

Army Acquisition Reform Newsletter



Volume 6, Issue 29

14 February 2001

Army Acquisition Reform Web Site: <http://acqnet.sarda.army.mil/acqref/default.htm>
Questions? Contact Monti Jagers, (703) 681-7571, jagersm@sarda.army.mil

Acquisition Reform Initiatives Used for TAIS Procurement

The Tactical Airspace Integration System (TAIS) was acquired by a team of acquisition professionals in the Acquisition Center, Aviation and Missile Command (AMCOM) using Acquisition Reform Initiatives as part of the procurement process. The procurement strategy utilized an Integrated Product Team (IPT) to write the requirement documents, the Statement of Work and the Request for Proposal. One of the team's actions was to develop a requirement that took advantage of all available technologies in the market place. The Request for Proposal was issued on 9 June 2000 as a paperless, full and open, best value, performance-based competitive solicitation. The best value strategy for the full and open competitive acquisition strategy included a proper balance between technical, management, cost and past performance. The Independent Government Cost Estimate (IGCE) for this action was \$180 million. Market research revealed that other sources were available with the requisite capability to perform.

One proposal in the amount of \$163.7M was received from industry on 9 Aug 00. The IPT determined that additional cost/savings could be realized by obtaining an audit under an agreed to audit procedures with DCAA and the contractor, even though the proposal was submitted under competitive pressures. Because only one proposal was received in response to the competitive Request for Proposal, the IPT immediately developed an alpha contracting strategy to determine the reasonableness of the contractor's pricing of the procurement. The team's knowledge of the best value alpha contracting processes was instrumental in the overall success of negotiating a fair and reasonable contract price. A negotiated agreement was reached at \$122M.

The government negotiation strategy in an alpha contracting environment resulted in a \$41.7M reduction/savings from the original competitive proposal of \$163.7M. The Government awarded a Firm Fixed Price (FFP) contract for production and a Cost Plus Fixed Fee (CPFF) contract for Engineering services and Interim Contractor Support (ICS).

The POC for this article is Mr. Carol Cooper at (256) 876-3823, DSN 746-3823, e-mail carol.cooper@redstone.army.mil or Mr. Steve Pruzinsky at (256) 876-3939, DSN 746-3939, e-mail stephen.pruzinsky@redstone.army.mil