

# **Naval Surface Warfare Center Industry Day 2016**

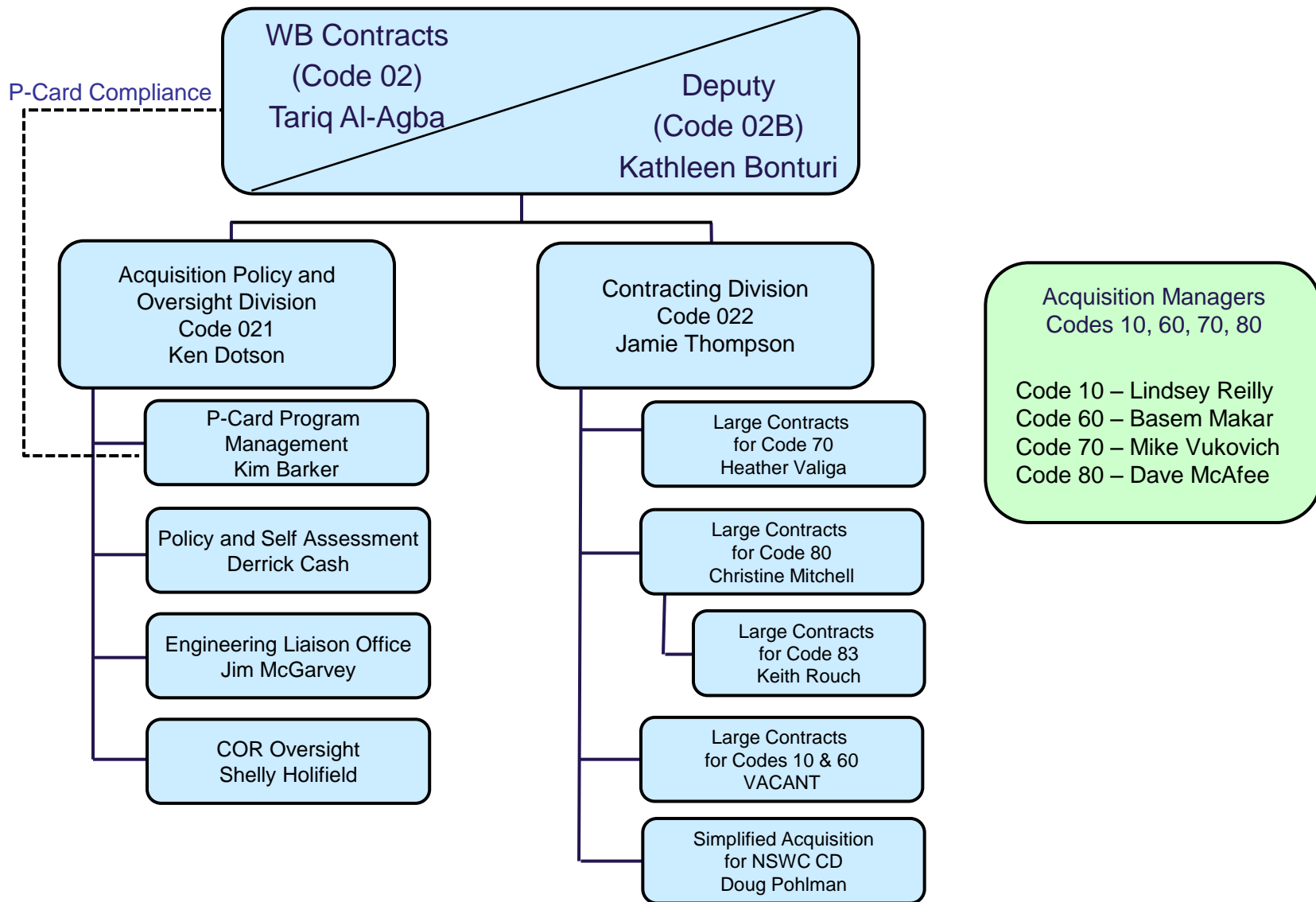
## **Contracts**

*presented by*

