

Headquarters U.S. Air Force

Integrity - Service - Excellence

NETCENTS-2 STRAIGHT TALK Industry Briefing



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Overview



- **The Government Web Site**
- **Definitions and Framework**
- **Objectives & Benefits**
- **Schedule**
- **Strategy**
- **2013 NDAA**
- **Opportunities in 2013**



Q and A in the Afternoon Panel Session



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USAF IT Acquisition Guide



The screenshot shows the Air Force NETCENTS website interface. At the top, there is a navigation bar with links for HOME, NEWS, CONTRACTS, LIBRARY, and QUESTIONS. The main content area is divided into several sections: NETCENTS (with logos for NET CENTS and NETCENTS-2), NETCENTS NEWS (with a list of recent news items), and Inside NETCENTS (with a search bar and navigation links). The link for "AF IT Acquisition Guide" is circled in red. The footer contains the text "The Official Web Site of Air Force Network Centric Solutions" and a list of links: Site Map, Contact Us, Questions, Security and Privacy notice, and E-publishing. The URL "http://www.netcents.af.mil/contracts/netcents-2/index.asp" is overlaid at the bottom of the screenshot.

<http://www.netcents.af.mil/contracts/netcents-2/index.asp>



NETCENTS-2 Requirements Category Descriptions



Category	Description
Net centric Products (COTS Only)	Networking equipment, servers/storage, peripherals, multimedia, software (shrink wrapped), identity management/biometric hardware and associated software, delivery, warranty, maintenance
NETOPS & Infrastructure Solutions	Network mgt/defense, SOA infrastructure, enterprise level security/mgt and implementation/ops, telephony infrastructure & services
Application Services	Systems sustainment/development, migration, integration and netcentric data services, web services, COTS software integration, smart phone apps
Enterprise Integration & Service Management (EISM)—A&AS	Services to enable enterprise integration service management support for both infrastructure and mission capabilities (enterprise level support)
IT Professional Support & Engineering Services (ITPS)—A&AS	IT Program Management Support and Engineering Services (program level support)



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NETCENTS-2 Strategy Framework



#	Title of Acquisition Category	Type of Competition	Est. # of Awards	Ordering Period	Ceiling (in \$B)	NAICS
#1	Net centric Products	Full and Open	6-9	6 yrs	7.40	334210
#2	NETOPS & Infrastructure Solutions	Full and Open	6-9	7 yrs	7.91	517110
#3	NETOPS & Infrastructure Solutions*	Small Business Only*	6-9	7 yrs	5.79	517110
#4	Application Services	Full and Open	6-9	7 yrs	.96	541511
#5	Application Services* <i>AWARDED</i>	Small Business Only*	6-9	7 yrs	.96	541511
#6	EISM (A&AS) - <i>AWARDED</i>	Full and Open	6-9	5 yrs	.46	541512
#7	ITPS (A&AS) - <i>ON HOLD</i>	Small Business (SD Vets)	6-9	5 yrs	.71	541512

AF Small Business goals met by SB competition within NETCENTS-2 when SBs can meet the requirements



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Objectives



- **Create an enterprise ordering vehicle that will allow USAF customers to acquire IT products and services that:**
 - **Leverages USAF buying power to meet strategic sourcing goals**
 - **Meet or exceed operational Net-Centric requirements**
 - **Ensure technical compliance with AF and DoD standards**
 - **Meet or beat required delivery timeframes**
 - **Promote Small Business/Support Goals**

