



DEPARTMENT OF THE ARMY
ARMY CONTRACTING COMMAND - REDSTONE
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REDSTONE ARSENAL, ALABAMA 35898-5000

CCAM-SPB-B

06 October 2021

MEMORANDUM FOR RECORD

SUBJECT: Combat Capabilities Development Command (DEVCOM) Aviation & Missile Center (AvMC) Contracting Integrated Product Team (IPT) Findings and Recommendations

1. References:

a. Software, Simulation, Systems Engineering & Integration (S3I) Consolidated Acquisition Plan, January 2020

b. McKinsey & Company DEVCOM Buying Power Study, April 2021.

2. Background: On 13 January 2020, the S3I Consolidated Combined Acquisition Plan and Strategy was approved by the Deputy Assistant Secretary of the Army (Procurement) (DASA (P)) Senior Service Manager and the Consolidation Determinations and Findings was approved by the DASA (P). The acquisition strategy highlighted significant monetary and non-monetary benefits to the Government as a result of implementing category management and contract consolidation. In April 2021, McKinsey & Company completed a DEVCOM Buying Power Study that highlighted areas for DEVCOM to reduce contract costs, to include consolidation, labor rate reduction, and reducing scope redundancy. The AvMC Contracting Integrated Product Team (IPT) was stood up to analyze/implement McKinsey & Company findings, as well as enhance efficiency in AvMC Contracting processes. The IPT developed strategies for consolidation, labor rate reduction, contracting officer's representative (COR) training, recommendations to improve enterprise tools, and contracting decision matrices.

CONTRACT CONSOLIDATION

3. Definitions/Categorizations:

a. Eligible for Consolidation: For the purpose of this analysis, contracts were categorized by whether they were eligible or not eligible for consolidation. Contracts eligible for consolidation are service or material contracts. Contracts not eligible for consolidation are Other Transaction Authority (OTA)s, Small Business Innovation Research (SBIR)/ Small Business Technology Transfer (STTR), sole source highly specialized contracts, contracts with universities/non-profits, and broad agency announcements (BAA) due to the uniqueness of their work performed.

b. Suitable for Consolidation: For the purpose of this analysis, contracts deemed eligible for consolidation were further categorized based on whether they were suitable for consolidation. Considerations for determining suitability were whether or not consolidation would be prudent or benefit the Government, size standard (large or small business), their period of performance (differing periods of performance presents challenges to consolidation), North American Industrial Classification System (NAICS) code, and organizational conflict of interest (OCI) concerns.

c. Bundling: FAR 2.101 defines bundling as “a subset of consolidation that combines two or more requirements for supplies or services, *previously provided or performed under separate smaller contracts*, into a solicitation for a single contract, a multiple-award contract, or a task or delivery order that is likely to be unsuitable for award to a *small business concern*.” The FAR further defines “smaller contract” in this context as a requirement that was set-aside for small business. Bundling is a significant constraint for consolidation. Bundling is approved at the Senior Procurement Executive (SPE) level.

4. Considerations for Consolidation:

a. Impact to Small Business: 62% of AvMC Contracts eligible for consolidation (31 of 50, detailed below) and 81.5% of all AvMC contracts are performed by small businesses. While Federal Acquisition Regulation (FAR) 7.107-2 requires contracting officers to take steps to address small business concerns when consolidating contract requirements, consolidating contracts has a negative impact on small business priming opportunities. It reduces the number of contracts suitable for small business set asides and may result in requirements too large or complex for a small business to perform. For example, the S3I Consolidated Acquisition Strategy consolidated 21 requirements into 8 task orders. Of the 21 requirements being consolidated, 16 were previously performed by small businesses (76.1%). Following consolidation, 3 out of 8 requirements were performed by small business (37.5%). As required by FAR 7.107-2, the S3I team took steps to minimize impact to small business. For example, the team implemented a minimum qualification requirement for small business subcontracting on each Full and Open action, required small business participation as an evaluation factor, and incorporated each large business’s small business commitment proposal volume into the resultant task order. However, even with steps taken to minimize impact to small business (especially in subcontracting), the strategy still resulted in a large decrease in small business prime contracting opportunities.

b. Bundling: As noted in paragraph 3a above, 62% of AvMC Contracts eligible for consolidation are currently performed by small businesses. Large scale consolidation across the center, especially with the large number of requirements performed by small business, increases the risk of bundling. Bundling must be approved at the SPE Level and is highly scrutinized due to the impact on small business.



c. Impact to Future Competition: While the Government reaps benefits in efficiency, reduced number of contracts to administer, and lower labor rates in larger consolidated contracts, it does impact future competition. By having a multitude of vendors, large and small, the pool of competitors is larger, thus creating more opportunities for cost savings. While consolidation may result in short term costs savings, it could also reduce competition in the long term, resulting in increased labor rate costs, thereby increasing overall costs to the Government.

d. Organizational Conflict of Interest (OCI): OCI is a major concern when considering consolidation. Based on the type of work and stage of the weapon system development process, OCIs can be a constraint for consolidation. For example, a contractor developing the design for a weapon system on one contract cannot be the same contractor who tests or evaluates that system in another phase of development.

e. Type of Work and NAICS: The type of work or NAICS of requirements is a major consideration when determining whether consolidation is beneficial to the Government. In 2019, the Office of Management and Budget (OMB) established category management as a Government wide initiative. Category Management strives to provide a structured approach to create categories for common goods and services to enable the Federal Government to eliminate redundancies, increase efficiencies and effectiveness, achieve cost savings, and enhance warfighter capabilities. One of the main initiatives within category management is using strategic sources. Of the 50 contracts eligible for consolidation in AvMC, 43 use a strategic source. Strategic sources use NAICS to develop pools or domains for vetted vendors to bid on requirements. NAICS is determined by the preponderance of work for the requirement. While strategic sourcing provides great efficiencies in sourcing through category management, its application needs to be carefully assessed against the requirements being executed. For example, General Services Administration's (GSA) One Acquisition Solution for Integrated Services (OASIS) strategic source contains unique vendor pools for aviation and missile (5a and 5b respectively). Early in S3I's acquisition strategy planning, Hardware-in-the-Loop (HWIL) engineering services for aviation and missile were combined. When applying OASIS as the strategic source, market research determined it was not in the Government's interest to focus on one pool or the other, but rather to use both pools and directly prime with the relevant and unique industry expertise for these two primary mission areas.

