



# AIR FORCE FIRST LOOK PROGRAM

## Quick Facts:

- Air Force spends ~\$1.8B annually using GPC
- Micro-purchase spend **quadrupled** in 15 years
- Number of AF **Small Business shrunk** 20% in 4 years
- **COVID impacts** are hitting small businesses harder

## Introduction

The AF has followed suit with Federal Government agencies in the amount of spend to small businesses. While spend percentages have remained steady overall, the number of discrete vendors receiving awards has sharply declined. This trend started drawing attention in FY17, when the OMB Category Management (CM) program started. For this reason, some point to CM for this decline, but there are no clear linkages to show this is driving the decline. In fact, the Air Force CM program focused the majority of recommendations on reducing our cost per capability through non-acquisition solutions such as demand management, policy, and adoption of industry best practices. Many CM acquisition solutions increase small business participation. So what is driving this shift?

## How we got here

Looking at the environment our local small businesses face can help us understand how we lost some of our business connectivity with our local small businesses.

From the inception of the DoD **Government-wide purchase card program** (GPC) in 1989 to present, the program has grown significantly. The Air Force currently spends approximately \$1.8 Billion annually through 26 thousand cardholders across the globe. With the advent of **e-marketplace** providers like Amazon, the ease in which we can make purchases without traveling has shifted our culture from going down town to on-line to make small purchases. This has yielded tremendous time-savings to our Airmen and a vital tool in Air Force units today.

Likewise, our security posture adjusted to the growing threat of terrorism after the September 11, 2001 attacks. **Base access** diminished for contractors due to enhanced security postures. This lack of access combined with our Air Forces transient workforce, slowly eroded those business relationships and firsthand knowledge of mission requirements. From that point on, access was by invitation only - difficult when you do not know whom to invite.

The **pace of operations** in a post 9-11 environment demanded acquisitions at the speed of relevance, quadrupled the micro-purchase threshold over 15 years to assist mission partners meeting operational requirements.

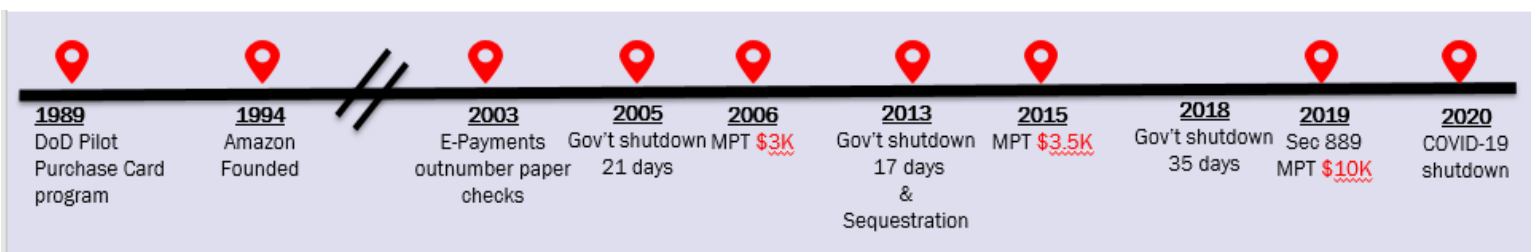
Likewise, **budgetary pressures** like sequestration, growing threats to our supply chains and other legislation caused the Air Force and other Federal Agencies to increase efforts to leverage spend, shift efforts to reduce duplicative contracts and add oversight on who and how we contract with to maximize mission per dollar spend.

Nationally, this environment has stifled startups. Fewer and larger companies are dominating the economy, creating a sharp decline in the formation of new businesses. COVID supply chain interruptions and shutdowns have only exacerbated the problem.

While none of these events intended to create barriers to small businesses doing business with the Air Force, viewed in totality, it gives us a sense of why we lost some of the connectivity with our local business partners.