✓ **Industry will play a key role in achieving these objectives**

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NETCENTS-2 Benefits

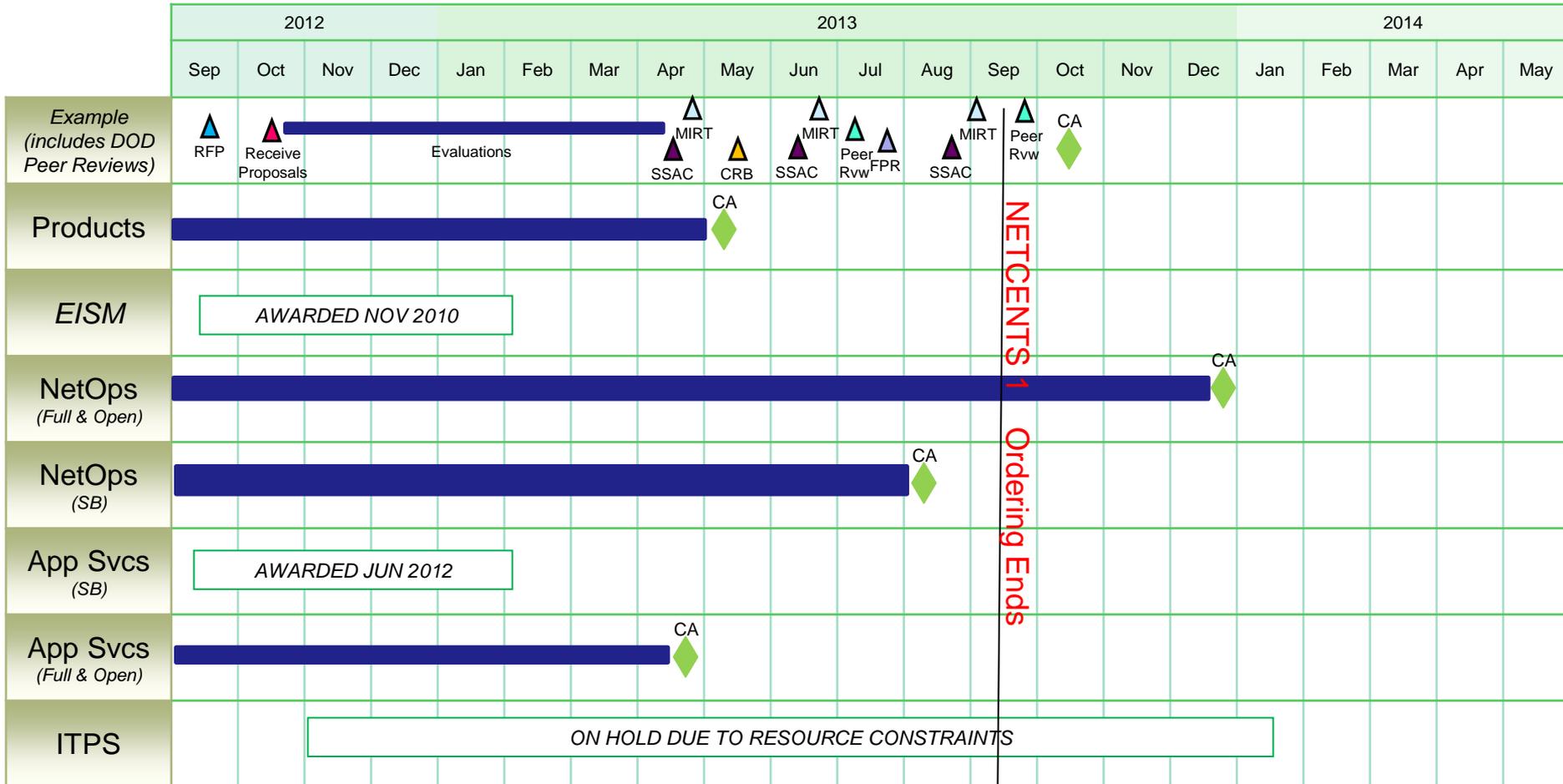


Benefits/Outcomes	NETCENTS-2 Strategy
Reduced IT support costs through leveraging \$24B in IT requirements for best pricing	<ul style="list-style-type: none"> -Mandatory Use of contracts & inability to get waivers -(Saved \$110M on hardware purchases alone on NETCENTS to date)
Reduced IT support costs through fewer configurations to maintain	<ul style="list-style-type: none"> - Mandatory Buying Standards/ Configurations for specific hardware
Increased interoperability through common standards and configurations	<ul style="list-style-type: none"> - Mandatory use PWS templates include common standards and compliance (such as Implementation Baseline, IA, IPv6)
Improved IT asset visibility; address Supply Chain Risks	<ul style="list-style-type: none"> - Utilizing one USAF system for unclassified asset procurement and tracking – AFWay
Reduced procurement overhead and delivery time	<ul style="list-style-type: none"> - Use of ID/IQ contracts allows customers do write task orders (FAR Part 16) instead of contracts (FAR Part 15) against prequalified vendors (saves contracting officer & Acq effort) - Use of templates, standards decreases delivery time - Prequalified pools of vendors



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NETCENTS-2 Schedule



NETCENTS 1 Ordering Ends

- RFP – Request for Proposals
- Receive Proposals
- CRB – Competitive Range Brief to SSA
- MIRT – Multifunctional Independent Review Team
- SSAC – SSAC Briefings
- Peer Review
- FPR – Request Final Proposal Revisions
- SSD – Source Selection Decision
- CA – Contract Award