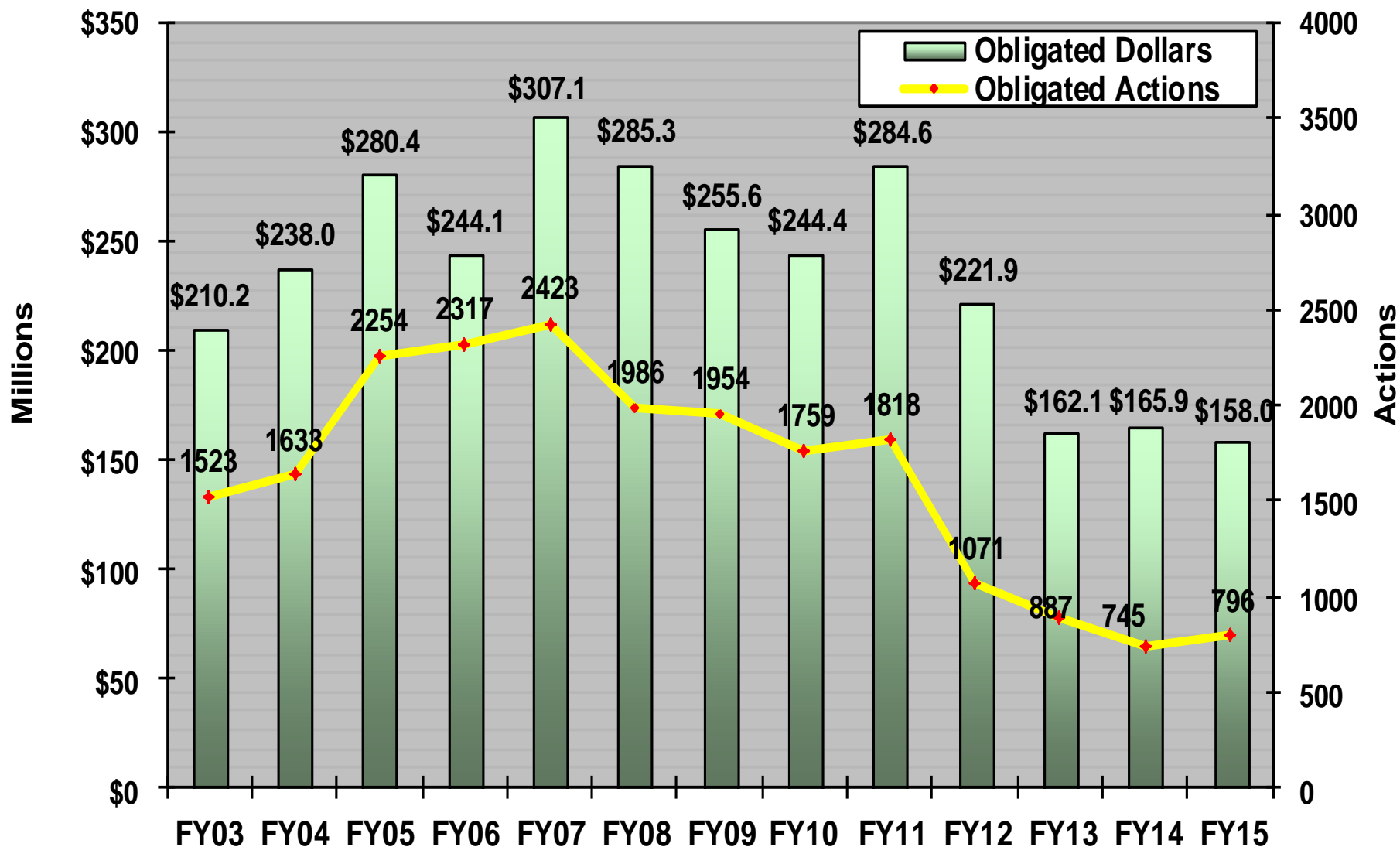
**Tariq Al-Agba**  
**Contracts**  
**NSWC Division Carderock**

