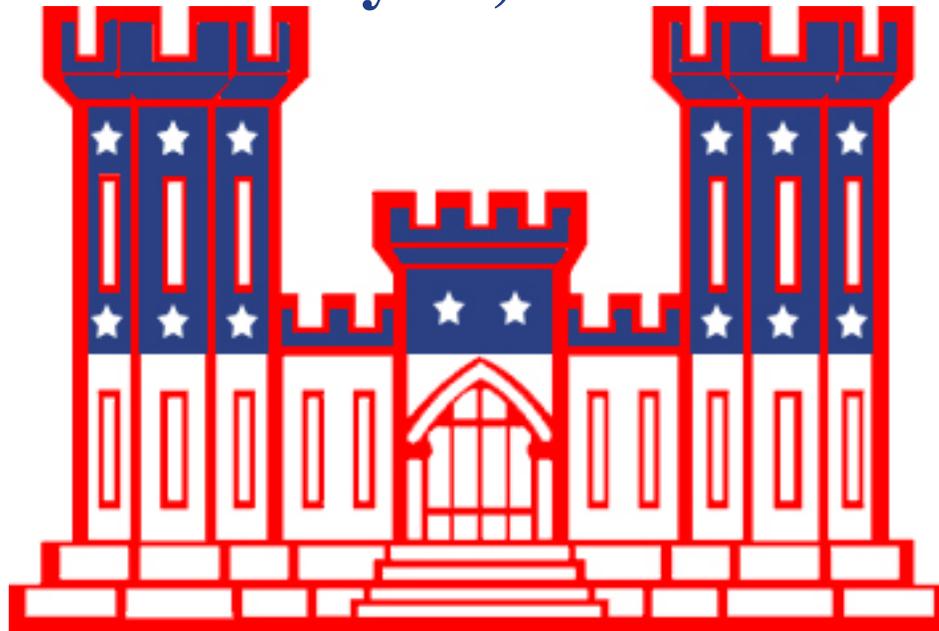


PARC 2003 ROUNDTABLE/CONFERENCE
PMBP OVERVIEW
KANSAS CITY, MO
July 15, 2003



Bunnatine H. Greenhouse
Principal Assistant Responsible for Contracting
US Army Corps of Engineers



WORLD-CLASS PROCUREMENT ACTIVITY– PRIORITIES/ATTRIBUTES

- **DEFINING PERFORMANCE METRICS**
- **TALENT MANAGEMENT**
- **PERFORMANCE REPORTING**
- **RESULTS - BOTTOM-LINE REPORTING**
- **STRATEGIC GOAL ALIGNMENT**
- **MARKET AND SUPPLIER INTELLIGENCE**
- **LEADERSHIP DEVELOPMENT**
- **CROSS-FUNCTIONAL TRAINING**
- **PERFORMANCE MANAGEMENT**
- **OPTIMAL SOURCING DECISIONS**



2003 PARC Roundtable ROADMAP of Activities

- Participant Acknowledgments
- PARC PMBP Overview
- Open Dialogue
- HCA Keynote Address
- DOCs PMBP Perspectives
- Leadership Development
- Policy Updates and Situational Awareness
- Dale Carnegie And YOU
- Teambuilding
- PARC Automation Initiatives
- Open Dialogue/Appreciation Remarks/Closing



FOCUS: Infusing Business Advisors In PMBP – WOW!

- **Measuring Procurement Performance**
- **Managing Procurement Risk**
- **Challenges and Success In USACE Procurement and Contracting**
- **Increasing Pressure To Cut Costs**
- **Ascendance of Contracting Personnel in PMBP**
- **Strategic Transformation of Business Advisors in Pursuit of Broader Value-add**
- **Broadening Automation and E-Commerce Utilization**
- **The Strategic Importance Of Risk Management**
- **Takeaways/Next Steps**



2003 PARC Roundtable Approach: Multi-Disciplined Collaboration

- **Leveraging Lessons Learned:** Identifying, Analyzing, and Documenting Practices With Proven Results
- **The Cross-Functional Perspective:** Provide Insight into Top Challenges and Initiatives of Peers in Other Functions
- **Strategy and Execution Focus:** Determine How to Tackle Broad Strategic Imperatives While Addressing Organizational Change (2012) Implications
- What Will Be the **ACTIONABILITY** of Our Findings?



