

## ENTERPRISE SOURCING GROUP



### MISSION

The ESG is responsible for CONUS enterprise-wide installation strategic sourcing for the Air Force. The goals of the ESG are to leverage the Air Force's buying power and reduce redundant acquisitions while strengthening support for important socio-economic programs and priorities.

### LINEAGE

Air Force Contract Management Division established and activated, 18 Dec 1964  
Organized, 4 Jan 1965  
Redesignated as Contract Management Division, 15 Mar 1989  
Inactivated 30 Jun 1990  
Redesignated as Enterprise Sourcing Group 1 Oct 2010  
Activated 28 Oct 2010

### STATIONS

Los Angeles AF Annex # 1, Los Angeles, CA, 4 Jan 1965  
Kirtland AFB, NM, 31 Oct 1972-30 Jun 1990  
Wright-Patterson AFB, OH, 28 Oct 2010

### ASSIGNMENTS

Air Force Systems Command, 4 Jan 1965-30 Jun 1990  
Air Force Materiel Command, 28 Oct 2010

### COMMANDERS/DIRECTORS

BG Daniel E. Riley, #1967  
Col Donald G. Nunn, #1971  
Mr. Steven J. Zamparelli

## **HONORS**

### **Service Streamers**

### **Campaign Streamers**

### **Armed Forces Expeditionary Streamers**

## **Decorations**

Air Force Organizational Excellence Award

1 Jan 1988-31 Dec 1989

## **EMBLEM**



Approved, 23 Aug 1965; emblem should be modified to meet the standards of AFI 84-105, chapter 3.

## **MOTTO**

## **OPERATIONS**

Air Force Contract Management Division (AFCMD), Los Angeles, Calif. Formed in January 1965, the AFCMD supervises and manages performance of Government contracts by contractors assigned to the Air Force for plant cognizance. AFCMD also performs required contract administration services for subcontract performance. Air Force plant representative offices already established at facilities of 22 major aerospace contractors comprise the mainstay of the new division. In addition, five site offices are located at important equipment test centers, and five detachments are assigned to missile sites where contract work is in progress.

The division monitors the progress of contracts in those plants assigned to the Air Force under the DOD plant cognizance program, which provides an economical and effective method to monitor contract management functions essential to systems acquisition.

The division administers many of the contracts entered by divisions and AFSC centers. Contracts include those for fighter, cargo, bombers, and communications aircraft; ballistic and air-launched missiles; radar systems; space vehicles; and jet engines. The field organization for systems contract management consists of many specialists who make sure quality weapon systems are produced efficiently, on schedule, and at or below contract cost.

Under the systems concept of management, the program office maintains control of the system through all phases of development and acquisition. After contracts are signed, the program office continues to manage the system. The field management office becomes an integral part of the process and is considered an extension of the program office.

Systems Command's Air Force Contract Management Division operates through 25 Air Force plant representative offices (AFPROs), located at manufacturing locations of major aerospace companies, and through special contract support detachments, as needed. Each office or detachment comprises a corps of professional civilian and military personnel to monitor progress of all acquisition phases of production.

The range of AFPRO responsibilities is broad, covering such things as overseeing applications of manufacturing technology and the use and care of Air Force machine tools and equipment on loan to the contractor; helping the contractor increase productivity to meet production schedules; assuring that contractor performance is economical and up to established standards of quality; and conducting flight tests and the acceptance of the completed system.

In fiscal year 1985, for example, the Air Force Contract Management Division (AFCMD) administered approximately 30,780 active contracts for AFSC divisions and other military services with a total face value of approximately \$174.3 billion.

In a memo dated July 6, 2009, the Secretary of the Air Force and Air Force Chief of Staff approved a revised strategic sourcing strategy recommended by the Installation Acquisition Transformation Governance Board. Rather than employ the previously approved regional concept, the revised strategy created ESG. ESG stood up October 2010 and is responsible for executing enterprise-wide strategic sourcing for commodity councils including Medical, Information Technology, Force Protection, Furnishings, Office Supplies, and Civil Engineering. Additionally, ESG is responsible for contracting resources currently supporting the Defense Technical Information Center, Air Force Civil Engineering Support Agency and Air Force Center for Engineering and the Environment, Air Force Medical Operations Agency, and Air Force Medical Service Supply Agency.

ESG performs a deeper level of analysis than traditional market research, termed "market intelligence" to obtain valuable market insight from industry. The group uses interviews, surveys, site visits and hosts industry events among other things to obtain valuable market insight. To ensure highest benefit to both the Air Force and industry, it is vital to achieve maximum response from industry on requests for information, attending industry events, participating in market research campaigns, and communicating technological and industrial changes and recommendations to the ESG.

10/28/2010 - WRIGHT-PATTERSON AIR FORCE BASE, Ohio -- Air Force Materiel Command activated a new unit Oct. 28 to develop strategic contracts for goods and services, contracts that can be used by all stateside Air Force bases. Called the Enterprise Sourcing Group, the unit is expected to ramp up and be managing contracts totaling approximately \$5 billion a year within five years. Estimates show the unit will save up to 15 percent of what the Air Force currently spends on common goods and services by leveraging its purchasing power, standardizing requirements and eliminating redundant contracting efforts.

Presiding over the activation ceremony was Gen. Donald Hoffman, commander of Air Force Materiel Command. He noted establishing the ESG was important to both the Air Force mission and to how the Air Force does business. "We will be saving money and manpower by approaching installation contracting from a strategic perspective," he said. "However, we will not lose sight of small business: that's been my pledge and my challenge to the new group, to motivate, stimulate and encourage small business." The group will include a Small Business Office, a Business Support Squadron and three Enterprise Sourcing Squadrons. Personnel at a number of bases are realigning locally to the new units, which will be located at Wright-Patterson AFB and satellite offices in San Antonio, Texas; Gunter AFS, Ala.; Tyndall AFB, Fla.; and, Offutt AFB, Neb.

"Our mission will impact the entire Air Force," said Col. Mario J. Troncoso, director of the new group. "What we're doing is transformational in nature. As we implement strategic sourcing, we're incorporating best practices from industry while also using some of the best individuals in the Air Force and industry to achieve efficiencies. The changes we implement will save time and money across the entire Air Force." In addition to executing enterprise-wide, installation strategic contracts for Air Force bases in the continental United States, the group also will award contracts for the Air Force Center for Engineering and Environment, Air Force Civil Engineering Support Agency and Defense Technical Information Center, as well as providing support for Air Force medical contracting.

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USAF Unit Histories

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#### Sources

Air Force Historical Research Agency. U.S. Air Force. Maxwell AFB, AL.

The Institute of Heraldry. U.S. Army. Fort Belvoir, VA.

Air Force News. Air Force Public Affairs Agency.