Where Our National Security Begins...
Agenda

- Welcome & Introductions
- “Snapshots”
- Government Perspective
- “C2S Corner” & “S2P Corner”
- Action & Implementation team updates
- 2017 Action team call
- No-Host Social
“Snapshots”

• GED Leadership Engagement
  • IAWG @ GEOINT 2017: Monday 6/5 @ 1300
  • Ground Rules: Discussing upcoming acquisitions
  • Why the emphasis on “COTS” vs development?
  • Request: Events where we can engage on our findings?
Government Perspective
“C2S Corner”

Latest & Greatest…Fact vs Fiction
Topics & Issues Discussion

Event: AWS Partner Classified SA Hour
Thursdays 11:00-12:00
850-8002, 9342661
CALL FOR LEAD

C2S IR&D Instances for Industry

• Situation: industry require ability to get IR&D instances on C2S in order to promote uptake and native cloud development.

• Challenge: business model conflicts with Supplementation of Appropriation law
  • Government agencies cannot receive funds in addition to their Appropriation
  • OGC apparently views industry payments to C2S as a supplement to the appropriation

• Alternative Proposal: Umbrella CRADA (USGIF as an option)
  • Standard terms and conditions that have been vetted
  • Equal treatment of all signatories
  • Government may provide data, access to information, or computing resources
  • Industry can retain IP but must provide results from IR&D to government

• 01/24 UPDATE:
  • Government putting “IPA-like” vehicle in place
  • CRADA option is still viable to allow for IC-wide approach
NRO IAWG
2016 Action & Implementation Teams

Objectives

Complete reporting on open activities
Commence outreach & socialize findings
NRO IAWG
Software Business 101 Course

Implementation Team Update
Mike Miller
GOTS-COTS-FOSS Business Models

Action Team Update

Nick Buck
According to 10 U.S.C. § 2377, requirements must be defined in such a way that commercial services/supplies could be procured to the maximum extent practicable, and ensure that commercial items and NDIs are offered to compete in any procurement.

FAR Part 12 implements the statutory preference for the acquisition of commercial items. To implement the requirement, a statement of need must contain sufficient detail for potential offerors of commercial items to know which commercial products or services may be suitable. To the maximum extent possible, acquisition officials must state requirements in terms of (1) functions to be performed; (2) performance required; or (3) essential physical characteristics. Requirements must be defined in terms that enable and encourage offerors to supply commercial items, or, to the extent that commercial items suitable to meet the agency’s needs are not available, non-developmental items, in response to agency solicitations.

FAR 52.244-6(b) specifically requires “to the maximum extent practicable, the contractor shall incorporate, and require its sub contractors at all tiers to incorporate, commercial items or non-developmental items as components of items to be supplied.”

http://www.acq.osd.mil/dpap/cpic/cp/docs/
USD AT&L Guidance (DRAFT):
Commercial Item Pricing

- **Considerations**
  - Performance Standards & Requirements
  - Quality Standards
  - Warranty (both type and length)
  - Ease of Replacement vs Downtime and Re-work
  - Total Cost of Ownership

- **“Value Analysis”**
  - Evaluate price, not cost: cost + “certain” profit does not always = fair pricing
  - Be a prudent business person
  - Understand the competitive market conditions
  - Reasonable knowledge of the marketplace via Market Research

http://www.acq.osd.mil/dpap/cpic/cp/docs/
Version_2.1_Commercial_Item_Pricing_Guidebook_Part_B_
_(Final_Draft--24_Feb_2017).pdf
Requirements: Over-Ask vs Under-Ask

Implementation Team Update
Requirements: Getting it Right

1. Technology is evolving faster than requirements: Market Research is critical
   - 1-on-1 dialogs with Industry are encouraged prior to RFP release
   - Guidance: DoD Vendor Communication Plan, Administrator for Federal Procurement Policy

   - Investment profiles, architecture decisions, teaming, RFP responses
   - Over-asking can drive industry to game the system or gold-plate
   - Under-asking can turn Best Value into LPTA and leave capability on the table
   - The need for requirements prioritization is underappreciated

3. Requirements prioritization is important
Market Research Considerations: Draft USD AT&L Commercial Item Guidance

Initial market research is conducted to determine the degree to which commercial products, services, or technologies can be applied towards deploying and sustaining war fighting capabilities.

- Are there sufficient sources of commercial or non-developmental items?
- Do you have sufficient market depth to determine if the market can sustain the planned or deployed capability over the longer term?
- Is the technology rapidly changing such that the government may have to change our requirements over time to keep up with the marketplace?
- Do manufacturers routinely modify items to meet customer needs? If not, can the item be modified without involving a development effort?
- Can the requirement be modified, within reason, to accommodate the use of commercial or non-developmental items (NDIs) and still meet your mission needs?
Market Research Sources and Techniques:
- Ask your counterparts in other Defense Agencies or Military Services.
- Contact contracting officers, contract specialists, and project officers in other federal agencies and private industry (other users). Take advantage of the lessons that these individuals have learned in previous acquisitions.
- Review results of recent market research on similar or identical requirements.
- Obtain source lists of similar commercial items and services from other contracting activities or agencies, trade associations or other sources.
- Query Government databases (FPDS-NG, PPIRS, CPS, GSA, FedBizOpps, SBA databases, e-Portals in Commerce (e-PIC), etc.) that provide relevant information on acquisitions.
- Review Federal Supply Schedule contracts and other Government contracts.
USD AT&L Guidance (DRAFT):
Market Research Non-Government Sources