OPEN DIALOGUE SESSIONS

Ground Rules/NORMS

- **Non-attribution** – There Must Be Confidentiality of Conversation to Spark Improvements
- **Stick to the Issues; Not the Personalities;** Contribute in Support of Finding Answers To Participants Questions and Issues
- **Control of Open Discussion:** Focus on Largest Questions and Opportunities for Improvements Corps-wide
- **Bold Honesty; No Superficiality Of Teamwork**
- **Raise Hands To Be Recognized for Input in Orderly Manner**



OPEN DIALOGUE SESSIONS

PMBP Contracting ISSUES

- What Should Be The Elements Of A **NEW COMPETITIVE ADVANTAGE** For USACE?
- How Can We “**UPSKILL**” and Better Develop Procurement and Contracting **Talent**?
- **Business Advisors** – How Can We Better Demonstrate Our Procurement/Contracting Value To The PMBP?
- **What Are Some Of The Ways We Can Manage Procurement Risk?**
- **Measuring Procurement Performance** – How To Set Goals, Benchmarks, and Accountability across Eclectic Cultures?



OPEN DIALOGUE SESSIONS

PMBP PEOPLE ISSUES

- How Can Procurement Performance Be Enhanced?
- Procurement Professional Perspective – Should We Continue To Learn And Grow?
- What does Professionalism Mean To You? Does the Bachelor's Degree Denote Professionalism? Does the 24 Hours of Business Add To Professionalism in Contracting?
- Do You Believe That Procurement Professionals Should Be Trained and Developed?
- How Do You Sustain Quality Work?
- What Type of Development and Performance Management Logs Do You Keep?
- What Does A Learning/Knowledge Organization Mean To You?

What Do You Believe Are The Competencies And Skills That Are Needed To Forge A World Class

Acquisition In USACE?

FARC, USACE



OPEN DIALOGUE SESSIONS

PMBP PROCESS ISSUES

- **What Are Your Ideas On Streamlining Business Processes?**
- **What And Where Must We Excel?**
- **Does The Percentage Of Paper vs Electronic Transactions Adversely Impact Our Cycle Time?**
- **Is There Value To More Automation For Improvement? Where Are The Greatest Voids?**
- **Are We Getting It? Are We Automating The Right Areas And With The Right Automated Tools?**
- **How Can We Better Maximize Value At Least Cost?**
- **What Is Your Spend Rate On Contract Management? What Increases Or Decreases That Spend Rate?**
- **What is Your Spend Rate On # Of PO/Contracts Processed?**
- **How Do The Socio- Economic Programs Impact**



OPEN DIALOGUE SESSIONS

PMBP CUSTOMER ISSUES

- **How Can Procurement Professionals Help To Maximize Customer Satisfaction?**
- **How Is The Customer Infused Into Your Process?**
- **How Do You Provide Top-Tier Customer Service?**
- **From The PM Perspective, Why Is Your Customer Returning For Follow-On Service?**
- **What Are Your Challenges That Cause Impacts On Cycle Time? What Are Your Average Cycle Times From Requisition To Purchase Order/Contract?**
- **Do Customers Need Education Through Planned “Contracting Days”?**
- **What Are Some Of The Myths Or Lack Of Understanding That Customers Have About The Procurement Process?**

What Are Some Of The Elements That Are Included In Your Customer Surveys?



OPEN DIALOGUE SESSIONS

PMBP CUSTOMER ISSUES

- **How Can Procurement Professionals Increase Net Value To Customers?**
- **What have Customers Provided To You As Possible Innovative Solutions?**
- **What types Of Strategic Partnerships Are Ongoing In Your District/Division?**
- **What Is The Key To Timely, Quality, Cost-Effective Services That The Entire PDT Must Foster Constant Awareness Regarding?**
- **How Do You Leverage “One Door To The Corps Capabilities?”**
- **What Are Your Beliefs About The Value Of IDIQs?**
- **What Complement Of The PDT Interfaces With Customers And When?**
- **What Are The Elements Of A Compelling Business Case?**



OPEN DIALOGUE SESSIONS PMBP RISK PERSPECTIVE

- **RISK** – The measurable possibility of losing or not gaining value; different from uncertainty, which is not measurable
- **PROCUREMENT RISK** – The possibility or risk that supply/service disruptions, price fluctuations, or legal obligations will impair the procurement activity's ability to deliver resources vital to a Customer's operations



