Naval Surface Warfare Center
Industry Day 2018
Contracts

presented by

Tariq Al-Agba
Contracts
NSWC Division Carderock

February 2018
Carderock Contracts Departments

WB Contracts
(Code 02)
Tariq Al-Agba

Deputy
(Code 02B)
Kathleen Bonturi

Acquisition Policy and Oversight Division
Code 021
Suanne Coonrad (Acting)

P-Card Compliance

Policy and Self Assessment
Laura Rider

COR Oversight
Shelly Holifield

Contracting Division
Code 022
Michael Peduto (Acting)

Large Contracts
for Code 70A
Heather Valiga

Large Contracts
70B
Heather Valiga (Acting)

Large Contracts
for Codes 10 & 60
Michael Peduto (Acting)

Contracting Division
Code 023
Keith Rouch (Acting)

Large Contracts
for Code 80
Michael Peduto

Large Contracts
for Code 83
Carolyn Johnson-Lawrence (Acting)

Simplified Acquisition
Doug Pohlman

Acquisition Managers
Codes 10, 60, 70, 80
Code 10 – Renard Walker
Code 60 – Basem Makar
Code 70 – Mike Vukovich
Code 80 – Dave McAfee
What We Buy – Carderock Division

<table>
<thead>
<tr>
<th></th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D</td>
<td>$70</td>
</tr>
<tr>
<td>Services (Other than R&amp;D)</td>
<td>$119</td>
</tr>
<tr>
<td>Supplies</td>
<td>$23</td>
</tr>
</tbody>
</table>

FY16 Totals: $212M
FY17 Totals: $239M

Source: FPDS-NG
Services We Buy – Carderock Division

- Technology development
- Technical and business data collection, entry & support
- Software development & maintenance
- Systems development
- Systems maintenance & installations
- Industrial trades
- Technical writing & graphics
- Material Management
- Hazardous waste Management
- Hazardous waste disposal
- Personnel development & training
- Facilities maintenance
- Transportation
- Communications

<table>
<thead>
<tr>
<th>Services Portfolio</th>
<th>Services Sub-Portfolio</th>
<th>% Service Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge Based Services</td>
<td>Engineering</td>
<td>56%</td>
</tr>
<tr>
<td></td>
<td>Program Management &amp; Other</td>
<td>1%</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>Systems Development</td>
<td>29%</td>
</tr>
<tr>
<td></td>
<td>Technology Base</td>
<td>3%</td>
</tr>
<tr>
<td>Electronic &amp; Comms Services</td>
<td>Telecom Services</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Equipment Maintenance &amp; Other</td>
<td>6%</td>
</tr>
<tr>
<td>OTHER:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Facilities Related Services</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Equipment Related Services</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Maintenance, Repair, &amp; Overhaul</td>
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</tr>
</tbody>
</table>

Distribution Statement A: Approved for Public Release: Distribution is unlimited.
OBLIGATIONS TREND

FY18 THRU 29 JAN: $47.5M / 238 Actions

Source: FPDS-NG
NSWC Carderock
Code 83 Contract Obligations

Obligated Dollars

FY16
$25

FY17
$31

Distribution Statement A: Approved for Public Release: Distribution is unlimited.
Top 15 Carderock West Bethesda FY17 Industry Partners

% BASED ON TOTAL FY17 OBLIGATIONS OF $239M

TOTAL DIVISION CONTRACTORS = 525
Top 5 Code 83 FY16-17 Industry Partners

% OF TOTAL FY16-FY17 OBLIGATIONS $56M

CDI MARINECOMPANY 65%

SEAWARD SERVICES INC 11%

CENTRAL POWER SYSTEMS & SERVICES, INC. 9%

NORTHERN LIGHTS, INC. 0.4%

BROADBAND DISCOVERY SYSTEMS, INC. 0.2%

OTHER VENDORS $ : 15%
Competition Performance

Competed
Based on Obligations

FY16
FY17

71%
71%

Source: FPDS-NG Standard "Competition report"
Effective competition

- A market condition that exists when more than one offer is received in response to a solicitation issued using competitive procedures
- A new measure as of FY 2011 - Better Buying Power Initiative for promoting competition.

Source: FPDS-NG Standard "Competition report"
How To Stay Competitive

• Innovative technical approaches and solutions
  ➢ Technical innovation counts in best value
  ➢ Be specific and realistic

• Cost is important in best value procurements

• Your proposal should reflect labor market trends

• Government monitoring may link to past performance

• Reduce costs that drive your indirect rates
How We Communicate

Largest Procurements ($5M+):
- FedBizOpps (FBO) special announcements
- SeaPort-e advance notices
- Draft solicitations – including draft SOW and Sections L&M
- Individual procurement Industry Days

Above $25K:
- Synopsis in FBO

All:
- Industry Days Events
- Deputy for Small Business and Contracting Officers
- Forecast for all services and supplies to be published in October in FBO – Goal for FY 2019
Acquisition Environment and Trends

- 1984 – Competition in Contracting Act (CICA)
- 1994 – Federal Acquisition Streamlining Act
- 1995 – Federal Acquisition Reform Act
- 1990s – Drawdown in acquisition workforce
- 2000s – Building up of acquisition workforce
- 2009 – Weapon System Acquisition Reform Act
- 2010-2014 – DoD Better Buying Power I, II, III
- 2012 – Tripwires
- 2016 – NAVSEA Services Guide

Where are these documented?
- Federal Acquisition Regulation (FAR) – 1885 pages
- Defense Federal Acquisition Regulation Supplement (DFARS) – 1362 pages
- Navy Marine Corps Acquisition Regulation Supplement (NMCARS) – 174 pages
- DOD and Navy instructions
- NAVSEA Contracting Handbook
Acquisition Environment and Trends


Better Define Value: What is important to the Government in making an award?

