

Headquarters U.S. Air Force

Integrity - Service - Excellence

CE Transformation

Implementation Requires Leadership & Partnership



**Maj Gen Tim Byers
The Civil Engineer**

U.S. AIR FORCE



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Air Force Priorities

The mission of the United States Air Force is to fly, fight and win in Air, Space, and Cyberspace.

“At the headquarters, **our responsibility is to optimize the effectiveness of the limited resources available**, across all Air Force missions. This includes determining how to **modernize and recapitalize an aging inventory** - one of the Air Force's most critical challenges.”



- Secretary of the Air Force Michael B. Donley

AF Leadership Priorities

- Continue to Strengthen the Nuclear Enterprise
- Partner With the Joint & Coalition Team to Win Today's Fight
- Develop and Care for Airmen and Their Families
- Modernize Our Air and Space Inventories, Organizations and Training
- Recapture Acquisition Excellence



Engineer Goals Support AF Priorities



Civil Engineer Strategic Goals

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Build to Last ... Lead the Change



Build Ready Engineers

Provide more effective Civil Engineer expeditionary and emergency response and management capabilities to meet current and emerging Air Force and CCDR requirements.



Build Great Leaders

Organize, develop, enable, and retain a trained and capable Total Force Civil Engineer team ready to meet current and emergent mission requirements



Build Sustainable Installations

Develop sustainable installations by implementing asset management principles for built and natural assets.

Integrity - Service - Excellence



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DoD Budget Cuts



*“Our headquarters and support bureaucracies...have **swelled to cumbersome and top-heavy proportions**, grown over-reliant on contractors and grown accustomed to operating with **little consideration to cost**...I intend to continue to **move aggressively** to achieve the broad goals of **making this department more efficient**.”*

The Pentagon “must get more bang for its buck and shift focus to the military’s needs for the future”.

– Former Secretary of Defense Robert Gates

- In FY12, DoD Made \$100B “Tail-to-Tooth” Reinvestment Across FYDP (AF Share = \$33B)
- Debt Reduction Pressure Driving Potential TOA Reductions (~\$1T)

Hard Choices Will Need to Be Made



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Current FY12/FY13 Outlook

- **FY12PB: Congress considering reduction to DoD TOA**
 - **AF is working options – proposed impacts to O&M Accounts**
 - **Challenge of reduction → Historical year-end sources reduced/removed**
 - **Impacts to CE → Limits year-end funding availability**

- **FY13 POM: Challenge → Pressure from all sides**
 - **Debt Redux Pressure**
 - **Enable Key Modernization Prgms**
 - **Ensure Readiness Capability**
 - **Changes to Force Structure**

CSAF: “Cost Control Environment”



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FY11/12 Execution

■ FY11

- **7 CRs (52.1% of FY) → 22 Apr distribution to MAJCOMs**
- **Distributed \$531M in Focus Funds over 9 programs**
- **Funding for EOY MAJCOM priorities minimal (\$231M)**
- **EOY strategy was reliant on OMNIBUS**
- **CE equity successfully advocated/realized in Straddle A/B**

■ FY12

- **\$932M for Focus Funds -- \$867M after 12.7% ERA tax**
- **First 2 CRAs provide funds based on 5-yr historical avg**

Posture For FY12 Focus Funds ... Best Chance For Funding



Engineer Support to Budget Cuts

To Help Air Force Achieve Savings...Engineers Will:

- Reduce Overhead
- Realign and Right-Size Manpower
- Optimize Support Operations
- Find New and Innovative Ways to Cut Costs



...and continue supporting installations and contingency missions

Seven Installation Support Efficiencies = \$4.2B across FYDP

- 12% of total Air Force Efficiency Target of \$33.3B
- Emphasis → Centralization & “Right Project, Right Time”

Achieving Efficiencies Requires Transformation



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CE Transformation Journey Since 2007

- **Asset Management (AM) approach**
 - **Manage assets from a holistic portfolio perspective**
 - *Centralize management/oversight of identified Focused Investment areas*
 - *Centralization of Programs to “Centers of Excellence”*
 - **Making informed asset decisions based on business case principles (risk, cost & benefits)**
 - **Better quantify, articulate & manage risk while supporting the mission with assets at right size, condition, & cost**
- **Industry Corps of Discovery – leveraging best practices**
- **Space Optimization efforts to achieve 20/20 by 2020**
- **Standardizing business processes and best practices**
- **Transforming IT systems with NexGen IT COTs – TRIRIGA**
- **Leverage AF size through “strategic sourcing”**



CET = Efficiencies ... We Must Accelerate!