OPEN DIALOGUE SESSIONS

PMBP RISK PERSPECTIVE

- **RISK – Not to be avoided but the level of risk must be justified by the benefit**
- **RISK – not static; it changes over time and must be constantly monitored and reviewed in order to ensure the benefit still justifies the risk**
- **RISK – Must be managed though Step by Step Procedures – Choose Treatment**
 - ◆ **Reduce Likelihood**
 - ◆ **Reduce Consequence**
 - ◆ **Transfer in full or part**
 - ◆ **Avoid**



OPEN DIALOGUE SESSIONS PMBP RISK PERSPECTIVE

- **OTHER RISK CATEGORIES**
 - ◆ **Public Liability and Professional Indemnity**
 - ◆ **Specification Variation**
 - ◆ **Funding**
 - ◆ **Delivery Schedule**
 - ◆ **Form of Contract**
 - ◆ **Weather**



TARGETS FOR BEST VALUE INCENTIVES

CONTINUITY OF SUPPLY/SERVICE

- **SUPPLIER PERFORMANCE –Quality or Delivery**
 - ◆ **SUPPLIER FINANCIAL VIABILITY**
 - ◆ **INFORMATION SYSTEM/NETWORK SECURITY**
 - ◆ **SURGE POTENTIAL**
 - ◆ **PRODUCT AVAILABILITY RISKS**
 - ◆ **LOGISTICS NETWORK – Catastrophic Event, Delays, or Physical Damage**



TARGETS FOR BEST VALUE INCENTIVES

OTHER PROCUREMENT RISKS

- CURRENCY RISKS
- PRODUCT/SERVICE/COMPONENT LIABILITY
- INDEMNIFICATION
- DEFENSE BASE ACT AND OTHER INSURANCE
- PRIVACY/TRADE SECRET;
CONFIDENTIALITY/INTELLECTUAL PROPERTY
- POLITICAL RISK



REQUEST FOR “ERRATA” SHEETS CLARIFYING RISKS

- **Entering into risky contracts require sign-off from Senior Executives**
- **The risks or areas of concern must be explained in terms of the risk and liabilities undertaken as well as the methods for managing/mitigating the risk and the benefit from undertaking the additional risk**
- **Highlight Riskier Portions of Contracts for Senior Leader Reviews**



OPEN DIALOGUE – ARE THESE TOPICS OF INTEREST?

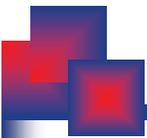
- Controlling Indirect Spend (Contract Mgmt)
- Constructing Effective Procurement Policy
- Conducting Business with Small Businesses
- Impact of Reverse Auction Purchasing
- Innovative Contracting Vehicles
- Developing Effective Industry Metrics
- DAU-Certified Training Providers



PARCS' PERFORMANCE MEASUREMENT CHALLENGES

- E-PROCUREMENT UTILIZATION
- POLICY COMPLIANCE
- STAFF SKILL DEVELOPMENT
- CUSTOMER SATISFACTION AND IMPACT
- ORGANIZATION PRODUCTIVITY
- PROCESS EFFICIENCY
- COST (MANAGEMENT)
- QUALITY
- COMPETITIVENESS
- TERMS





PARC'S MISSION

To provide our state and local governments, military, federal agencies and foreign customers with quality supplies and services, on time and at reasonable prices.

Today's Major Focus:

- **saving money/Total Value Creation**
- **efficiencies in operations, partnerships**
- **improving small business participation**
- **incentivizing successful performance**
- **monitoring small business subcontract plans**
- **institutionalizing innovation**
- **Changing Business Practices**



CONTRACTING TYPES

- **Grants/Cooperative Agreements**
- **Ship Building/Maintenance**
- **Dredging**
- **Construction**
- **Design/Build**
- **Architect-Engineering**
- **Services**
- **Small Purchases**
- **Supplies**

- **Performance Contracts**
- **Energy Savings Contracts**
- **Special Projects**
- **Emergency Contracting**
- **Residential Community Initiatives/Utilities**
- **Privatization**
- **DPW Support**
- **Support To War on Terrorism**



CONTRACTING STRATEGIES

Traditional Strategies:

- Architect-Engineering Services
- Environmental Studies
- Site Specific
- Indefinite Delivery-Indefinite Quantity (IDIQ)
- Disaster: Rapid Response & Immediate Response
- Best Value Awards

New Strategies:

- Privatization/Leases/Utilities & Family Housing Privatization
- Guaranteed Fixed Price Environmental Remediation
- Design-Build
- Reverse Auctioning
- Incentive contracting
- Small Business
- Consortiums & Pilot Programs
- One Solicitation: Multiple Competitions
- Partnerships



