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Continuous Market Surveillance Empowers Outcome-Oriented Acquisitions

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The Air Force Installations Contracting Agency (AFICA) identified \$40 million in facilities and construction savings in the past year using a unique business analytics capability to implement category management. It is a small, but important step on the road to AFICA's goal of saving \$1 billion over five years. As of June, AFICA was halfway to hitting its target.

To manage a \$50 billion portfolio of operational contracting for eight Air Force major commands, AFICA employs a souped-up form of market research within its Business Intelligence Competency Cell (BICC). Stood up in early 2015, the BICC analyzes Air Force contract spending, suppliers and markets and total costs of ownership. Its focus is categorizing spending into related areas, developing Category

Intelligence Reports (CIR) and maintaining a data repository on Air Force's contract spending.

Whether for a CIR to support management of a category, or for a specific piece of market research to meet a current need, AFICA's approach encompasses continuous assessment of markets and suppliers.

Its market intelligence seeks to:

- Understand how and where products and services are created and provided
- Identify all major industry players including small businesses and mandatory government sources, such as AbilityOne
- Know and take advantage of market trends, e.g., price, suppliers, materials, emerging technologies

and processes

- Analyze factors contributing to the price, availability and lead time of goods and services
- Know the capacity, capability and financial viability of all potential offerors

AFICA gathers this intelligence through a broad range of interviews with similar organizations, including other federal and defense agencies, universities, towns and state governments. The agency also consults industry analyses and benchmarks, such as IBISWorld and DUN & Bradstreet, to which AFICA subscribes on behalf of the entire Air Force. AFICA also issues requests for information and conducts industry days and spend analyses and benchmarks industry leaders.

This enhanced research gives AFICA buyers a deeper understanding of the market, which helps the agency innovate in acquisition strategies, cut cost and increase competition and small business participation, where appropriate. Adopting private sector best practices helps improve processes, while analyzing industry spending helps establish reasonable pricing and identifies opportunities to leverage Air Force spending and partner with other buyers.

AFICA couples in-depth and ongoing market and supplier analysis with comprehensive analysis of \$114 billion in annual Air Force spending on commonly purchased goods and services using the BICC's [Air Force Business Intelligence Tool](#)¹ (AFBIT). The analytical base of spending and market analysis supporting AFICA's category management program won the 2017 Acquisition Team Excellence Award for Category Management from the Chief Acquisition Officers Council in June, as well as the 2015 Assistant Secretary of the Air Force for Acquisition Excellence Team Award for Continuous Process Improvement.

The Professional Services Council's February 2017 White Paper, "[Enhanced Market Research Drives Better Acquisitions](#)"², underscores the power of

approaches like AFICA's. As the paper points out, "In-depth market, buyer, seller and customer information allows procurement teams to focus on defining the core challenge: What is the mission, what is the intended outcome and how does this procurement help?"

Led by ASI Government CEO Timothy Cooke, the PSC Outcome-Oriented Acquisition Working Group wrote "Enhanced Market Research" to help federal agencies identify, measure and achieve desired objectives by focusing on the intended outcomes of procurement actions. Like ASI, the working group seeks to identify examples and best practices for successful performance-based acquisitions, illustrate how outcomes orientation improves service delivery and assist agencies in adopting outcomes-oriented procurement.

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- 1 https://www.pscouncil.org/Downloads/documents/PSCWhitePaper-MarketResearchDrivesBetterAcquisitions_02-10-17.pdf
 - 2 https://public.tableau.com/profile/afbit#!/vizhome/CategoryManagement_12191601_AFBIT_LITE/CategoryManagement

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