

FAA Acquisition Reforms

Buy Right. Fly Right
Advancing the NAS through
Acquisition excellence

Presented to: V&V Summit

By: FAA Acquisition Executive

Date: September 14, 2016



Agenda:

- **Why AMS: Background of FAA Acquisition Reform**
 - **Key Benefits of FAA Acquisition Flexibility**
- **Key AMS Internal Structures**
 - **Joint Resources Council**
 - **Acquisition Executive Board**
 - **ATO Program Management Office**
- **Benefits of AMS**
- **Challenges**



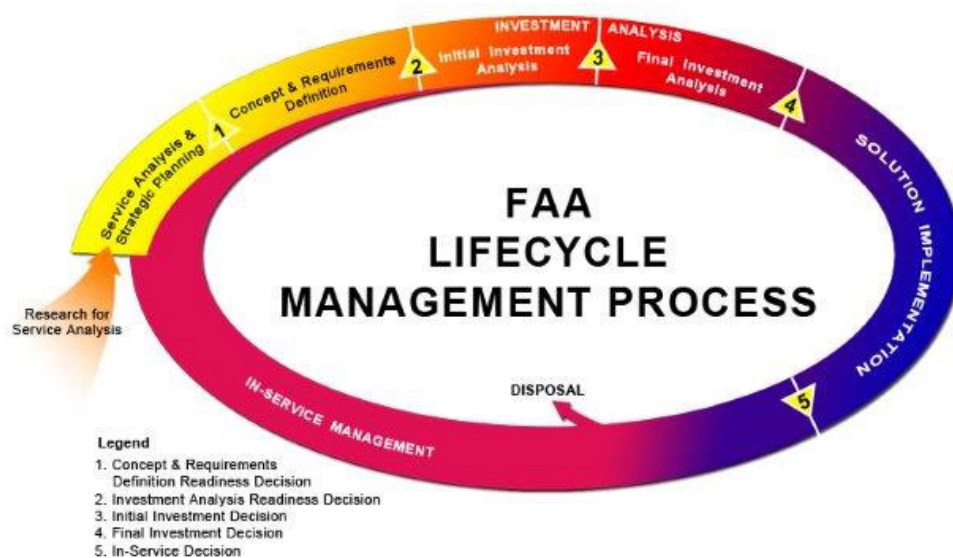
Why AMS?

- **1996 DOT Appropriations Act (P.L. 104-50) directed FAA to “*implement an acquisition management system... that addresses the unique needs of the agency...*”**
 - Directed FAA to create a new acquisition system “ . . . notwithstanding provisions of Federal acquisition law” (i.e., permissive authority to waive acquisition laws)
 - Directed that certain provisions of federal acquisition law shall not apply to the new acquisition management system.
 - Created the Office of Dispute Resolution for Acquisition to resolve protests and claims.



Why AMS?

- **FAA's approach to Acquisition reform integrated the entire lifecycle management process, not just procurement**
 - Investment Decision Process
 - Procurement and Contracting Processes
 - Overall goals of AMS are to provide more timely and cost effective acquisition.



Key AMS Internal Structures

- **Joint Resources Council**
 - Senior Executive Investment Decision Board
 - Chaired by FAA Acquisition Executive (FAE)
 - Has subordinate organizations to support it
- **Acquisition Executive Board**
 - Executive Policy Making Board. Implements FAA's acquisition flexibility
 - Reviews and recommends certain investment to JRC Chair
- **NextGen**
 - Performs corporate-level service analysis for the NAS;
 - Oversees the NAS architecture;
 - Works with service organizations to develop the program requirements document
 - Provides test and evaluation services
- **ATO PMO**
 - The organization focuses on delivering solutions to improve the national airspace system (NAS)
 - Allows our operational groups to focus on the key daily mission of safely and efficiently separating air traffic and maintaining our airspace system