Electronic Contracting Initiatives

- **Federal Business Opportunities (FedBizOpps)**
- **Reverse Auctioning**
- **Army Single Face to Industry (ASFI)**
- **Electronic Bid Sets (EBS)**
- **Standard Procurement System (SPS) Fully Implemented in The Corps of Engineers**



PROJECT DELIVERY TEAM CORPORATE, REGULATORY AND STATUTORY COMMITMENTS

- **Project Delivery Team Corporate:**
 - **Division as Business Center**
 - **Infusing PMBP in Every Program**
 - **Leveraging the use of our Laboratories**
 - **Infusing Business Advisors on Every Team**
 - **Contracting Officers Moving Toward Business Advisors (Professionalism)**

- **Regulatory and Statutory:**
 - **Small Business Act/Small Business Goaling**
 - **Service Contract Act**
 - **Prompt Payment Act**
 - **Miller Act/Davis Bacon Act**
 - **Brooks Act**



Major Challenge Areas

- **Monitoring Subcontract Plans/Teaming Agreements**
- **Incentive Contracting/Best Value Contracting**
- **Smart Consolidations/Continued use of IDIQ Strategies**
- **Greater Teaming of Small and Large Businesses with Universities**
- **Partnerships**

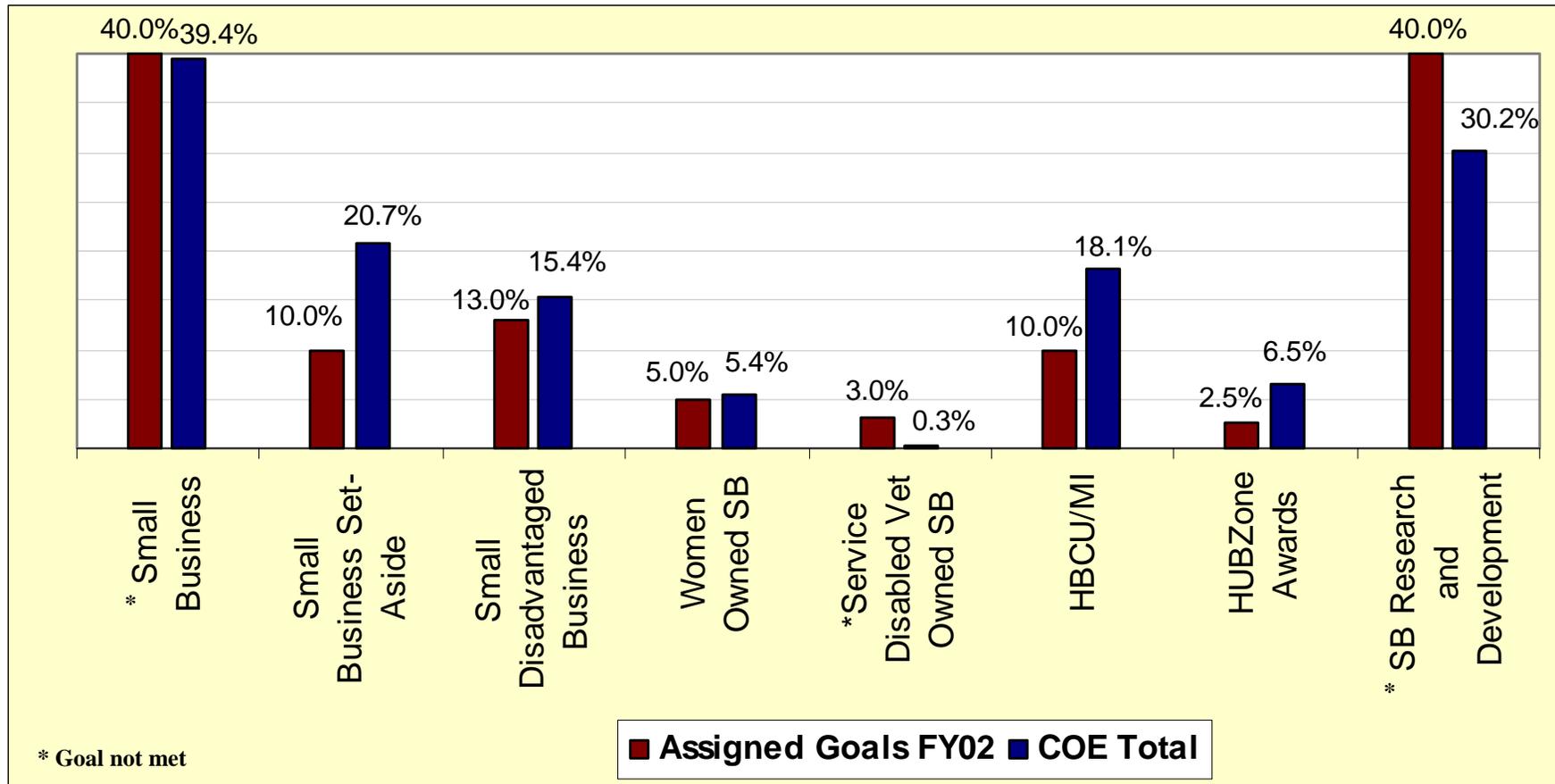


Corps-Wide Contracting Concerns

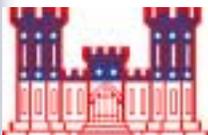
- **Ratifications**
- **Hollow Contracts (IDCs/IDIQs)**
- **Women-Owned Business, and HBCUs/MIs Participation**
- **Advanced Acquisition Planning/Maximizing Competition**
- **Monitoring of Subcontract Plans**
- **Congressionals**
- **Compliance to Prompt Payment Act**
- **Survival of the IDIQ Contract in USACE**
- **Education of Customers On Contracting in the Corps**
- **Provisional Warrant Expirations**



Small Business FY2002 Performance



- WOWs!**
- 8(a) activity > 68% of SBD Performance
 - Overall Small Business activity is 98.4% of goal



PARC SMALL BUSINESS INITIATIVES

- **PARC Open Door Policy**
- **Focused District Outreach Events**
- **Marketing Brochure Distribution to Districts**
- **Corps Pilot Program for Prove-Out of Small Business Innovation**
- **Army & DoD committed \$250K for Two Pilot Program Successes:**
 - **Decision Support System For Source Selection**