4. Current State of Contracting: The AvMC Contracting IPT, with the assistance of McKinsey & Company conducted an analysis on the current state of contracting in

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AvMC. The analysis focused on developing a clear picture of all the contracts AvMC currently manages. Figure 1 below summarizes the current state of contracting:

	AvMC	S3I	SRD	TDD	SBIR/STTR	AMTC OTA	TOTAL
Total Current Contracts	3	23	25	64	109	52	276
Consolidations in Process	0	2	6	0	0	0	8
Past Consolidations	0	16	0	0	0	0	16
Consolidation Eligibility	3	19	21	7	0	0	50
Consolidation Suitability	2	5	13	0	0	0	20
Total Ceiling (\$M)	\$ 75	\$ 21,500	\$ 1,400	\$ 3,169	\$ 72	\$ 1,394	\$27,610

Figure 1: AvMC Current State of Contracting

a. AvMC has a total of 276 contracts. 50 of those contracts are eligible (not necessarily suitable) for consolidation. Below is a breakdown of the current state of contracting by AvMC Center Staff and Directorate. Green represents contracts that are eligible and suitable, gray are contracts that are eligible but not suitable, and red are contracts that are neither eligible nor suitable:

(1) AvMC Center Staff:

Contract Type	Vendor	Contract Number	Contract Title	Business Size	Awarded Ceiling	Eligible?	Suitable?
Stand Alone (Comp)	Phoenix	W9124P-19-C-0010	Mailroom Services	Non-Profit Organization	[REDACTED]	Yes	Yes
Stand Alone (Comp)	Phoenix	W9124P-19-C-0018	Reception Services	Non-Profit Organization	[REDACTED]	Yes	Yes
IDIQ (Sole Source)	UAH	W31P4Q-15-D-0062	AvMC G6 IT Support	Non-Profit University	[REDACTED]	Yes	No

Figure 2: AvMC Current State of Contracting

i. Suitable and Eligible: AvMC has two (2) contracts (highlighted in green above), which are both suitable and eligible for consolidation. The Mailroom and Reception Services performed by Phoenix can be consolidated.

ii. Eligible, not suitable: AvMC has one (1) contract (highlighted in gray above) that is eligible, however, not suitable. The AvMC G6 Information Technology (IT) Support is already in the acquisition planning process and has the unique mission of providing IT support to AvMC.

(iii) AvMC has no contracts that are neither eligible nor suitable for consolidation.

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(1) Software, Simulation, Systems Engineering & Integration (S3I):

Contract Type	Vendor	Contract Number	Contract Title	Business Size	Awarded Ceiling	Eligible?	Suitable?
EXPRESS (Comp)	TBD (not awarded)	TBD (not awarded)	Programmatic (AvMC)	TBD	[REDACTED]	Yes	Yes
OASIS As (Comp)	BAH	GS00Q14OADU406/ID04180141	HDSS-2	Large	[REDACTED]	Yes	Yes
EXPRESS (Comp)	Quantitech	W31P4Q-09-A-0008/0005	Business Support	Small	[REDACTED]	Yes	Yes
MATERIAL (Competitive)	Drodex, Interfuze, Kuog, R2C, TaxAL	Varies	CITES 7 BPA Holders	Small	NA	Yes	Yes
MATERIAL (Competitive)	4HIS, Aeros, Drodex, Interfuze, Kuog, R2C, TaxAL	Varies	ITECS 7 BPA Holders	Small	NA	Yes	Yes
MATERIAL (Competitive)	Varies	W58RGZ-17-A-0001 thru -0010	Material BPA (10 holders)	Small	NA	Yes	No
EXPRESS (Comp)	COLSA	W31P4Q-21-F-B007	Tech Mmnt Matrix	Large	[REDACTED]	Yes	No
EXPRESS (Comp)	Intuitive Research	W31P4Q-20-F-B003	Software Mission Assurance	Large	[REDACTED]	Yes	No
EXPRESS (Comp)	Radiance	W31P4Q-09-A-0018/0008	Protective Technologies	Small	[REDACTED]	Yes	No
EXPRESS (Comp)	BAH	TORFQ-2020-T-04	PIF AMCOM Express Technical (Recompete)	Large	[REDACTED]	Yes	No
OASIS Dir (Comp)	SAIC	W31P4Q-21-F-0033	HWIL Aviation	Large	[REDACTED]	Yes	No
EXPRESS (Comp)	TBD (not awarded)	TBD (not awarded)	System Security	TBD	[REDACTED]	Yes	No
IDIQ (Competitive)	Defense Systems and Solutions	W58RGZ-18-D-0001	PIF-III DSS	Small Disadvantage	[REDACTED]	Yes	No
OASIS Dir (Comp)	Torch	W31P4Q-21-F-0052	HWIL Missile	Small	[REDACTED]	Yes	No
OASIS As (Comp)	SAIC	GS0014OADU428/ID04190086	Software Lifecycle Development	Large	[REDACTED]	Yes	No
OASIS Dir (Comp)	Torch	W31P4Q-21-F-0038	HWIL Systems of Systems	Small	[REDACTED]	Yes	No
OASIS Dir (Comp)	Torch	W31P4Q-21-F-0054	M&S Aviation & Missile	Small	[REDACTED]	Yes	No
OASIS Dir (Comp)	SAIC	W31P4Q-21-F-0095	HWIL and M&S Development	Large	[REDACTED]	Yes	No
OASIS Dir (Comp)	SAIC	W31P4Q-21-F-0057	M&S Systems Engineering	Large	[REDACTED]	Yes	No
IDIQ (Sole Source)	GEORGIA TECH	W31P4Q-18-D-0002	UARC	Academia	[REDACTED]	No	No
IDIQ (Sole Source)	General Atomics	W31P4Q-15-D-0003	Engineering and Technical Services-UAS Grey Eagle	Large	[REDACTED]	No	No
IDIQ (Sole Source)	CUBRC	W31P4Q-20-D-0047	Research, Ops, Mnt, Eng and Sim Test Support Services for AAEC	Academia Nonprofit	[REDACTED]	No	No
IDIQ (Sole Source)	AAI TEXTRON	W31P4Q-20-D-0029	Engineering and Technical Services-UAS Shadows	Large	[REDACTED]	No	No