**May 2016**

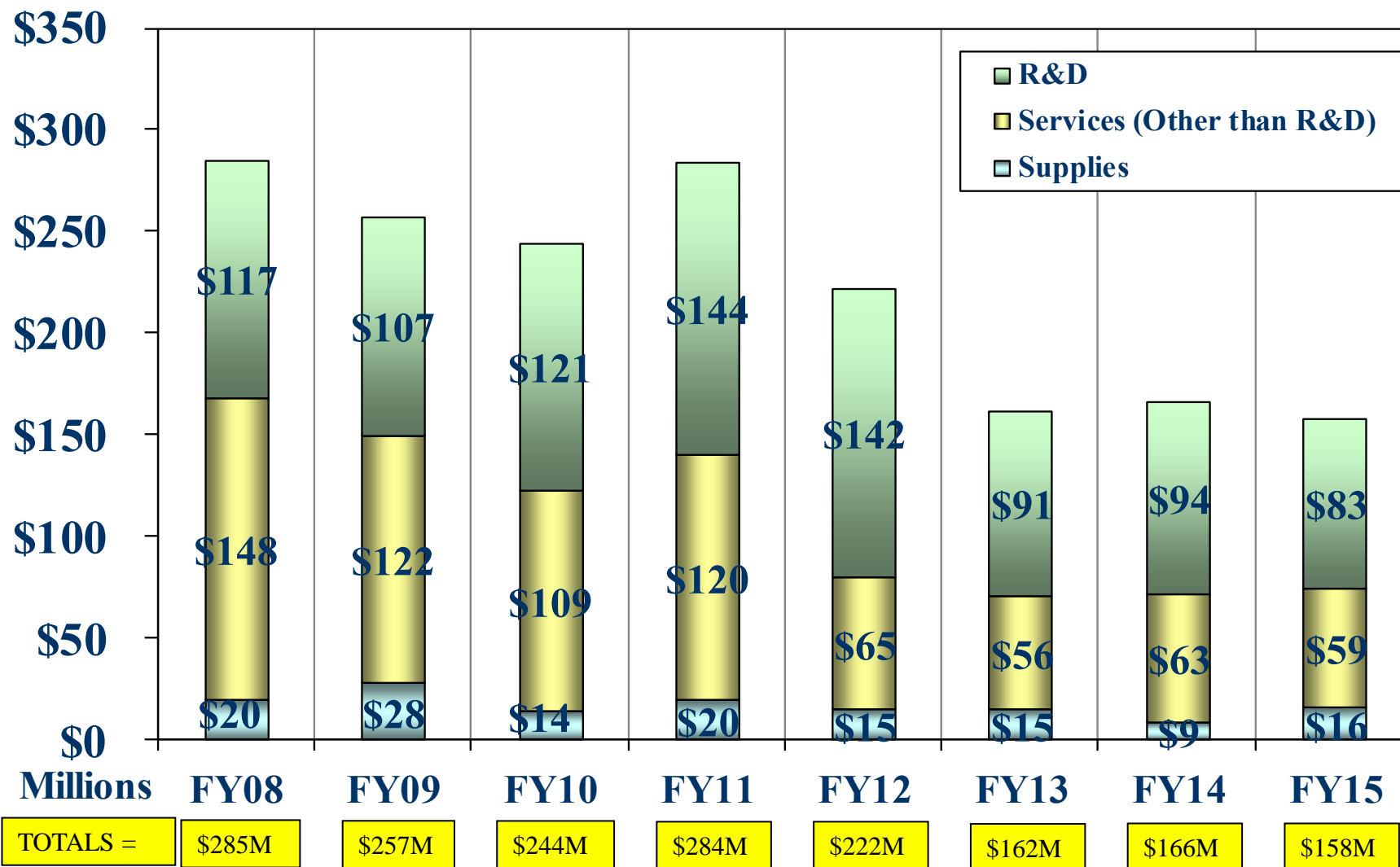
# Carderock Contracts Departments



# NSWC Carderock – Contract Obligations



# What We Buy – Carderock Division



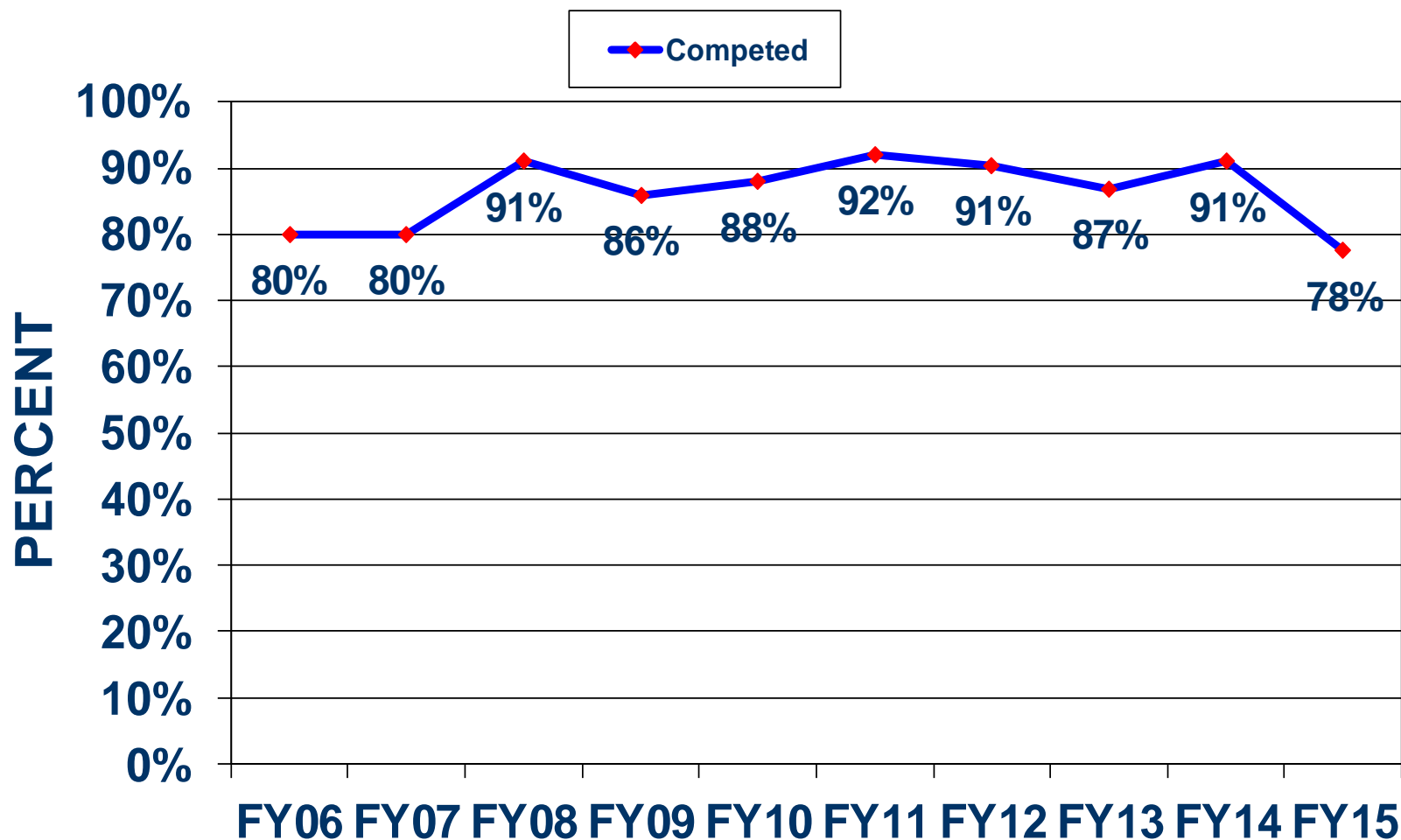
Source: FPDS-NG