 - **Contract Compliance System for Subcontract Monitoring.**

Congress Partners With Corps \$1.4M to Support Reverse Auctioning in Services



Reducing Contract Management Workload With Minimal Risks

- Utilization of Alternative Disputes Resolution (ADR)
- Quality Improvements— More Aggressive COR Training
- Limiting Defense Contract Management Agency (DCMA) Government Source/Origin Inspections on Contracts under \$250,000
- Limiting Surveillance on contracts for Non-Critical Items
- Industry Forums
- Operational Integrated Project Teams (IPTs)— Includes Industry Partners



Acquisition Processes Revamping

- **Ongoing Functional Area Analyses (FAAs) to Improve Vertical and Horizontal Processes**
- **Pilot to Infuse Reverse Auctioning into Service Contracting Strategies**
- **Under Secretary of Defense –New Management Oversight of Acquisition of Services Process: OSD > or equal to \$2 Billion; AAE > or = to \$500M; HCA \$100M to \$500M**



USACE SUPPORT TO WAR ON TERRORISM

- **IRAQ Reconstruction Opportunities - TAC**
- **IV&V Support to Agency for International Development**
- **IRAQI Oil Mission – SWD**
- **UXO SUPPORT TO IRAQ – HUNTSVILLE CENTER**
- **Communication Infrastructure Upgrades -- TEC**



SMALL BUSINESS PARTICIPATION

- **Attend the USACE Annual Small Business Conference**
- **Attend Regional Out-Reach Events**
- **Commit to Completing 8(a) and HubZone Certifications**
- **Establish mutually beneficial agreements**
- **Build your Team for Unrestricted Competitions**
- **Know your Customers**
- **Research the Web sites**
- **Develop Innovations to Support Initiatives**
- **MARKET with PASSION!**



Summary



**CONTRACTING IN THE CORPS = VERY BIG BUSINESS
APPROACHING \$15B ANNUALLY**



PARC HELP

PARC Home page:

<http://www.hq.usace.army.mil/cepr/parc.htm>

**The PARC Office Stand Ready and Willing to Help You
with Your Contracting Problems 24 Hours/Day,
7 Days/Week.**

Bunny Greenhouse



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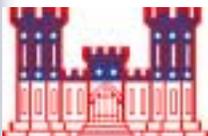
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QUESTIONS?

OR

WHAT DO YOU WANT THE PARC TO KNOW?