Figure 3: S3I Current State of Contracting

i. Suitable and Eligible: S3I has five (5) contracts (highlighted in green above), which are both suitable and eligible for consolidation. The AvMC Programmatic EXPRESS Task Order is currently in the planning process by S3I and will be a center wide task order that serves all directorates. The Business Support Task Order is currently being consolidated to form a center wide Business and Analytics (B&A) Task Order. The HDSS Task Order was analyzed for potential of consolidation and is both suitable and eligible for future consolidation. The ITECS and CITES BPAs utilize the same NAICS code (334419) and same seven vendors, and was determined eligible for consolidation.

ii. Eligible, not suitable: S3I has fourteen (14) contracts (highlighted in gray above) that are eligible, however, not suitable.

(a) The Software Mission Assurance (SMA) Task Order was reviewed and compared to scopes across the center. While there were similarities between the SMA scope and five other airworthiness task orders performed in the Systems Readiness Directorate (SRD), consolidation with these efforts was considered not feasible due to bundling concerns. The SMA task order is performed by a large business, while the five SRD task orders are performed by small businesses. The IPT determined that consolidating SMA with the five airworthiness task orders would result in a requirement not suitable for small business, resulting in bundling. Additionally, the SMA contract requires independence from other contracts to perform independent verification and validation (IV&V) on work conducted throughout S3I, which is a limitation to further consolidation.

(b) Systems Security and Protective Technologies are both task orders that are identified for a full transfer to the Secure Environment Contract (SEC) Division. While not suitable for consolidation due to security requirements, a large portion of the work on Protective Technologies is conducted through the AMTC OTA. Therefore, the S3I Team has determined not to re-compete the Protective Technologies effort. The Systems Security effort is currently in evaluations. The security requirements for Systems Security makes it not suitable for consolidation.

(c) The Technical Management Task Order provides matrix technical management and support to S3I customers. This is a direct function of the S3I Technical Management Office, a function that does not reside in other Directorates. Therefore, there were no other requirements to consolidate with to achieve a benefit to the Government.

(d) The Prototype Integration Facility (PIF) EXPRESS Task Order and the PIF III IDIQ Defense Systems Solutions (DSS) were analyzed for potential consolidation. The majority of the PIF mission is met by the PIF III IDIQ contract utilizing the manufacturing NAICS code 336413. Government owned and Government operated, the PIF offers single-source convenience, turn-key solutions for development, fabrication, systems integration, modification, experimentation, and subsystem/system- level testing. These solutions include requirements to provide labor, materials, and facilities to support the PIF. Due to the necessity of non-professional services and large quantities of materials to meet this requirement, EXPRESS is not suitable for this aspect of the PIF mission. The PIF uses its EXPRESS contract to obtain professional engineering and technical assistance to support the mission of providing rapid response

and cost effective hardware solutions for Department of Defense and other Federal departments and agencies. After analyzing these two actions for potential consolidation, it was determined they were not eligible for consolidation due to their considerably different scopes.

(e) Seven OASIS task orders supporting the S3I HWIL, Modeling and Simulation (M&S), and Software Lifecycle Development (SLCD) associate directorates were analyzed for further consolidation. All seven of these task orders were a byproduct of consolidation (21 to 8) and awarded within the last 18 months. First, the HWIL M&S Development and SLCD task orders were analyzed for a potential consolidation, however, the IPT determined they were not suitable for consolidation due to differences in scope (tactical software versus trainer/game based software) and the need to retain the ability to solicit innovative leading edge software development practices from industry (competing two separate requirements rotationally rather than consolidating into one large task order). It was determined that by keeping these requirements separate the Government will have increased competition in the future and be able to more readily solicit innovative practices from industry. Second, the IPT looked across the center at potential areas of consolidation for the M&S task orders. The IPT found contracts with similar scopes, however, those contracts were with smaller firms, and consolidating them with M&S Systems Engineering (██████████) or M&S Aviation and Missile (██████████) raised concerns of impact to small business, bundling, and future competition. Additionally, during market research of S3I's Consolidated Acquisition Strategy, it was determined that in the application of GSA OASIS as a strategic source, it was in the Government's interest to keep aviation and missile contracts for HWIL separate to directly prime with the unique industry pool of expertise provided within OASIS' pool structure (i.e. OASIS Pool 5a – Aviation, OASIS Pool 5b – Missile).