# Services We Buy

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

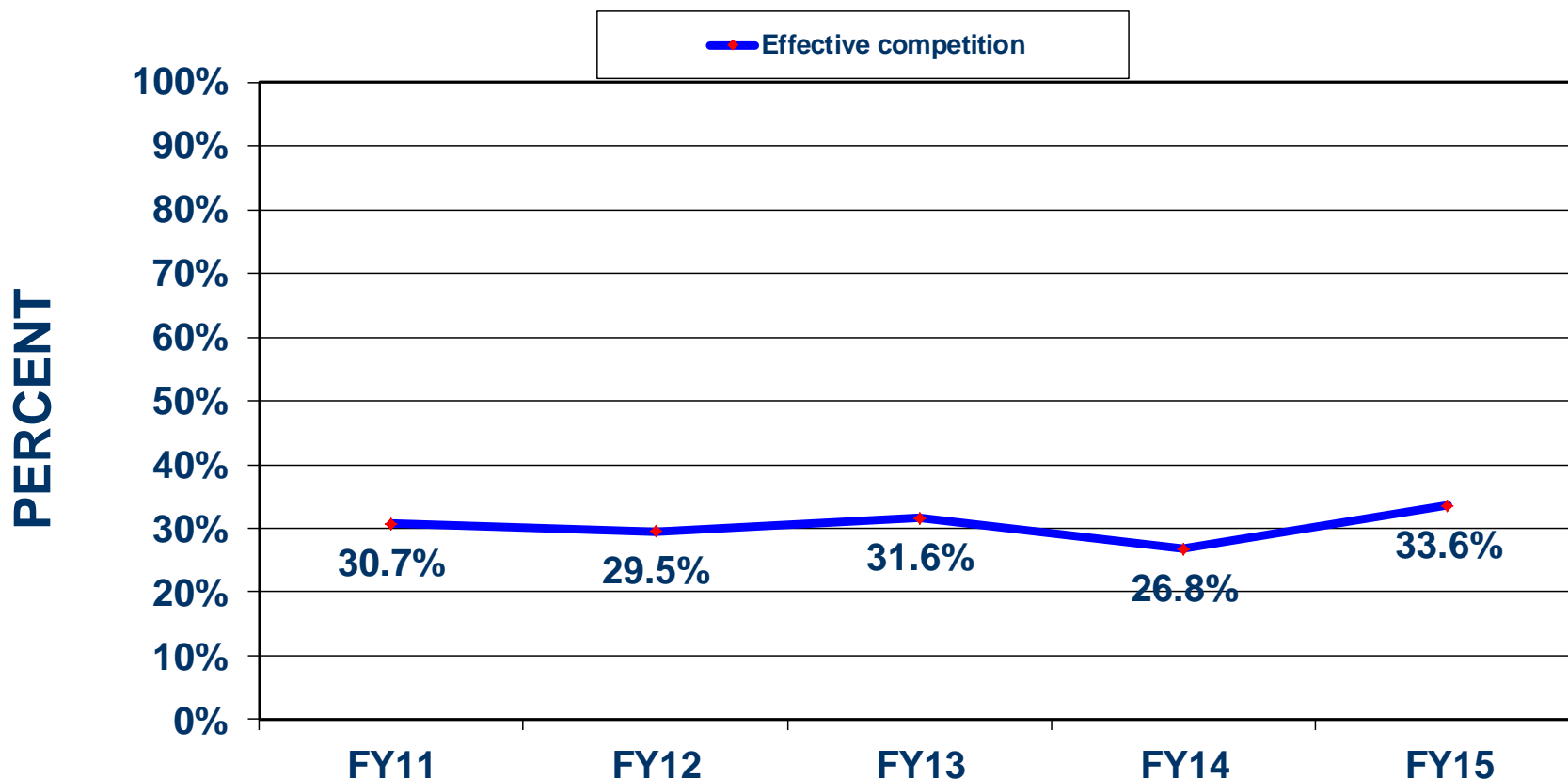
Services Portfolio	Services Sub-Portfolio	% Service Contracts	
Knowledge Based Services	Engineering & Technical	39.6%	40.6%
	Program Management & Other	1.0%	
Research & Development	Systems Development	57.2%	58.8%
	Technology Base	1.6%	
Electronic & Comms Services	Telcom Services	0.2%	0.6%
	IT Services	0.4%	

# Competition Performance



Source: FPDS-NG Standard "Competition report"