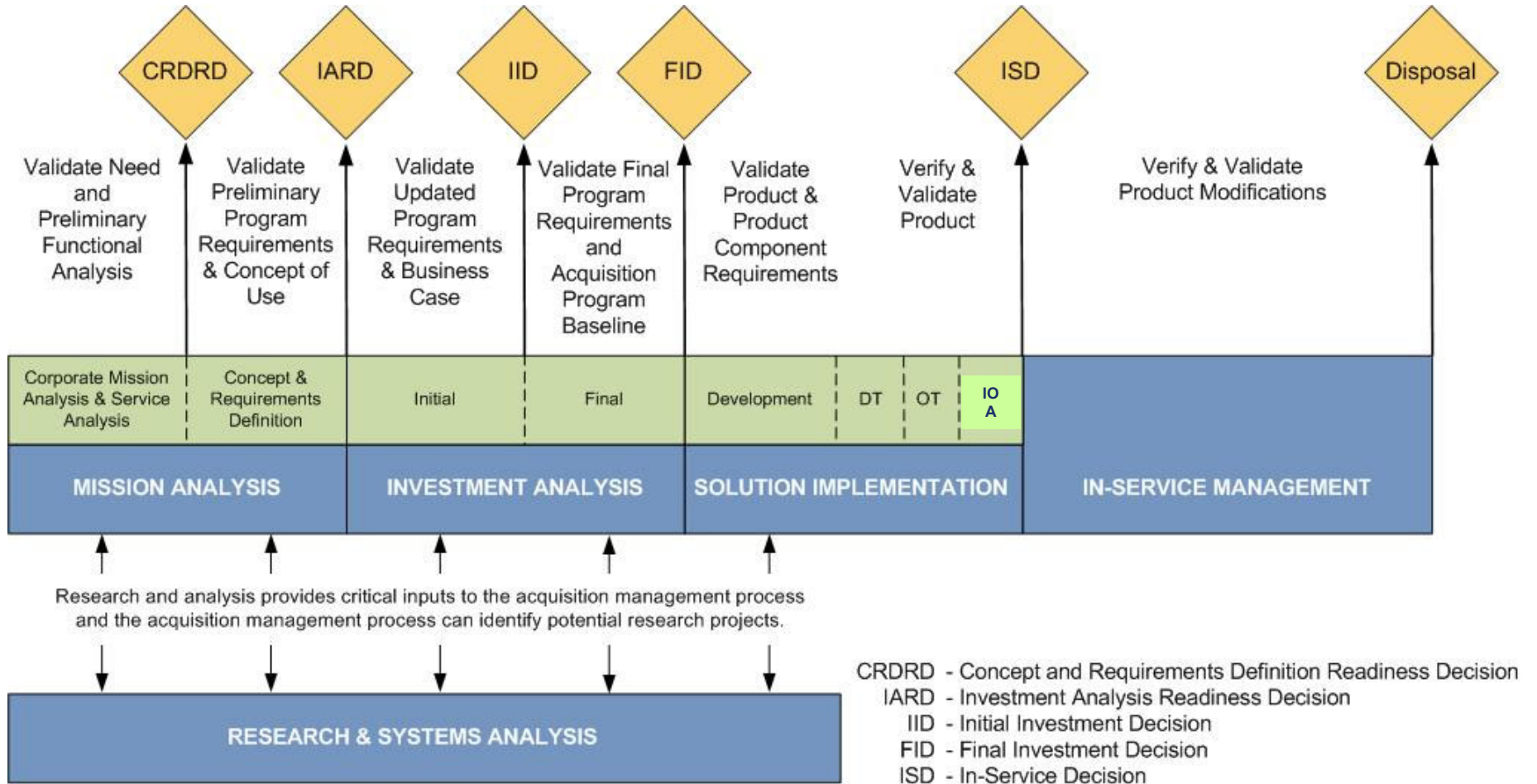


Key AMS Internal Structures(cont.)

- **Combination of the JRC, AEB, ANG, and PMO**
 - AEB reviews and approves policy, guidance and acquisition tools, methods and results
 - The JRC makes final investment decisions
 - The close relationship between AEB and JRC ensures that policy making and investment decisions are in sync
 - For significant programs, ANG with the PMO implements the AEB's policy and the JRCs investment decisions