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How Can Industry Help?

- Embrace the private/public partnership – we need each other
- Share best practices – we want to leverage your expertise in technology, construction, maintenance and mgt to be more efficient
- Get “Back to Basics” while developing new strategies & capitalizing on new technologies that help us build sustainable facilities/infrastructure
 - Use less energy... facility, process, mission, and operational
 - More environmentally friendly... centralize mgt, decentralize execution
 - Require less manpower... use asset mgt principles and risk based analysis
 - Lower life-cycle costs
 - More efficient... yet effective (not more with less but less with less)
- Seek win-win scenarios via third-party investments with AF
- Centralized acquisition... decentralized execution
 - Performance Based Remediation
 - AF IDIQ and service contracts required
 - Strategic Sourcing is key... must centralize buys

Help Us Find Efficient Ways to Build Sustainable Installations



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Acquisition Strategy

- **Centralized sourcing/mgmt allows us to take advantage of economies of scale**
 - **Focused on providing small and 8(a) firms opportunities to compete**
- **FOAs manage worldwide IDIQ contracts with multiple contractors**
- **Air Force Center for Engineering and the Environment (AFCEE):**
 - **Heavy Engineering, Repair, and Construction (HERC)**
 - **5-year (recompetes FY13)...\$6 - \$15B capacity...15 F&O, 4-8(a) firms**
 - **Worldwide Environmental Restoration and Construction (WERC)**
 - **5-year (recompetes FY13)...\$3B...23 F&O, 16 small, 3-8(a), 2 SDVOSB**
 - **Worldwide Planning, Program, & Design 08 (4PA-E08)**
 - **5-year (recompetes FY13)...\$3B capacity...15 F&O, 14 small firms**
 - **Design-Build, Restore, Remediate (DBR2)**
 - **8-year...\$400M capacity...4 F&O, 4 small firms**
 - **Environmental, Operations & Services (EOS)**
 - **5-year (competes 2nd Qtr FY12)...\$750M capacity...all small business**
 - **Global Engineering, Integration and Technical Assistance (GEITA)**
 - **1-year A&AS + two 3-month options...\$200M capacity...4 firms**

Contact AFCEE Acquisitions Team @ 210-395-8815



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Acquisition Strategy ***(continued)***

- **Air Force Civil Engineer Support Agency (AFCESA):**
 - **SRM Acquisition Task Order Contract (SATOC)**
 - **\$5B capacity...5-year w/ 5 option years through 2018...20 firms**
 - **Air Force Contractor Augmentation Program (AFCAP III)**
 - **\$10B capacity...through 2015...5 firms**

Contact AFCESA @ 888-232-3721



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Energy Efficiencies

Energy Conservation:

- Mandate: 3% savings/yr
- Projects \$'s in the POM
- Program has payback!

Investments

Energy O&M:

Energy audits are identifying projects and building a backlog

Energy Conservation Investment Program (ECIP):