(f) The W31P4Q-17-A-0001 thru 0010 BPA has a 336413 NAICS code. It was analyzed for potential consolidation with the CITES and ITECS BPAs, however, was determined to be unsuitable due to the differences in NAICS.

(iii) S3I has four contracts that are neither eligible nor suitable for consolidation. These are four sole source Indefinite Delivery/Indefinite Quantity (IDIQ) contracts to either large businesses Original Equipment Manufacturers (OEMs) or academia.

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(2) Systems Readiness Directorate (SRD):

Contract Type	Vendor	Contract Number	Contract Title	Business Size	Awarded Ceiling	Eligible?	Suitable?
EXPRESS (Comp)	RTC	W31P4Q09A001608	Technical Services and Engineering Support	Small	██████████	Yes	Yes
EXPRESS (Comp)	Torch Technologies	W31P4Q09A002115	Technical Support for Missile S&T Obsolescence AMCOM Aviation and Missile Sys	Small	██████████	Yes	Yes
EXPRESS (Comp)	RTC	W31P4Q09A001610	Technical Support for TDMD	Small	██████████	Yes	Yes
EXPRESS (Comp)	Torch Technologies	W31P4Q19FB002	Lifecycle Engineering SPT	Small	██████████	Yes	Yes
EXPRESS (Comp)	Iron Mountain	W31P4Q14A001302	UH Airworthiness Support	Small	██████████	Yes	Yes
EXPRESS (Comp)	Avion Solutions	W31P4Q18A005201	AE-V Technical Support	Small	██████████	Yes	Yes
EXPRESS (Comp)	PPTS NC	W31P4Q19FB003	APACHE Division Engineering Support	Small	██████████	Yes	Yes
EXPRESS (Comp)	Avion Solutions	W31P4Q19FB004	Mission Equip DV Technical Support	Small	██████████	Yes	Yes
EXPRESS (Comp)	Simulation Tech	W31P4Q19F0495	Systems Engineering Support	Small	██████████	Yes	Yes
EXPRESS (Comp)	Avion Solutions	W31P4Q19FB006	Aviation Systems, MASPO, CARGO AND FVL Division Support	Small	██████████	Yes	Yes
EXPRESS (Comp)	Avion Solutions	W31P4Q20F0433	Technical Support - Maintenance Engineering Division	Small	██████████	Yes	Yes
EXPRESS (Comp)	RTC	W31P4Q16A000902	Programmatic Support Services - Professional Services	Large	██████████	Yes	Yes
EXPRESS (Comp)	Quantitech	W31P4Q09A000803	Business & Analytical Services	Small	██████████	Yes	Yes
EXPRESS (Comp)	MTA	W31P4Q21FC003	Product Assurance Engineering	Small	██████████	Yes	No
EXPRESS (Comp)	BAH	W31P4Q16A000502	Manufacturing Science and Technology Support Services	Large	██████████	Yes	No
EXPRESS (Comp)	Avion Solutions	W31P4Q15A003502	Technical Support in Propulsion Project and Aircraft Systems for AED	Small	██████████	Yes	No
EXPRESS (Comp)	Aviation & Missile Solutions	W31P4Q09A002360	IO Technical LOOP Support	Large	██████████	Yes	No
EXPRESS (Comp)	Westar Huntsville	W31P4Q08A001507	Structures and Materials Division Airworthiness Support	Large	██████████	Yes	No
EXPRESS (Comp)	Avion Solutions	W31P4Q18A007101	Engineering and Technical Support	Small	██████████	Yes	No
EXPRESS (Comp)	SAIC	W31P4Q19FB007	VE Technical Support	Large	██████████	Yes	No
EXPRESS (Comp)	AI Signal Research	W31P4Q20FBZ02	Technical and Analytical Support for T&E Division SRD-MS	Small	██████████	Yes	No
DIQ (Sole Source)	Triumph Engine Control	W58RGZ21D0088	Performance of EIs of Suspected CAT IPQDRs for Triumph Engine Control Systems used on US Army Aircraft	Large	██████████	No	No
DIQ (Sole Source)	Honeywell International	W58RGZ20D0104	Performance of EIs of Suspected CAT IPQDRs for Honeywell International used on US Army Aircraft	Large	██████████	No	No
DIQ (Sole Source)	MCDMM	W31P4Q15D0043	Manufacturing Technology Division Development and Implementation for Defense Industrial Base	Non-Profit	██████████	No	No
DIQ (Sole Source)	Tyonek Global Services	W31P4Q19D0044	Data Synchronization EDIS/ICAPP Migration	Small	██████████	No	No

Figure 4: SRD Current State of Contracting

i. Suitable and Eligible: SRD has thirteen (13) contracts which are both suitable and eligible for consolidation. Two contracts are in the planning process for center wide consolidation (B&A and Programmatic). Six contracts are currently with ACC for consolidation, while five additional are planned (all internal).

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ii. Eligible, not suitable: SRD has eight (8) contracts (highlighted in gray above) that are eligible, however, not suitable. Four contracts (Manufacturing Science and Technology Support Services, Technical Support in Propulsion Project and Aircraft Systems for SRD, IO Technical LOOP Support, and Technical and Engineering Services for Structures and Materials Division Airworthiness Support) have PoPs that all expire within a year and acquisition planning and implementation has already begun. Four contracts (Engineering and Technical Support, VE Technical Support, Technical and Analytical Support for T&E Division, and Product Assurance) were determined not suitable due to bundling concerns. While there were similarities in scope for these four actions, three are performed by a small business and one performed by a large. The IPT determined that keeping these requirements separate would minimize bundling concerns and maintain contract requirements suitable for small business priming opportunities. All four of these contracts have PoPs into 2024 and 2025. As the end of their PoP approaches, SRD will use the Contracting Decision Matrix in Figure 10 of this paper to determine if a re-compete is necessary, consolidation is appropriate, or if there is an existing contract that its requirement can be performed on.

iii. SRD has four (4) contracts that are neither eligible, nor suitable for consolidation. SRD has two (2) highly specialized sole source IDIQs, one non-profit sole source contract and one sole source contract with a small business as a result of Phase III SBIR.