V&V Through the AMS Lifecycle



Federal Aviation Administration

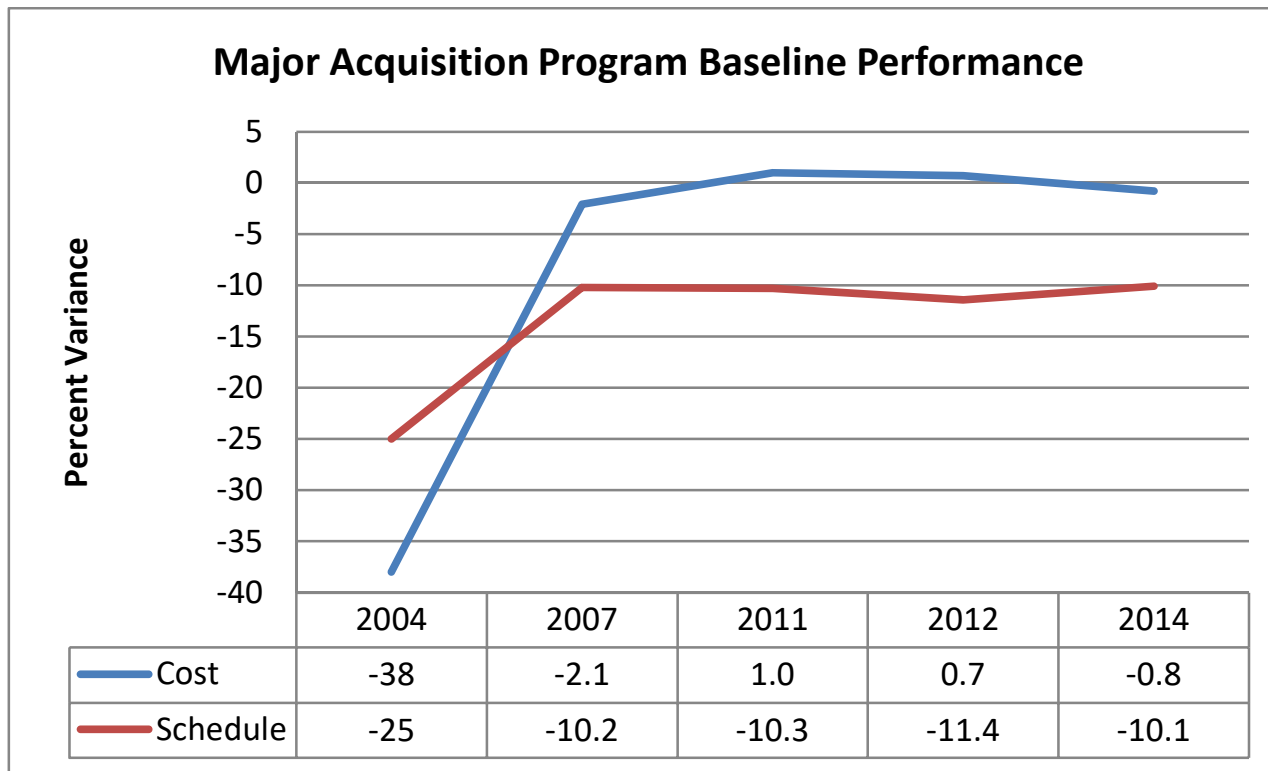
Benefits of AMS

- **As compared to pre-AMS, AMS procurement has:**
 - Reduced time to award contracts
 - Increased competitive awards
 - Increased small business participation
- **Cost and Schedule Variance Reduced for Major and non-Major Acquisitions**
 - Major Acquisitions Pre-ATO (1994-2004) experienced 38% cost growth and 25% schedule delay
 - Major Acquisitions Post-ATO (2004-2014) cost growth reduced to 3.9% and schedule delay reduced to 10.1%
 - Non-major Acquisitions Post ATO (2004-2014) experienced 2.3% cost growth and 5.8% schedule delay
- **FAA removed from the “GAO High Risk” list in January 2009.**



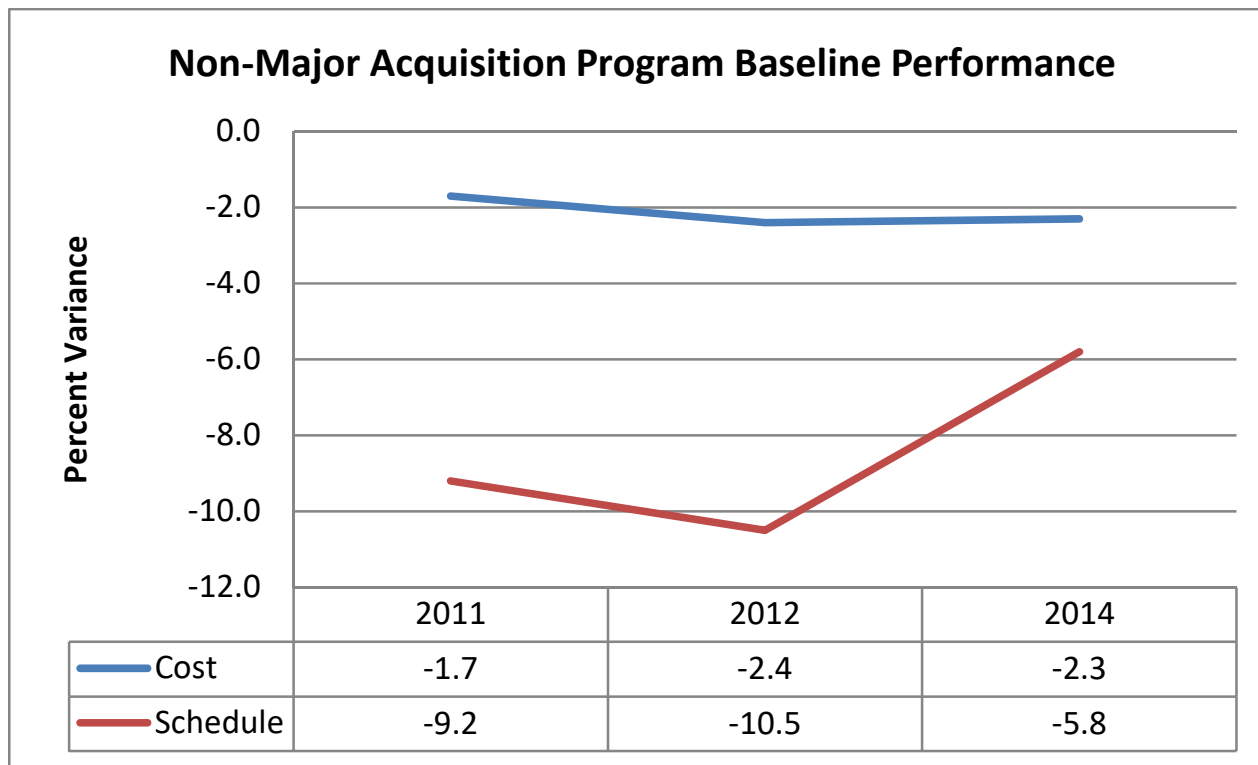
Benefits of AMS (cont.)