\$35M/yr

3rd Party: ESPC & UESC

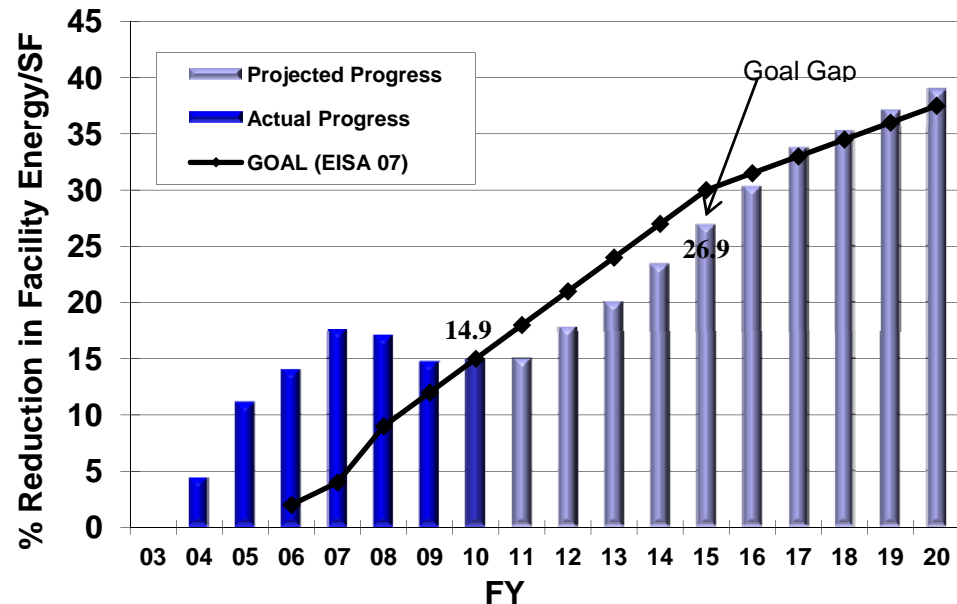
\$50-150M/yr

The AF is using the Dept of Energy "Super ESPC" contract

RE Purchase Agreements (REPAs) & EULs

\$200-400M/yr

Focus on process and mission loads... plug-in loads



\$216 - 457M/yr

Participate in Industry Days & Look for Proj Announcements in FedBizOps!



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Environmental Stewardship

- **AF maintains a commitment to environment (~\$1B/year thru FY17)**
 - **Compliance ~\$420M/yr; Restoration ~\$580M/yr**
- **Establishment of NEPA Center of Excellence at AFCEE to enhance environmental planning and compliance**
 - **Complete environmental assessments in 6 months and environmental impact statements in 12 months**
 - **Facilitates timely quality environmental impact analyses**
- **Emphasis on Performance-Based Remediation (PBR)**
 - **Expect contractors to accept more risk to compete**
 - **By 2015, AF will award \$1.5B in multi-year PBR contracts to accomplish cleanup work at nearly 2800 sites through 2020**
- **Focusing Broad Agency Announcements on emerging contaminants and technologies – we need creative solutions to new problems**

Contact AFCEE Technology Outreach Office @ 210-395-8426



Design & Construction Trends

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- **Future AF MILCON program (FY12-16) focuses on:**
 - **New AF mission beddowns (\$821M)**
 - **Critical support to combatant commanders (\$1.29B)**
 - **Eliminating substandard dorms for Airmen (\$1.26B)**
 - **Supporting “20/20 by 2020” initiative to reduce footprint and operating/maintenance costs (\$275M)**
 - **Enhancing quality of life for Airmen and families (\$908M)**
 - **Recapitalizing aging infrastructure (\$776M)**

- **Our Key Programs/Policies (Efficiency/Sustainability is a Trend):**
 - **All new construction must be LEED Silver certifiable**
 - **Vertical construction must use Building Information Modeling**
 - **Energy reduction – future goal of Zero Net Energy**
 - **Majority design-build in FY11; expect up to 75% in future**
 - **Standardizing design, interior, and furnishings; holding the line on change orders; using strategic sourcing (to include furnishings)**

For More On AF MILCON Program/Opportunities: www.afcee.af.mil



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Goal 2 – Build Great Leaders

STEM Degrees

- **STEM education enables the U.S. to remain the economic and technological leader of the global marketplace of the 21st century**
- **DoD has a long history and strong interest in supporting STEM initiatives**
 - **Promoting and facilitating engineering support for national security**
 - **Developing STEM talent and engaging diverse partners to ensure DoD continues to optimize discovery and innovation**
 - **Developing future generations of engineers to defend & build our nation**
- **Professional organizations continue to be a great partner in Building Great Leaders by promoting STEM degrees**
 - **Scholarship awards to college and university students**
 - **Youth programs build relationships between members and students**
 - **Organize and participate in year-round outreach activities**
 - **Continuing education programs for registered professionals**