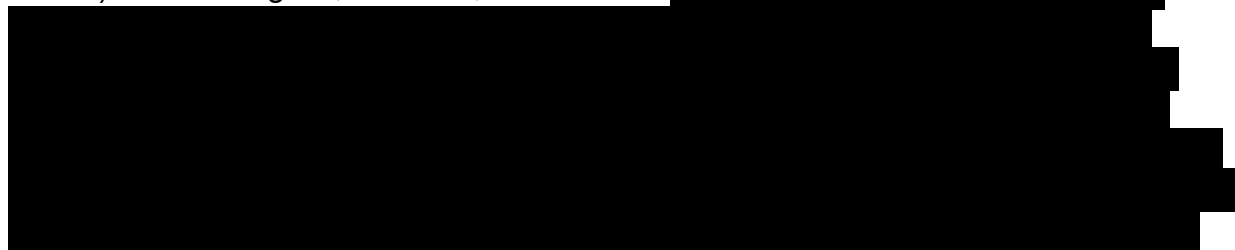
(3) Technology Development Directorate (TDD):

Contract Type	Vendor	Contract Number	Contract Title	Business Size	Awarded Ceiling	Eligible?	Suitable?
OASIS As (Comp)	Dynetics	ID04180094	Research and Development Support	Large	██████████	Yes	No
EXPRESS (Comp)	Torch Technologies	W31P4Q19FC003	Research and Development Support	Small	██████████	Yes	No
EXPRESS (Comp)	IRTC	W31P4Q09A001809	Technical Services for the Aerospace Materials Function Non-Destructive Testing Center of Excellence	Small	██████████	Yes	No
EXPRESS (Comp)	IRTC	W31P4Q09A001813	Technical Services for the Aviation and Missile Command Corrosion Program Office	Small	██████████	Yes	No
EXPRESS (Comp)	ERC	W31P4Q19FC002	Technical and Machining Support for the RDTE Development Program	Small	██████████	Yes	No
EXPRESS (Comp)	GRA	W31P4Q15A002001	Engineering and Technical Support	Small	██████████	Yes	No
EXPRESS (Comp)	i3	W31P4Q18FC002	Platform Integration Support	Small	██████████	Yes	No
IDIQ (Sole Source)	Aerojet	W31P4Q18D0001	Research and Development Propulsion Technology Support	Large	██████████	No	No
IDIQ (Sole Source)	ATK Aerospace	W31P4Q18D0002	Research and Development Propulsion Technology Support	Large	██████████	No	No
IDIQ (Sole Source)	Propagation Research Associated (PRA)	W31P4Q17D0047	Low Cost Guidance System Support	Small	██████████	No	No
Grant	Michigan State University	W31P4Q2010001	Super-Photoreagents as a Gateway to Precision Chemistry	Non-Profit	██████████	No	No
Grant	University of Massachusetts Amherst	W31P4Q2010002	Programmable Matter	Non-Profit	██████████	No	No
52 Highly Specialized, to include BAAs, done at Fort Eustis	Various	Various	Various	Various	██████████	No	No

Figure 5: TDD Current State of Contracting

i. Suitable and Eligible: TDD does not have any contracts suitable and eligible for consolidation.

ii. Eligible, not suitable: TDD has seven (7) contracts (highlighted in gray above) that are eligible, however, not suitable. [REDACTED]



Three contracts (Technical Services for the Aerospace Materials Function Non-Destructive Testing Center of Excellence, Technical Services for the Aviation and Missile Command Corrosion Program Office, and Engineering and Technical Support) have PoPs that expire within six months and acquisition planning and implementation has already begun. Two contracts (Technical and Machining Support for the RDTE Development Program and Platform Integration Support) have distinctly different scopes. The Technical Machining Support contract is used by the TDD Propulsion Group and the Platform Integration contract is used by the TDD Integration Group. Due to the potential value of [REDACTED], broad scope by combining two distinctly different contracts, and the fact that both contracts are performed by small businesses, it is unlikely that a consolidation of these contracts would be suitable for small business, resulting in potential bundling.

iii. TDD has fifty-seven (57) contracts that are neither eligible, nor suitable for consolidation. TDD has three Sole Source IDIQs, two Non-Profit Grants, and Fifty-two highly specialized contracts (including BAAs) done at Fort Eustis.

5. Future State of Contracting (One to Three Years): The Contracting IPT, with the assistance of McKinsey & Company proposes a deliberate approach to consolidation. Specifically, the IPT looked at contracts across AvMC for opportunities to consolidate at the center and internal to directorates. This Future State takes into account the technical nature of work, significantly reduces the likelihood of rejection of acquisition strategy by DASA (P) due to bundling, and ensures proposed consolidation is advantageous to the Government. Figure 6 below summarizes the future state of contracting:

	AvMC	S3I	SRD	TDD	SBIR/STTR	AMTC OTA	Total
Total Potential Contracts	5	18	16	64	109	52	264
Consolidation Eligibility	5	14	12	7	0	0	38
Consolidation Suitability	0	0	0	0	0	0	0
Consolidations Completed	1	5	8	0	0	0	14
Total Ceiling (\$M)	\$ 997	\$ 20,326	\$ 1,195	\$ 3,169	\$ 72	\$ 1,394	\$ 27,153