- Major Acquisitions



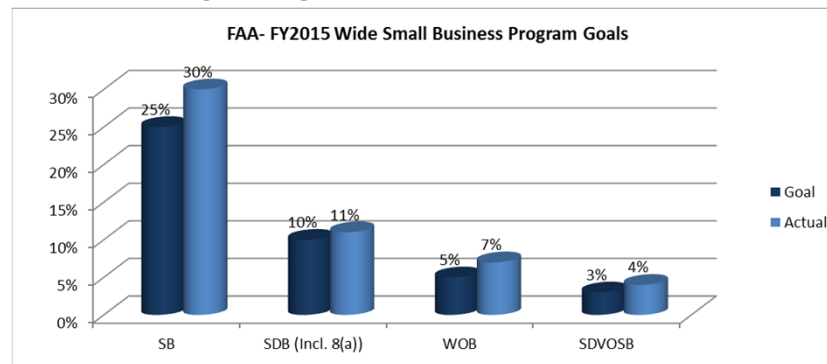
Benefits of AMS

- **Non-Major Acquisitions**



Benefits of AMS (cont.)

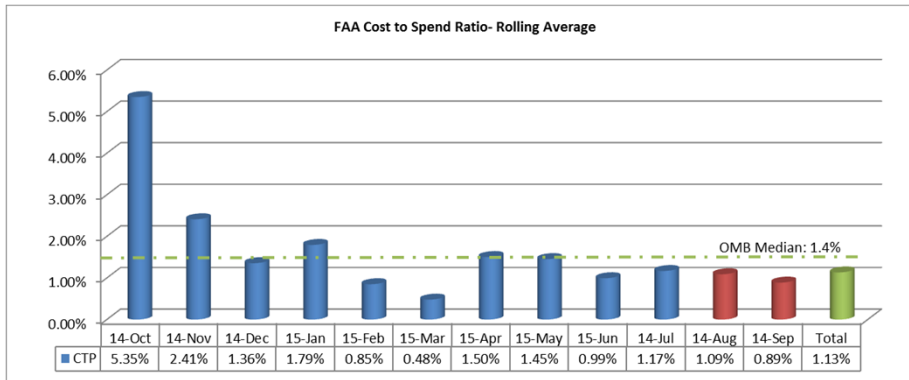
- **FAA compares itself against OMB Government-wide medians and peer agency (similar missions/requirements) means on a monthly basis.**
 - Peer agencies: Air Force, Navy, Army, DHS and NASA
- **Small Business Participation**
 - FAA has met and/or exceeded its small business procurement percentage goals in all categories for four straight years
 - A strong small business program was established under AMS, including automatic set-asides for certain dollar value procurements, vigorous outreach, multiple award contracting programs for small business



Benefits of AMS (cont.)