- If non-cost factor such as technical, there is a limit to how valuable technical superiority can be
- Technical proposals need to contain clearly articulated benefits
- While budget is impacting consideration of cost, best value is still a continuum (meaning, it’s more than just low priced, technically acceptable – LPTA)

Better Define What is Acceptable to the Government:

- Calibrate expectations so that performance/product is reasonably priced
- Leave room to exceed expectations – important when collecting, reporting, and using performance information

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Pre/Post-Award Contracting Oversight: NAVSEA Tripwires

Commander, Naval Sea Systems Command Instruction 4200.19A of 1 July 2016

Subj: PLANNING, USE, AND CONTROL OF SERVICE CONTRACTING

Selected Tripwires:

• Pre-Award hourly labor rates exceeding rate of $156

• Subcontracts - monitor proposed addition of subcontractors beyond what was included as part of the initial award

• Excessive ODCs on a services contract (>5%)

• Lack of effective competition (prior one bids, and when only one offer is received, it’s going to get a closer look and require HQ approval)

• Post-Award proposed bid labor rates to actual labor rates (>10% monthly; >15% for 3 consecutive months)

• Bridge Contracts over $150K – SEA 00 Approval by VADM Moore
Proper Use Of ODC Lines

- Must be **incidental or consumed** as part of the services for the specific task order

- If not incidental or consumed during contract performance must be clearly defined either as a separate CLIN (only for non-Seaport) or procured under a separate contract

- Services (labor) provided by subcontractors other than for specialized services must be invoiced against the Labor CLIN (not permitted under ODCs).

- New paragraph in SOW "PURCHASES" (effective Nov 2016 in all new service requirements):
  
  - "Only items directly used for this Task Order, for work within the scope of the Performance Work Statement, shall be purchased under the Other Direct Cost (ODC) line items. **Individual purchases above $3,500** shall be approved by the Contracting Officer prior to purchase by the Contractor. The purchase request and supporting documentation shall submitted via email to the Contracting Officer and the Contracting Officer's Representative (COR) it shall be itemized and contain the cost or price analysis performed by the Contractor to determine the reasonableness of the pricing. (Include the following language where negotiated subcontracts are expected: Provide copies of price estimates from at least 2 vendors.)"
Common Proposal Mistakes

Reminders on solicitation requirements:

• Cost proposal shall identify all its subcontractors and the proposed subcontract type (CPFF, Labor Hours, FFP, etc.) in accordance with FAR 52.244-2 Consent to Subcontract.

• Offerors, including subs, must have an adequate **accounting system determined adequate by the Government** for cost type contracts.

• RFP requires that offerors list the cost elements that comprise the overhead, general and administrative expense, and other indirect pools. Cost elements are a detailed listing of the accounts that comprise a given pool (overhead, G&A, MHX, etc.). Contractors are providing summary level proposed rates, and historical Provisional Billing Rates & actuals, which is not sufficient to analyze the rates.
Pre-Award Cost/Price Considerations
Recent L&M Revisions

• Include summary chart for hours allocated by labor category and site for each subcontractor. This shall total the LOE specified in the TO.

• If the level of effort specifies both hours to be performed off-site and on-site, the contractor shall propose two different indirect rates. If not, provide explanation.

• Added requirement to leave formulas in excel files.

• If the offeror’s latest budgeted rates (e.g. provisional billing rates) are not used in the proposal of indirect rates, an explanation needs to be provided.

• If the proposed labor is discounted from the supporting documentation submitted, the offeror shall provide an explanation why the proposed discounted rate is realistic and reasonable.

• Company should indicate whether it has a company policy regarding uncompensated overtime, and explain the policy.
**Post Award: Invoicing and Payment**

- **Command emphasis on contract oversight with focus on invoice reviews**
  - Provide required documentation as required/requested by COR or Contracts personnel (1102s to include cost/price analysts)
  - Submit supporting docs in WAWF for all invoices
  - Provide accounting system reports or equivalent in WAWF:
    - **Job Summary Report (or equivalent)**
    - **Labor Distribution Report (or equivalent)**
    - **General Ledger Detail Report (or equivalent)**
  - **Electronic Cost Reporting and Financial Tracking (eCRAFT)**
    Mandated use of this web based tool used by all warfare centers.
  - CDRLs (Incurred Cost and Burn Rate Analysis Report) will be incorporated under the "Deliverables" section of the solicitation and included in clause HQ C-1-0001 "Items Data Requirements" of the resultant contract to reflect all applicable Reports/CDRLs.
CORs Review Will Focus On:
• Are the ODCs allocable to the contract?

• Is the labor mix appropriate based on the period of performance?

• Are the travel costs billed appropriately for the period of performance?

Reminders:
• Contractors shall not invoice for work not performed.

• Contractors shall not perform work without funds on the contract order.

• Work must be performed within the established PoP

• Invoice shall reflect payment against the line items funded for that specific Priced CLIN or Priced SLIN.
Contracting Points of Contact

- **Federal Business Opportunities (FBO)** - https://www.fbo.gov/
- **Seaport (Services)** - http://www.seaport.navy.mil/default.aspx

- **NSWC West Bethesda Contracting Department:**
  Tariq Al-Agba
  Naval Surface Warfare Center, West Bethesda
  9500 MacArthur Blvd
  West Bethesda, MD 20817-5700
  Email: Tariq.Al-Agba@navy.mil
  Phone: (301) 227-3487

- **NSWC West Bethesda Small Business Deputy:**
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  Email: christopher.jones7@navy.mil
  Phone: (301) 227-0580