Figure 6: AvMC Future State of Contracting

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a. Overview: This proposed future state reduces contracts eligible for consolidation from 50 to 38 (24% reduction). Additionally, it results in the following split of large to small business: 21 Small Business, 13 Large Business, 1 non-profit, and 3 TBD (55.2% small business with a potential of 63.1%): Below is an overview for each directorate:

i. AvMC: This strategy results in five contracts managed at the AvMC Center Staff Level. The AvMC Business Support and Programmatic contracts are a result of center wide consolidations and are available for use across the center. The Reception and Mail Services contract is a result of an internal AvMC Center Staff consolidation. The AvMC G6 IT Contract remains managed at the AvMC Center Staff. The DEVCOM Facilities Support contract is planned for award in December 2021 and will provide facility services across AvMC. See Figure 7 below for details:

Contract Type	Vendor	Contract Number	Contract Title	Business Size	Awarded Ceiling	Eligible?	Suitable?
EXPRESS (Comp)	TBD (not awarded)	TBD (not awarded)	Programmatic (AvMC)	TBD		Yes	No
IDIQ (Sole Source)	TBD (not awarded)	TBD (not awarded)	DEVCOM Facilities Support	Small		Yes	No
Stand Alone (Comp)	Phoenix	W9124P-19-C-0018	Reception and Mail Services	Non-Profit Organization		Yes	No
EXPRESS (Comp)	TBD (not awarded)	W31P4Q-09-A-0008/0005	Business Support	Small		Yes	No
GWAC	TBD (not awarded)	TBD (not awarded)	AvMC G6 IT Support	TBD		Yes	No

Figure 7: AvMC Center Contract Future State

ii. S3I: Although S3I recently completed a large scale consolidation, they are still able to consolidate further, reducing their total contracts eligible for consolidation from 19 to 14. The HDSS-2 contract is allowed to expire and its scope is incurred by the HWIL and M&S Development contract. The Protective Technology contract is allowed to expire and its scope is incurred by the AMTC OTA and other existing contracts. The CITES and ITECS BPAs are consolidated to form one BPA for NAICS 334419. The Programmatic and B&A Task Orders are consolidated center wide. See Figure 8 below:

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Contract Type	Vendor	Contract Number	Contract Title	Business Size	Awarded Ceiling	Eligible?	Suitable?
EXPRESS (Comp)	Intuitive Research	W31P4Q-20-F-B003	Software Mission Assurance	Large		Yes	No
EXPRESS (Comp)	COLSA	W31P4Q-21-F-B007	Tech Mmnt Matrix	Large		Yes	No
EXPRESS (Comp)	BAH	TORFQ-2020-T-04	PIF AMCOM Express Technical (Recompete)	Large		Yes	No
OASIS Dir (Comp)	SAIC	W31P4Q-21-F-0033	HWIL Aviation	Large		Yes	No
EXPRESS (Comp)	TBD (not awarded)	TBD (not awarded)	System Security	TBD		Yes	No
IDIQ (Competitive)	Defense Systems and Solutions	W58RGZ-18-D-0001	PIF-III DSS	Small Disadvantage		Yes	No
OASIS Dir (Comp)	Torch	W31P4Q-21-F-0052	HWIL Missile	Small		Yes	No
OASIS As (Comp)	SAIC	GS0014OADU428/ID04 190086	Software Lifecycle Development	Large		Yes	No
OASIS Dir (Comp)	Torch	W31P4Q-21-F-0038	HWIL Systems of Systems	Small		Yes	No
OASIS Dir (Comp)	Torch	W31P4Q-21-F-0054	M&S Aviation & Missile	Small		Yes	No
OASIS Dir (Comp)	SAIC	W31P4Q-21-F-0095	HWIL and M&S Development	Large		Yes	No
OASIS Dir (Comp)	SAIC	W31P4Q-21-F-0057	M&S Systems Engineering	Large		Yes	No
MATERIAL (Competitive)	4HIS, Aeros, Drodex, Interfuze, Kuog, R2C, TaxAL	Varies	CITES/ITECS 7 BPA Holders	Small		Yes	No
MATERIAL (Competitive)	Varies	W58RGZ-17-A-0001 thru -0010	Material BPA (10 holders)	Small		Yes	No
IDIQ (Sole Source)	GEORGIA TECH	W31P4Q-18-D-0002	UARC	Academia		No	No
IDIQ (Sole Source)	General Atomics	W31P4Q-15-D-0003	Engineering and Technical Services-UAS Grey Eagle	Large		No	No
IDIQ (Sole Source)	CUBRC	W31P4Q-20-D-0047	Research, Ops, Mnt, Eng and Sim Test Support Services for AAEC	Academia Nonprofit		No	No
IDIQ (Sole Source)	AAI TEXTRON	W31P4Q-20-D-0029	Engineering and Technical Services-UAS Shadows	Large		No	No

Figure 8: S3I Future State

iii. **SRD:** SRD is in the process of six internal consolidations and have five more internal consolidations planned. In total, SRD will reduce their contracts eligible for consolidation from 21 to 12. Below are details of the consolidations:

(a) “Technical Services and Engineering Support” consolidated with “Technical Support for Production” to form “Lifecycle Engineering and Technical Support” (in the process).

(b) “Technical Services Engineering Support for the Unmanned Aircraft Systems Division” consolidated with “Utility Helicopters Airworthiness Support” to form “Airworthiness Platform Technical Support” (in the process).

(c) “Technical Support for Technical Data and Management Division” consolidated with “Technical Support in Manufacturing Science and Technology Obsolescence Tasks” to form “Production and Sustainment Engineering and Technical Support” (in the process).

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(d) Five platform airworthiness task orders are planned to be consolidated into one platform airworthiness task order (planned).