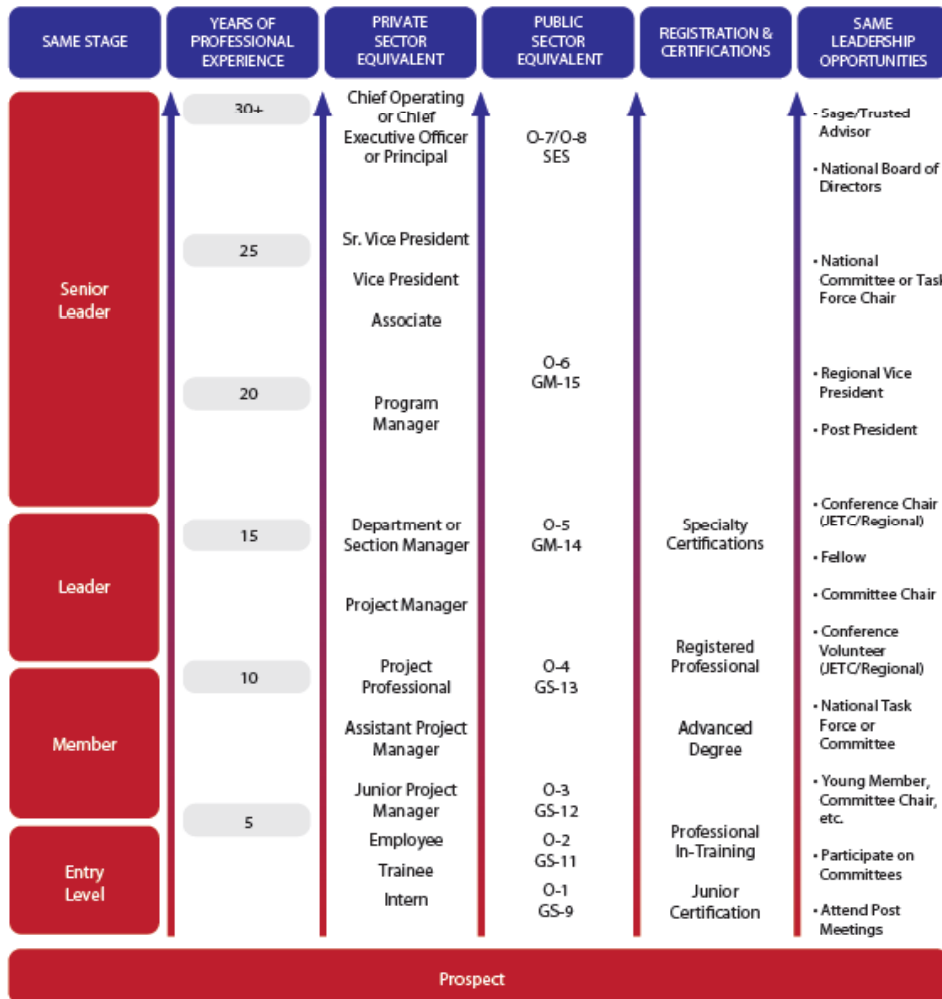
We Must Invest in People & Ideas to Prepare for Uncertain Future



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Goal 2 – Build Great Leaders

The Mentoring Continuum



- Mentoring tool for career development
- Private and public sector engineers can use this to chart a path that includes registration/certifications and leadership opportunities throughout their careers
- Get involved with professional organization

“Build Great Leaders” ... AND Engineers



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Final Thoughts

- **Engineers continue making awesome things happen**
- **We are “all-in” and continue to be in high demand**
- **Everyone has a role in building great leaders/engineers – Professional organizations provide great opportunities to enhance professional development**
- **Mentorship is the key to deliberate force development – provide it and seek it**
- **Embrace Asset Management principles – the military will continue to leverage industry best practices**
- **Continue to look for opportunities to be more efficient and effective – we are being impacted by DoD budget cuts and must truly transform the way we do business**
- **Thank you for your service to your nation and our allies**

“Build to Last...Lead the Change”



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QUESTIONS?



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