Small Business & 8(a) Considerations



- If a requirement has been accepted by SBA under the 8(a) Program, it must remain in the 8(a) Program unless SBA agrees to its release in accordance with 13 CFR parts 124, 125 and 126
- For acquisitions of supplies or services that have an anticipated dollar value exceeding the simplified acquisition threshold, the contracting officer shall consider NC-2's SB companion contracts before considering full and open contracts

Delivering Cost Effective Solutions

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Key Strategy Elements



■ Small Business (SB) Benefits

- Two SB Companion contracts: NetOps and AppSvs
- ITPS: set-aside for Service Disabled Veteran Owned Businesses
- Non-set-asides require minimum 23% SB subcontracting
- Possible \$7.5B out of \$24.2B available to SB





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Key Strategy Elements



■ On-Ramps

- PEO review/decision to hold an On-Ramp will occur lead time before planned awards
- Provides opportunity to increase competition, respond to emerging technologies
- “Same” RFP process and evaluation criteria
- Responsive to 2013 NDAA NETCENTS-2 Language

■ Mandatory Use Policy (update in progress)

- Use of NETCENTS-2 mandatory for all USAF units
- Contractors purchasing under NETCENTS-2
- Will ensure adherence to AF Enterprise Architecture
- Waiver process requires substantial justification
- ITPS: only NETCENTS-2 contract that is NOT Mandatory

Illustration of On-Ramp (O/R) Approach



Category	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Products	Base Period		▲ O/R	Option		Option	Option
NetOps SB	▲ O/R	Base Period		▲ O/R	Option	Option	Option
NetOps F&O	Base Period		▲ O/R	Option	Option	Option	
Application Svcs	Base Period		▲ O/R	▲ O/R	Option	Option	Option
EISM	Base Period		▲ O/R	Option	Option		
IT Prof. Support	Base Period		▲ O/R	Option	Option		

Planned timing of on-ramp awards shown--timing may vary due to resource constraints



NETCENTS-2 2013 NDAA



- Requires Plan to Increase the Number of Eligible Contractors
 - Recommendation and Rationale for max number of contractors
 - Methodology used to periodically review existing contractors
 - Time line for On Ramps

- Acquisition Plan calls for On Ramps
 - Strategy will increase eligible contractors





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Opportunities



- Looking into the Crystal Ball for 2013
 - Challenges for IT
 - Operating in an Uncertain Budget Environment
 - Continuing Resolution, Continuing Resolution....
 - Fiscal Cliff
 - No Tech Refresh
 - More DoD IT Consolidation
 - Cyber Security!
 - Legacy, program-level management applications in government are reaching the end of their life cycles and will trigger an extended period of investment?
 - FEB BIZ OPS – Active Opportunities



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Backup Slides





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Summary of Req'ts Changes from NETCENTS



- **New requirements**
 - **Advisory and Assistance Services (A&AS) Contract (IT Prof Spt & EISM)**
 - **Biometrics/Identity Management**
 - **Service Oriented Architecture (SOA) based requirements (Infrastructure and Applications)**

- **Expanded requirements**
 - **Net centric COTS Products**
 - **Application Services**
 - **Migration to enterprise solutions - Enterprise Service Units, Enterprise Service Desk, Enterprise Level Security**
 - **Deployable IP networks**

- **Retained requirements**
 - **Base level telephony and networking solutions**
 - **New legacy telephony infrastructure**



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Mandatory Use Memo



Except for ITPS, NETCENTS-2 contracts will be mandatory source for all IT products and solutions procurements. Contracting officers will determine if an IT requirement falls under the scope of NETCENTS-2 contracts.

AF-SAE has delegated waiver approval authority to AF CIO. (SAF/A6 is the USAF CIO and the only waiver approval authority for NETCENTS-2 and this authority may not be delegated further.) Waiver requests must be submitted to NETCENTS-2 PMO for processing and tracking.



OFFICE OF THE SECRETARY

DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

MAY 16 2011

MEMORANDUM FOR ALL MAJCOM-FOA-DRU-CV
DISTRIBUTION C, MAJCOM CIOs, MAJCOM A7Ks

FROM: AF SAE (SAF/AQ) and AF CIO (SAF/CIO A6)

SUBJECT: Information Technology Acquisition – Mandatory Use of Network Centric Solutions -2 (NETCENTS-2) Contracts – ACTION MEMORANDUM

