Driven Market Research – Use of Rule of 2– SB Set-Aside Opportunities

Top 10 AF Services Markets & Spend		
Large Business		Small Business
Engineering/Tech Prof Support (R425)	1	Engineering/Tech Prof Support (R425)
Other Prof Support (R429)	2	Other Prof Support (R429)
Photo/Map/Print/Pub-Topography (L014)	3	Program Mgmt Support (R408)
R&D Management/Support (AZ16)	4	Logistics Mgmt Support (R706)
Maint & Rep of Electric/Electronic Equip (J059)	5	Communications Support (R426)
Logistics Mgmt Support (R706)	6	Systems Engineering Services (R414)
Special Studies/Analysis (B599)	7	Architect & Engineering-General (C219)
Systems Engineering Services (R414)	8	Architect & Engineering-Landscaping (C211)
R&D – Missiles/Space (AC25)	9	Special Studies/Analysis (B599)
Maint/Repair of Aircraft Components (J016)	10	R&D Engineering Development (AE34)

Note: Matching Colors Denote Markets where Same Work (prime contracts) being done by LB and SB

*In FY12, 32% of Small Business Awards were from F&O Competition  
Many SBs are Very Capable – Very Competitive in AF Markets*

Source: FPDS-NG –Small Business Achievements by Awarding Organization Report.

*Small Source – Right Value – Big Performance*



# Way Ahead

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## **FY 13: Sequestration = Steepest Budget Cuts Since World War II**

- 19% reduction in dollars going to small businesses, but only a 0.75% decline on AF SB Program Performance

## **FY 14: Air Force Senior Leadership Committed to Small Business**

- New SBSA MAC IDIQ will be announced & we will redouble our efforts to enforce existing MACs;
- Specific new break out opportunities for SBs will be identified;
- Focused SB Industry Days;
- SB industry round tables;
- Renewed emphasis on forecasting SB contract opportunities & market research.





PUTTING INNOVATION, EFFICIENCY & AGILITY TO WORK IN SUPPORT OF THE AIR FORCE MISSION

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## Policy

- ▶ Air Force: Maximizing Opportunities for Small Businesses Under the Simplified Acquisition Threshold  
- Signed 13 Dec 2012
- ▶ Air Force: Expectations for Senior Leaders in Achieving FY12 Goals  
- Signed 4 Aug 2012
- ▶ SAF/SB: Size Standards and their Impact on Small Businesses  
- Published 1 Aug 2012
- ▶ DPAP: Small Business Set-Asides Under the SAT  
- Signed 11 Jul 2012
- ▶ Air Force: Small Business Policy Standardization Memo

## Studies

- ▶ CRS: Legal Protections for Subcontractors on Federal Prime Contracts  
- Published 10 Dec 2012
- ▶ CRS: Federal Acquisition Regulation (FAR): Answers to Frequently Asked Questions  
- Published 16 Nov 2012
- ▶ CRS: Federal Contracting and Subcontracting with Small Businesses [update]  
- Published 11 Sep 2012
- ▶ CRS: Contract "Bundling" Under the Small Business Act: Existing Law and Proposed Amendments  
- Published 11 Jun 2012
- ▶ HASC: Challenges to Doing Business with the Department

## News

- ▶ Acting Under Secretary presents AF small business achievement awards (Wright-Patterson AFB)  
- 17 Dec 2012
- ▶ Acting Under Secretary applauds small business at 4th FW (Seymour-Johnson AFB)  
- 17 Dec 2012
- ▶ SB Set-Asides Under NETCENTS-II
- ▶ OSD: Air Force Awarded Most Improved Small Business Program 2012

### Director's Welcome

The Air Force Office of Small Business Programs is attuned to small business needs. We're organized to use policy, programs, strategy, assistance and operations to ensure the Air Force benefits from all that small business have to offer to meet mission requirements.



Director Mr. Joseph McDade, Jr.

### Locate a Small Business Specialist

Use the Air Force Office of Small Business Programs Locator to find the right Small Business Specialist for your opportunity.



CLICK TO START SEARCH ▶

### Contract Opportunities

Search the acquisition forecast database to