## Air Force's Solution

SAF/AQCA has teamed with SAF/SB as well as industry partners to preserve the responsiveness, convenience, and familiarity of e-commerce, demystifying how local units can 'discover' these surrounding small businesses while enhancing data to produce strategic effects from a decentralized GPC model. This is the **Air Force FIRST LOOK**: giving our local small businesses the "first look" for competing for requirements.



# The Program

This program does not require any additional authorities; we have always had the authority. What **Air Force FIRST LOOK** brings, is the ability to easily locate those vendors, and is consistent with the intent of public policy such as the Small Business Act. The intent of this program is to create tools, not rules, to enable cardholders to buy from local small businesses *when it makes business sense*, while maintaining the ease and speed for fulfilling their requirements. This is **not a mandatory** program, but another tool for local Commanders to achieve **strategic impacts** through their local micro-purchase spend.

We envision this program helping identify local small businesses quickly, providing better data to develop future intentional strategies for local **small business development**, more efficiently leveraging spend across the AF enterprise while still keeping small business set asides and providing visibility of economic impacts to installations to re-establish or strengthen community relationships.

## AIR FORCE FIRST LOOK Benefits

- Harness local business know how / knowledge / insight
- Local Small Businesses reinvest 20% more revenue into the local economy compared to national chain retailers
- Increased employment opportunities for community (Including spouse / dependents)
- More resilient local economies & investments that help insulate against economic downturns
- Vendor base that understands base requirements
- Replenishment of opportunities for a more robust small Business industrial base
- Better community / base connectivity

## Industry Partner Participation

The Air Force has teamed with multiple industry partners to help realize the vision of maintaining tactical execution, ecommerce capabilities, and minimal cardholder effort while changing the dynamics back to giving our local small businesses an opportunity to compete for our business.

**Amazon Business:** This component enables cardholders to conveniently shop for items as they typically would at home, while 'automagically' finding any local small business within 50 miles of any AF base if there is an offering from the currently **107,000 local small businesses**

that sell on Amazon Business. Buyers still enjoy Prime benefits, automatic tax exclusion, and level X data to give greater insight into spends patterns over time.

**W.W. Grainger:** This component enables local small businesses to possess big business ecommerce capabilities as a small business - **at no cost** to them! No enrollment fees, pass through costs, nothing. This also gives these businesses visibility across the AF enterprise. Registered users can discover AF small businesses across the CONUS.

AF FIRST LOOK is complementary to local Installation Small Business efforts. There are multitudes of other ways in which installations can give local small businesses their FIRST LOOK, including vendor days, local source lists and decentralized vehicles for cardholders to purchase from.

Team with **local Contracting Squadron** and requirement owns to host Reverse Vendor days; local CONS can assist to guide efforts to increase local businesses awareness of base mission needs and bases to discover new businesses

**AAFES** has teamed with ePS to build the National Diversity Veteran Small Business (NDVSB) eMarketplace, which gives you access to 15 million items (and growing) from Veteran Owned only from nationally certified suppliers based in the USA. A portion of AAFES profits are given back to Services to support MWR and Community activities.

## Did you know?

**Small businesses are responsible for inventing some of our most common items we rely on today including:**

|                  |                  |                   |
|------------------|------------------|-------------------|
| Aircraft         | Air Conditioning | Assembly lines    |
| Cat scans        | Computers        | Heart Valves      |
| Hydraulic brakes | Optical Scanner  | Soft Contact lens |

## Results to date

Through Amazon Business, the Air Force has purchased 7,600 buys from 2,600 NEW local small businesses: buying **\$5.8 million** through normal eMarketplace shopping *without burdensome cardholder training*. We have educated almost 1K vendors on AF buying processes. An additional \$1.29 million went to small businesses including Woman-owned, Veteran-owned, 8(a), and HUB Zone companies. **Air Force FIRST LOOK** is **bridging gaps** left from the 4 year/20% decline in awards to discrete small business the Air Force relies on to fly, fight, and win.

## Learn More

[AF Amazon Business Account](#) – AF CH and A/OPCs only  
[W.W. Grainger](#) – must register to AF Grainger account  
[NDVSB eMarketplace for AAFES - Training Video](#)