1. Air Force information technology (IT) capabilities and networks must use Air Force (AF) accepted interoperable IT standards to support our increasingly network-centric military operations. To ensure the development and sustainment of such netcentric capabilities, SAF/CIO A6 sponsored the development of requirements for the NETCENTS-2 contracts, which AFPEO/CM and the Electronic Systems Center will award beginning fall 2010. NETCENTS-2 supports the IT lifecycle to include legacy operational and sustainment activities, re-engineering of legacy capabilities into target architectures and environments, and future service-oriented capabilities. Furthermore, NETCENTS-2 enables different solution providers to participate over the course of the program lifecycle to facilitate competition.
2. The NETCENTS-2 contracts enable the delivery of products, services and solutions that adhere to the AF Enterprise Architecture (AF EA). The suite of NETCENTS-2 contracts is described in Atch 1 and will provide Netcentric Products, NetOps and Infrastructure Solutions, Application Services, IT Professional Support and Engineering Services (Advisory & Assistance Services (A&AS), and Enterprise Integration and Service Management (A&AS). Access to NETCENTS-2 will be through the existing AFWAY portal until AFWAY-II is deployed. The URL is <https://afway.af.mil/>.
3. Except for the IT Professional Support and Engineering Services contracts, the NETCENTS-2 contracts will be the mandatory source for all USAF units purchasing netcentric and IT products and solutions that fall under the scope of the contracts. Contracting officers will determine if a requirement for a proposed IT acquisition falls under the scope of the NETCENTS-2 contracts. IT requirements shall be coordinated with the appropriate functional level, i.e., communications squadron at base level, A6 at MAJCOM level, prior to submittal for contract action. Furthermore, program managers/requirements owners shall ensure that requirements documentation for new contracts awarded outside of NETCENTS-2 include the instruction to use the NETCENTS-2 contracts, when available, as the source for IT hardware purchases. This mandatory use policy will not apply to the acquisition of embedded software/systems (e.g., Cryptography Modernization, Joint Surveillance Target Attack Radar System (JSTARS), Airborne Warning and Control System (AWACS)), Nuclear Command and Control (NC3) systems, or hardware

NETCENTS-2 Mandatory Use Memo

Exceptions: Embedded Software, Special Access Programs, Most Platform IT



NETCENTS-2 Waiver Process



Summarized from Process attached to Mandatory Use Policy:

- Contracting Officer determines if waiver is required; i.e. requirement is not already a stated exception item
- User will use the provided template and document one of the stated rationale(s):
 - Mission Urgency
 - Exercising Existing Contract Options
 - Host Nation Laws
 - Small Business Considerations (i.e., goals)
 - Cost

Waiver Process: Waiver requests will be submitted to the NETCENTS-2 Program Office (netcents2waiver@gunter.af.mil). The burden of rationale is the responsibility of the submitter.



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Waiver Justifications



1. **Waiver Justifications-Cost**: Cost savings alone is not a justification for a waiver. This value assessment must include total cost of ownership—not just initial purchase price. The cost of potentially paying a little less does not outweigh the benefit of allowing the USAF the ability to have visibility and control of IT acquisitions across the enterprise. If such a significant cost differential exists, the NETCENTS-2 team wants to know so we can ensure USAF customers are receiving competitive pricing from existing NETCENTS-2 vendors.
2. **Waiver Justification – Mission Urgency**: Waivers may be warranted when the requesting organization can demonstrate that the level of urgency exceeds the delivery timelines set forth in NETCENTS-2.



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Waiver Justifications



3. **Waiver Justification – Host Nation Laws**: In non-US locations, a waiver may be warranted when the NETCENTS-2 contract conflicts with any host country contract for information technology equipment and services.

4. **Waiver Justification - Existing Options**: Once the NETCENTS-2 contracts are awarded, contracting officers must *coordinate* their plans to exercise options on existing contracts with the NETCENTS-2 Program Office at least 6 months prior to exercising the option to determine if a waiver is required.

5. **Waiver Justification – Small Business (SB)**: After NETCENTS-2 contracts are awarded, contracting officers must request a *waiver* through the NETCENTS-2 Program Office at least 6 months prior to writing new SB contracts outside of NETCENTS-2 with requirements that fall under the scope of NETCENTS-2.