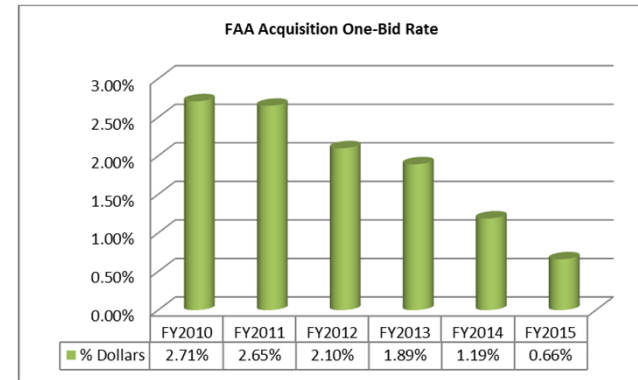
OMB Median: 1.4%

FAA: 1.13%



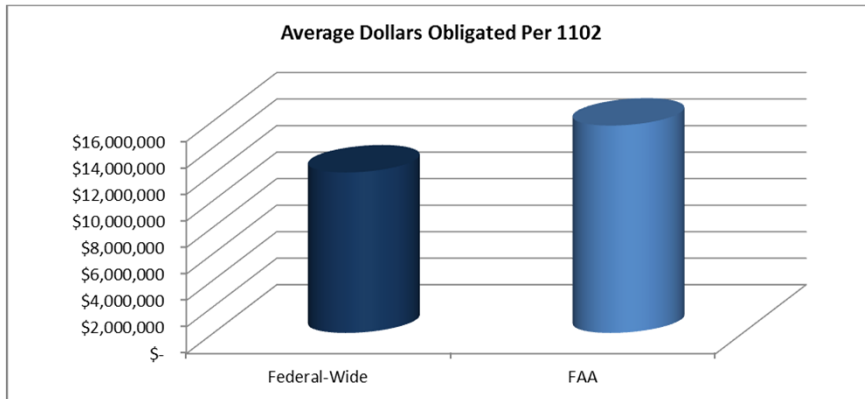
OMB Median: 16.7%

FAA: .66%



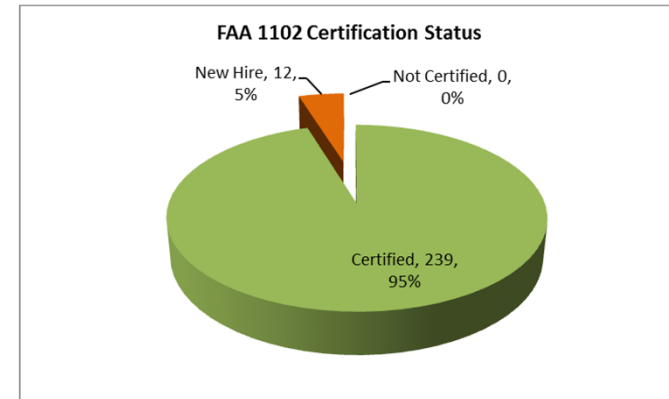
Bloomberg Government: \$12.1M

FAA: \$16.8M



OMB Median: 90.7%

FAA: 95%



AMS Today

- Continued emphasis on improving the up front processes of requirements definition, cost and schedule estimating, and planning will further improve acquisition baseline performance.
- The flexibility to create the PMO has enhanced FAAs ability to deliver.
- Enhancements made to AMS and program management processes in 2004 are effective and continue to improve cost and schedule performance for both major and non-major acquisitions.
- Continue to engage with ANG through the JRC, AEB, and ASAG



Changes/Challenges for AMS

- **AMS 2016**

- The AMS 2016 project was a comprehensive review of the brand, delivery, structure and content of the FAA's Acquisition Policy
- Significant changes to the policy and guidance in areas such as source selection, micro-purchases, and cost and price methodology.
- Policy and guidance changes were published earlier this year along with subject specific training and a revamped AMS website with a tutorial video (specifically for the website) was launched on April 1st

- **Continue to be ahead of the FAR.**

- Changes can be made to AMS typically within 3-6 months. FAR changes typically take 2+ years

- **FAA Reauthorization**

- 2015 bill stated that our reforms have not been effective, and that our “Acquisitions take too long” which is not necessarily true



Changes/Challenges for AMS (cont.)

- **AEB Initiatives:**

- Technical Performance Metrics
- Reintroduction of the TEMP as a required document for FID
- Introduction of S/W Enhancements ACAT
- AGILE Guide
- Changing Test Procedures for “In-Service Management”



Summary

- **AMS has been critical to FAA's evolution and success in meeting the mission need of safety and efficiency for air transport**
- **We continue to improve AMS to accommodate best practices from across commercial and government entities**
- **The success of AMS is due to the creativity, diligence, and dedication of the FAA workforce**

