



Defense Contract Management Agency and Air Force Aeronautical Systems Center senior leaders participate in the first multi-functional strategic customer engagement meeting at Wright Patterson Air Force Base, Ohio. The agency's Portfolio Management and Integration Executive Directorate facilitated the meeting hosted by ASC. DCMA and ASC leaders discussed aligning priorities and strategically team up on acquisition issues facing both organizations. (Courtesy Photo)

Air Force customer

Jo Adail Stephenson | DCMA Public Affairs

Leveraging ways to improve business processes and address the Under Secretary of Defense for Acquisition,

Technology, and Logistics' better buying power initiatives was the thrust of the first multi-functional strategic customer engagement meeting with Defense Contract Management Agency and Air Force leaders at Wright Patterson Air Force Base, Ohio.

DCMA Portfolio Management and Integration Executive Directorate facilitated the recent meeting hosted by the Aeronautical Systems Center. Joining Charlie E. Williams, Jr., DCMA director, in representing the agency were the executive directors for PM&I, Contracts, Quality Assurance and Engineering and Analysis, as well as the Special Programs director, International commander and the deputy chief operating officer.

Air Force Aeronautical Systems Center representatives included Lt. Gen. Thomas J. Owen, ASC commander and Air Force program executive officer for Aircraft

Procurement and Modernization, his senior functional staff and the Air Force PEOs for Fighters and Bombers, KC-46, Mobility, Agile Combat Support and Intelligence, Surveillance, Reconnaissance and Special Operations Forces.

At this first senior-level meeting between the two organizations, DCMA and ASC leaders discussed working together to align priorities and strategically teaming up on acquisition issues facing both organizations.

"Teaming with major customers like ASC provides strategic insight to DCMA that can be used to ensure we are applying the right level of agency resources at the right time and place," Williams said. "Ultimately, successful program execution means our warfighters get the critical equipment they need in order to perform their mission effectively."

Joseph E. "Joe" Sweeney, DCMA PM&I Integration executive director, stressed the overarching importance of the agency's data collection and analysis in the customer engagement process.

"This meeting is a prime example of

leadership interest in DCMA data products and capabilities. Data collected by the field is being regularly communicated with our customers," he said. "The consolidation and analysis of strategic and operational customer issues, concerns and requirements assist DCMA in better aligning the agency's resources to support our customers' highest priorities."

Williams also spoke about the expertise DCMA brings to the acquisition enterprise.

"The main product DCMA provides to program managers is insight," Williams said. "We are an extension of the PM in the plant. DCMA faces many of the same challenges as the services when programs are canceled. We need good workload forecasts in order to adjust resources."

One of the agency's challenges is getting the right personnel in place at the right time because of late workload identification. The process can sometimes take more than a year to get the right personnel in place. Early notification of future DCMA workload allows the agency more time to get the proper resources in



linkage takes off

place when needed to ensure contractors are properly performing.

“DCMA has turned the corner on rebuilding capabilities and talent and will continue to grow through FY 2015,” Williams said. “This growth is vital as the agency strives to get back to where we were and need to be – improving our support in the areas of contract pricing and quality assurance.”

Discussion included how the Air Force, as part of its reorganization efforts, will be working to standardize processes that could prove beneficial to DCMA contract administration efforts and industry.

“Teaming with ASC is very important to DCMA,” Air Force Col. Steven Buetow, DCMA Air Force Service Portfolio Division director, said. “They are a major customer of our contract administration services.”

The obligated value of ASC contracts administered by DCMA exceeds \$264 billion, approximately 60 percent of the total Air Force workload and 16 percent of the total customer workload administered by DCMA, according to Buetow. The

unliquidated balance on this work is \$31 billion, approximately 60 percent of the unliquidated balance of the total Air Force workload and 14 percent of the total customer workload administered by DCMA.

“Our fixed wing and rotary (contract management offices) are the primary operations entities administering ASC contracts,” Buetow said.

The widening gap between contractor-proposed overhead rates and recommended rates, which is causing negotiation delays, also was discussed.

“We need to work as one government team,” Williams said. “Communication and partnership are required in order to be successful when working with industry regarding rates analysis.”

A major part of determining reasonable rates involves the analysis of the contractor’s future business.

“The customer (ASC) has the most insight into this for the government, yet DCMA is responsible for negotiating rates,” Williams said. “Communication and partnership in the analysis of future

contractor business ensures the most reasonable rate position is developed by the government.”

Two significant items, which have potential for agency-wide impact, were taken for action:

- conduct a follow-on meeting with ASC to discuss rules of engagement on Federal Acquisition Regulation, or FAR, Part 15 contracts for commercial items/derivative aircraft.
- develop a better communication process to provide DCMAI more insight into future ASC foreign military sales workload.

The PM&I Executive Directorate plans similar multi-functional strategic customer engagements with other customers. PM&I is also responsible for acquiring customer-unique intelligence (requirements, priorities, issues, concerns); providing predictive strategic analysis; integrating information across the acquisition enterprise; and developing and deploying customer-related policy, tools and training. 