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NETCENTS-2 Decision Thresholds



NetCentric Products (\$6.9B in total requirements)		
Factor	Decision Points	Expected Decision Level
Purchase Value per Independent Government Cost Estimate (IGCE)	< \$1M	As Is: NC-2 Program Office Change: SAF/A3C/A6C Staff
	> \$1M & < \$15M (& R&D TOs funded w/ 3600 funds)	As is: CIO Board Change: IT Governance Executive Group
	> \$15M (& R&D TOs funded w/ 3600 funds)	As Is: CIO Board Change: IT Governance Executive Board

All Services and Solutions (\$17B in total requirements)		
Factor	Decision Points	Decision Points
Total Task Order Value (IGCE)	< \$10M	Current Process: NC-2 Program Office & Program's Acq Authority Change: SAF/A3C/A6C Staff
	> \$10M & < \$50M (& R&D task orders funded w/ 3600)	Current Process: CIO Exec Council Change: IT Governance Executive Group
	> \$50M (& R&D task orders funded w/ 3600)	Current Process: CIO Board Change: IT Governance Executive Board

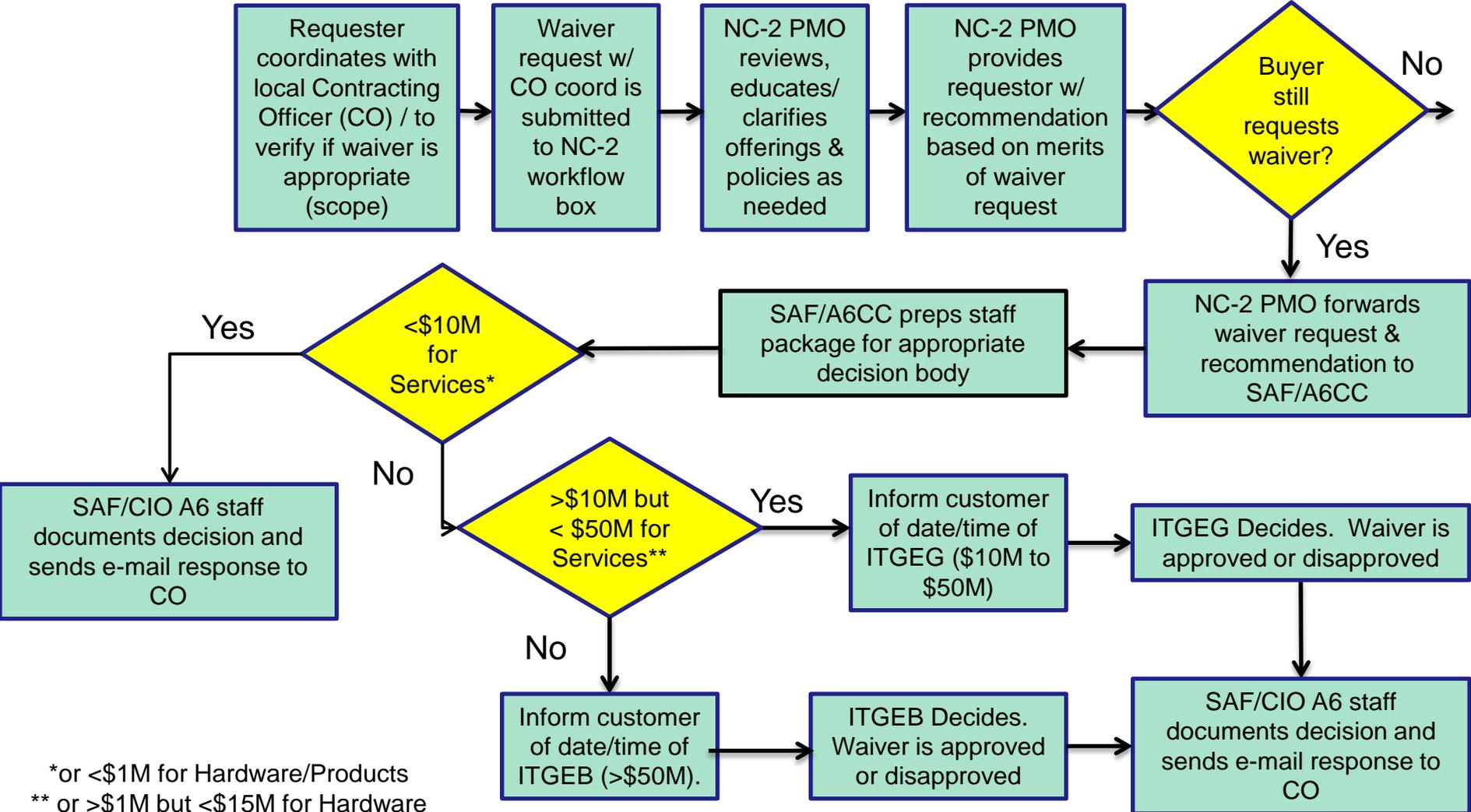
- Recommendation is to require 2/3 majority of members voting to approve waiver
- Requesting office may ask for, or the decision level body may direct the waiver be discussed in session

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NETCENTS-2 Waiver Process



* or <\$1M for Hardware/Products
 ** or >\$1M but <\$15M for Hardware