- Read trade journals.
- Contact knowledgeable people (Government and industry) in specific markets.
- Contact known sources of commercial items and services.
- Review market surveys prepared by companies and do market surveys to obtain information from potential sources.
- Conduct site visits.
- Attend trade shows, conferences, and symposia.
- Use Internet tools and performing Web searches.
- Use formal Requests For Information, Sources Sought synopses, draft Statements Of Work and solicitations in appropriate technical or scientific journals, business publications, and/or in FedBizOpps.
- Review catalogs and literature published by service providers.
- Conduct interchange meetings or hold pre-solicitation conferences to involve potential offerors early in the acquisition process.
- Find established structures within industry where buyers and sellers find each other.
“S2P Corner”

Latest & Greatest…Fact vs Fiction

Topics & Issues Discussion

IAWG: What questions do you have?

- How contracts will be affected? D/GED Letter & Kts language
- Release Schedule? Quarterly minor/major
- ATO status for S2P? Granted through 2018
- S2P vs C2S services? Overlap only if delta functions
NRO IAWG
2017 Topics

VOLUNTEER NOW!
YOU CAN CONTRIBUTE!
Adopting agile methods & DevOps vs Legacy processes:
- Evolving dev-ops paradigm, workforce knowledge base, changing industry base

Systems integration vs Software integration;
- Total system prime vs segment integrator model

1. Viable industry revenue models in an ASP-ISP cloud world;
- What business model looks like @ 1 year, 4 years, 10 years (roadmap; requires cloud provider participation)

IAWG Action: Update Topic List for 2017 Discussions
DevOps Action Team

• Observations:
  • DevOps is a culture shock to the IC, both developers and programs
  • DevOps has great advantages but faces significant obstacles
• Question: Is DevOps fundamental to cloud adoption by NRO?
• Question: Does DevOps change the software development & integration model?
• Question: Does DevOps change the NRO’s business model?
• Consider where it belongs: Software Business 101 or Software Dev vs Integration

So Far: Pete Epstein, Andy Murren, John Farrell, Jeff York
SIGN UP NOW!
CONCEPT: Anonymous survey to gather industry perspective on:
- Understanding of FGA concepts, architecture, acquisition plan
- How GED has (or hasn’t) held to their plan
- Clarity of communication & ways to improve it

Format: Scale of 1 to 5 (Strongly Disagree to Strongly Agree)

“Understanding” questions, such as:
- The government architecture is well documented with DoDAAF and other artifacts
- I understand the FGA objectives, goals, and conops
- The government has increased complexity by “over-componentizing” the architecture

“Progress” questions, such as:
- The government is more or less implementing acquisitions & contracts as planned
- Programs are implementing C2S and S2P as required.
- Government PMs/COs demand open interfaces while allowing COTS software
Open Dialog

CALL FOR CO-CHAIR
Additional Topics for Consideration
Actions & Next Steps
No-Host Social
IAWG Contact Info & Additional Information

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- Keith Barber: kbarber@qfederal.com  (703) 835-6502
- Justin Franz (USGIF coord): justin.franz@usgif.org (571) 392-7205
What is an IAG?

Industry partners self-organizing to discuss matters of mutual concern and provide pragmatic recommendations regarding the industrial base.

An IAG is:
- Volunteer-based
- Strategic in nature
- Objective (pros & cons)
- Open to participation
- Company-agnostic
- Problem-centric
- Focused on outcomes

An IAG is not:
- Sponsored by the government
- Restricted in participation
- Proprietary
- A pursuit/capture venue
- A shaping & positioning opportunity
- A venue to recommend products
- An open ended discussion forum

*Future Business Models are of Strategic Importance to the Industry Base*
NASP IAWG: Charter & Objectives

Mission: Help NRO ASP and Industry jointly achieve transformation objectives
- Identify business models that will support government and industry objectives
- Identify potential pitfalls and recommend potential solution

Charter: Provide expert industry resource and sounding board focused on:
- Business aspects of emerging acquisition models used to acquire software services
- Ramifications of componentizing software applications,
- Benefits accrued to the government & industry,
- Intended and unintended consequences against the industry base,
- Limitations and viability as a reasonable course of action

Objectives:
- Provide strategic industry input to a changing acquisition landscape
- Provide an objective and neutral venue for discussing approaches to business models
- Foster effective communication between government and industry leadership
Guiding Principles & Deliverables

- **Provide Options, not “answers”**
  - Emphasize trade space and alternatives, not defining or recommending “the answer”:
  - Provide feedback (sometimes confidential) and socialize concepts in a trusted-partner venue

- **Constrain the problem set: Step 1 for Action Teams is defining the deliverable**
  - Emphasize speed and pragmatism over exhaustive research and perfect world scenarios
  - Quick hitting analyses, “Magic-Quadrant”-like outputs, roundtable
  - Timely enough to make the dialog relevant in the issue du jour

- **Remain credible**
  - Discussions must be vendor, supplier, and integrator agnostic, not just by product/company, but by architecture as well. Must self-police to ensure objectivity.
  - Recommendations must be realistic
  - Sweet spot is the bridge between policy and execution

- **Establish a functioning & robust Industry – NASP leadership interface**
  - Know when to defer to other groups or venues
  - Be responsive and objective above all
  - Open and collaborative (not duplicative of other efforts, involve as necessary)