See Figure 9 below:

Contract Type	Vendor	Contract Number	Contract Title	Business Size	Awarded Ceiling	Eligible?	Suitable?
EXPRESS (Comp)	TBD	TBD	Lifecycle Engineering and Technical Support	Large	[REDACTED]	Yes	No
EXPRESS (Comp)	TBD	TBD	Production and Sustainment Engineering and Technical Support	Small	[REDACTED]	Yes	No
EXPRESS (Comp)	TBD	TBD	Airworthiness Platform Technical Support	Small	[REDACTED]	Yes	No
EXPRESS (Comp)	TBD	TBD	Consolidated Airworthiness Product Assurance Engineering	Small	[REDACTED]	Yes	No
EXPRESS (Comp)	MTA	W31P4Q21FC003	Manufacturing Science and Technology Support Services	Large	[REDACTED]	Yes	No
EXPRESS (Comp)	BAH	W31P4Q16A000502	Technical Support in Propulsion Project and Aircraft Systems for AED	Small	[REDACTED]	Yes	No
EXPRESS (Comp)	Avion Solutions	W31P4Q15A003502	IO Technical LOOP Support	Large	[REDACTED]	Yes	No
EXPRESS (Comp)	Aviation & Missile Solutions	W31P4Q09A002360	Structures and Materials Division Airworthiness Support	Large	[REDACTED]	Yes	No
EXPRESS (Comp)	Westar Huntsville	W31P4Q08A001507	Engineering and Technical Support	Small	[REDACTED]	Yes	No
EXPRESS (Comp)	SAIC	W31P4Q19FB007	VE Technical Support	Large	[REDACTED]	Yes	No
EXPRESS (Comp)	AI Signal Research	W31P4Q20FBZ02	Technical and Analytical Support for T&E Division SRD-MS	Small	[REDACTED]	Yes	No
DIQ (Sole Source)	Triumph Engine Control	W58RGZ21D0088	Performance of EIs of Suspected CAT IPQDRs for Triumph Engine Control Systems used on US Army Aircraft	Large	[REDACTED]	No	No
DIQ (Sole Source)	Honeywell International	W58RGZ20D0104	Performance of EIs of Suspected CAT IPQDRs for Honeywell International used on US Army Aircraft	Large	[REDACTED]	No	No
DIQ (Sole Source)	MCDMM	W31P4Q15D0043	Manufacturing Technology Division Development and Implementation for Defense Industrial Base	Non-Profit	[REDACTED]	No	No
DIQ (Sole Source)	Tyonek Global Services	W31P4Q19D0044	Data Synchronization EDIS/ICAPP Migration	Small	[REDACTED]	No	No

Figure 9: SRD Future State

iv. TDD: Due to the unique nature of its work, which includes highly specialized sole source actions and BAAs, TDD does not have any opportunities for consolidation. See Figure 10 below:

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Contract Type	Vendor	Contract Number	Contract Title	Business Size	Awarded Ceiling	Eligible?	Suitable?
OASIS As (Comp)	Dynetics	D04160094	Research and Development Support	Large	[REDACTED]	Yes	No
EXPRESS (Comp)	Torch Technologies	W31P4Q19FC003	Research and Development Support	Small	[REDACTED]	Yes	No
EXPRESS (Comp)	RTC	W31P4Q09A001609	Technical Services for the Aerospace Materials Function Non-Destructive Testing Center of Excellence	Small	[REDACTED]	Yes	No
EXPRESS (Comp)	RTC	W31P4Q09A001613	Technical Services for the Aviation and Missile Command Corrosion Program Office	Small	[REDACTED]	Yes	No
EXPRESS (Comp)	ERC	W31P4Q19FC002	Technical and Machining Support for the RDTE Development Program	Small	[REDACTED]	Yes	No
EXPRESS (Comp)	GRA	W31P4Q15A002001	Engineering and Technical Support	Small	[REDACTED]	Yes	No
EXPRESS (Comp)	i3	W31P4Q18FC002	Platform Integration Support	Small	[REDACTED]	Yes	No
DIQ (Sole Source)	Aerojet	W31P4Q16D0001	Research and Development Propulsion Technology Support	Large	[REDACTED]	No	No
DIQ (Sole Source)	ATK Aerospace	W31P4Q16D0002	Research and Development Propulsion Technology Support	Large	[REDACTED]	No	No
DIQ (Sole Source)	Propagation Research Associated (PRA)	W31P4Q17D0047	Low Cost Guidance System Support	Small	[REDACTED]	No	No
Grant	Michigan State University	W31P4Q2010001	Super-Photoreagents as a Gateway to Precision Chemistry	Non-Profit	[REDACTED]	No	No
Grant	University of Massachusetts Amherst	W31P4Q2010002	Programmable Matter	Non-Profit	[REDACTED]	No	No
52 Highly Specialized, to include BAAs, done at Fort Eustis	Various	Various	Various	Various	[REDACTED]	No	No

Figure 10: TDD Future State

6. Overall, this recommended approach minimizes impact to small businesses by only reducing small business prime opportunities from 62% to 55.2%, prevents large scale consolidation that could have negative impacts on future competition, and avoids bundling. ***This analysis and strategy does not address or account for [REDACTED], or the legacy contracts consolidated as part of the S3I Consolidated Acquisition Strategy (21 expiring contracts).***

LABOR RATE REDUCTION, CONTRACTING DECISION MATRIX, & COR TRAINING

7. Outside of consolidation, the Contracting IPT analyzed other ways to reduce costs, increase efficiency, and implement category management at the recommendation of McKinsey & Company.

a. Contract Labor Policy: McKinsey & Company’s April 2021 report showed discrepancies between senior and junior engineer labor categories on similar technical directives. Specifically, it showed that AvMC tasks are 59% Senior Labor Category and 41% Intermediate to Junior Labor Category. The Resource Management Division has drafted a policy letter for approval to require that if contractor proposed technical directive labor mixes exceed 35% Senior Engineer Labor Categories, the Technical Monitor will compare the Contractor’s proposed mix to the 35% threshold and ask for the vendor to either realign or justify why the task at hand requires greater than 35% senior mix. Additionally, the Contracting IPT developed a requirement for an automated tool

that will reside in ACTS that will prompt CORs to provide justification if utilizing labor mix that utilizes over 35% in Senior Engineering labor categories

b. AvMC Contracting Map: One of the most valuable tools developed from the AvMC Contracting IPT is the AvMC Contracting Map. This provides AvMC a road map for actions to take when contemplating a new contract, i.e., looking for other suitable vehicles, consulting the ACC Strategic Service and Category Management (SSCM) Group etc. Figure 11 below shows the contracting map currently being used:

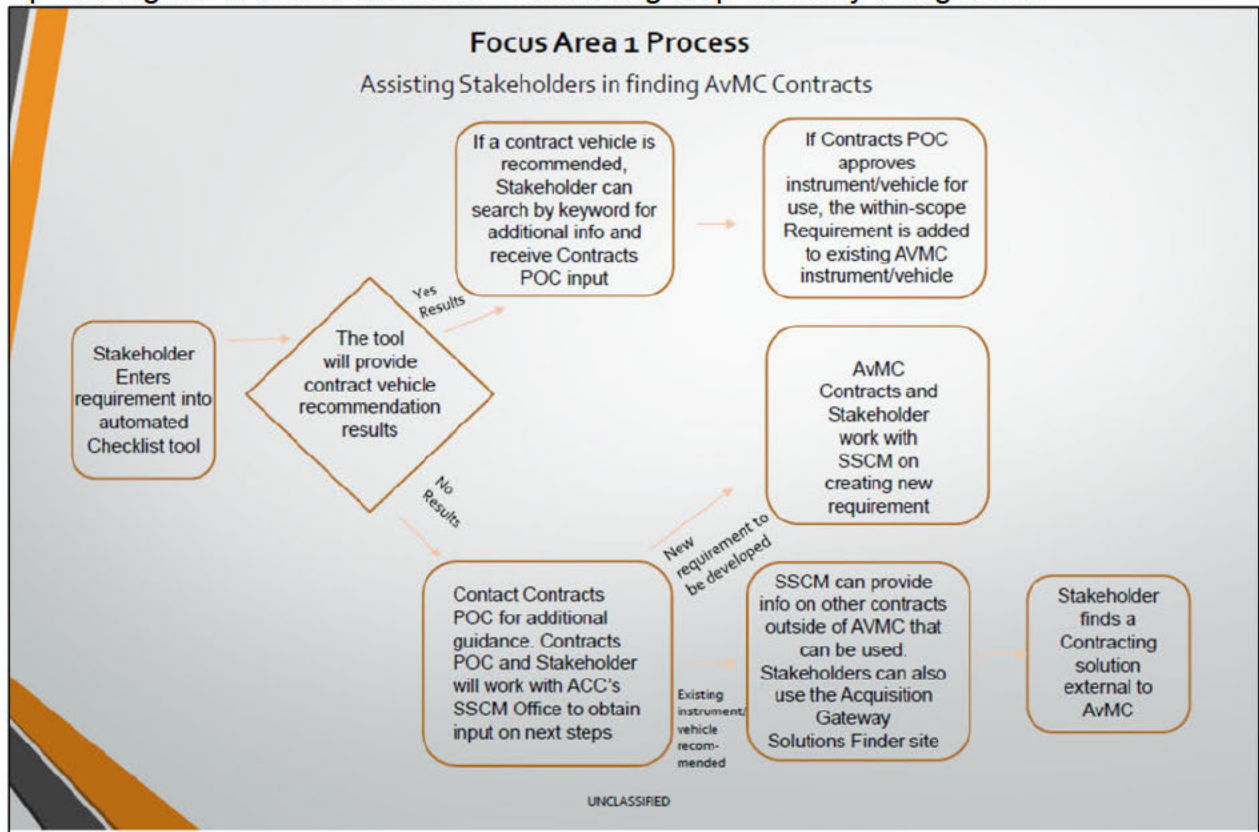
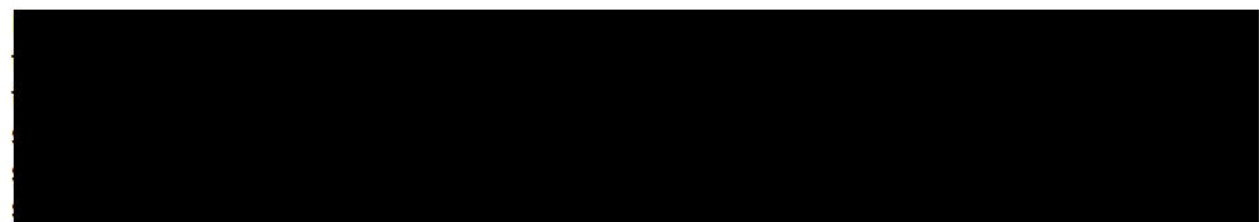


Figure 11: AvMC Contracting Process Map



c. COR Training: AvMC has coordinated with ACC to provide comprehensive COR training in calendar year 2022 to cover Contractor Performance Appraisal Reports (CPARS), COR Monthly Reports, and other critical contract administration functions.

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8. The point of contact for this memorandum is the undersigned at jeffrey.c.sullivan6.civ@mail.mil.

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