# Effective Competition Performance



## 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 "Competitive Procedures, but one Offer Report"

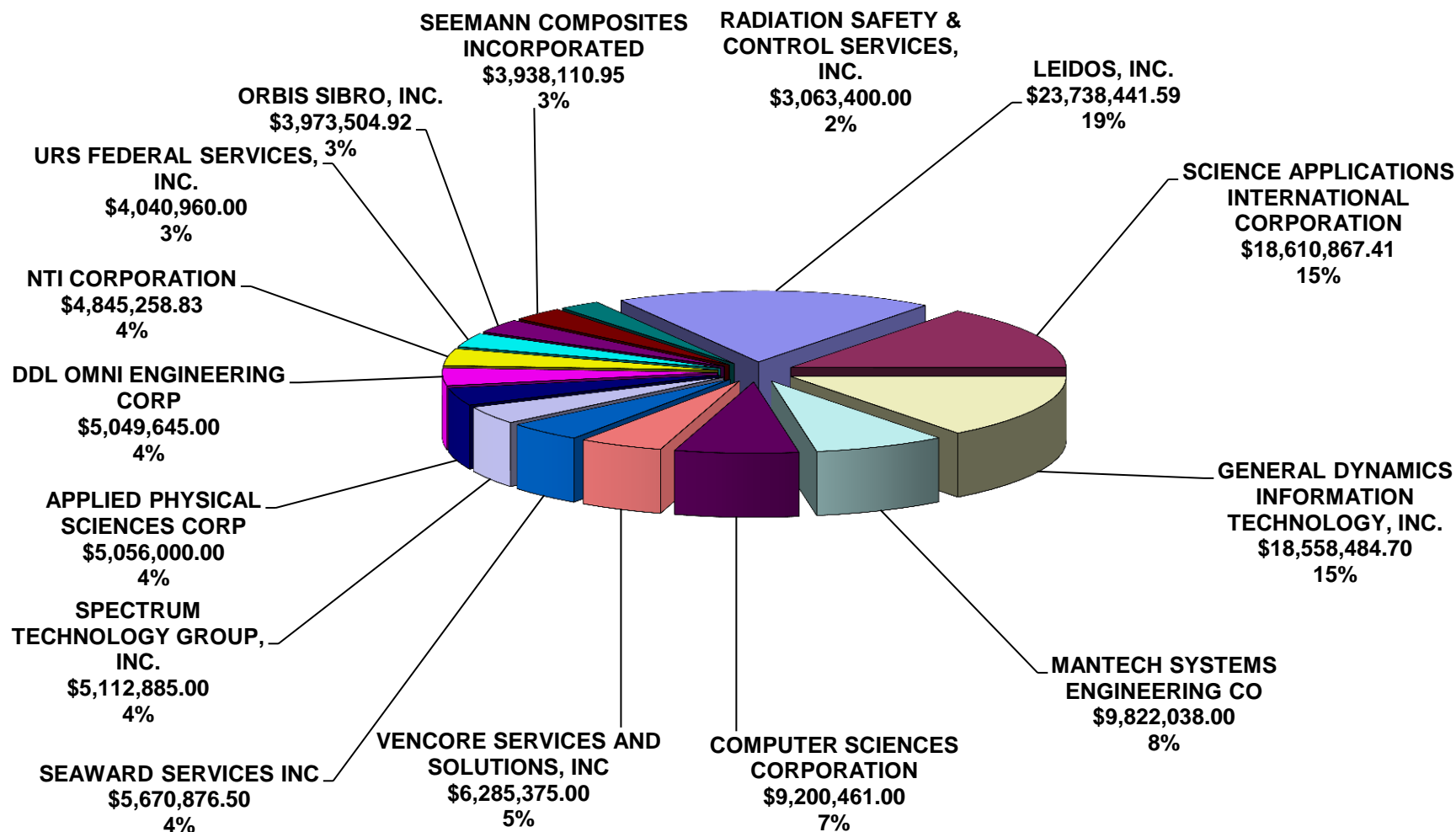
# How To Stay Competitive

- Innovation in your technical approaches and solutions
  - Technical innovation still counts in best value contracting
  - Be specific and realistic about what you are proposing
- Cost is important in best value procurements
  - Technical approaches need to take that into account
- Your proposal and contract performance should reflect labor market trends
- After award:
  - Execute as you proposed
  - If Technical Instructions (TIs) are driving higher rates than anticipated, communicate with the COR/PCO
- Reduce costs that drive your indirect rates



# Top 15 Contract Obligations – FY15

***FY15 Top 15 Contractors Bethesda Site - \$127M (80%)***



# How We Communicate

## Largest Procurements (\$5M+):

- FedBizOpps (FBO) Sources Sought/Request for Information announcements (started FY 2016)
- SeaPort-e advance notices
- Draft solicitations – started early FY2016 (draft SOW/Sections L&M)

## Above \$25K:

- Synopsis in FBO

## All:

- Industry Days Events:
  - Watch for Little Creek, VA events as well
- Deputy for Small Business and Contracting Officers
- Forecast for all services and supplies to be published in October 2016 in FBO
- Forecasted services also to be published in SeaPort-e



# The Process of Buying Goods & Services

## Planning & Requirements Definition

As Requirements are Identified:

- Communications with Industry through market research and/or /Contracting Officer and/or Deputy for Small Business
- Continual scan of industry capabilities by Gov't
- Program budgeting/cost estimating and project planning
- Write acquisition plans and work statements
- Determine evaluation factors and criteria (Sections L&M)

## Solicitation & Evaluation

Reaching out to Industry:

- Communications through Contracting Officer, RFI, Sources Sought
- Issue a synopsis if over \$25K
- Issue an RFQ/RFP
- Price and/or cost evaluation by contract specialist
- Technical evaluation by technical users
- Past performance evaluation
- Small Business Plan evaluation by Deputy for Small Business

## Award & Administration

At Award Decision:

- Communications through Contracting Officer
- Make award based on best value
- Issue award synopsis if over \$25K
- Work with awardee to ensure successful contract execution
- Collect and Report performance information
- Pay invoices through Wide Area Work Flow (more on WAWF later in this brief)

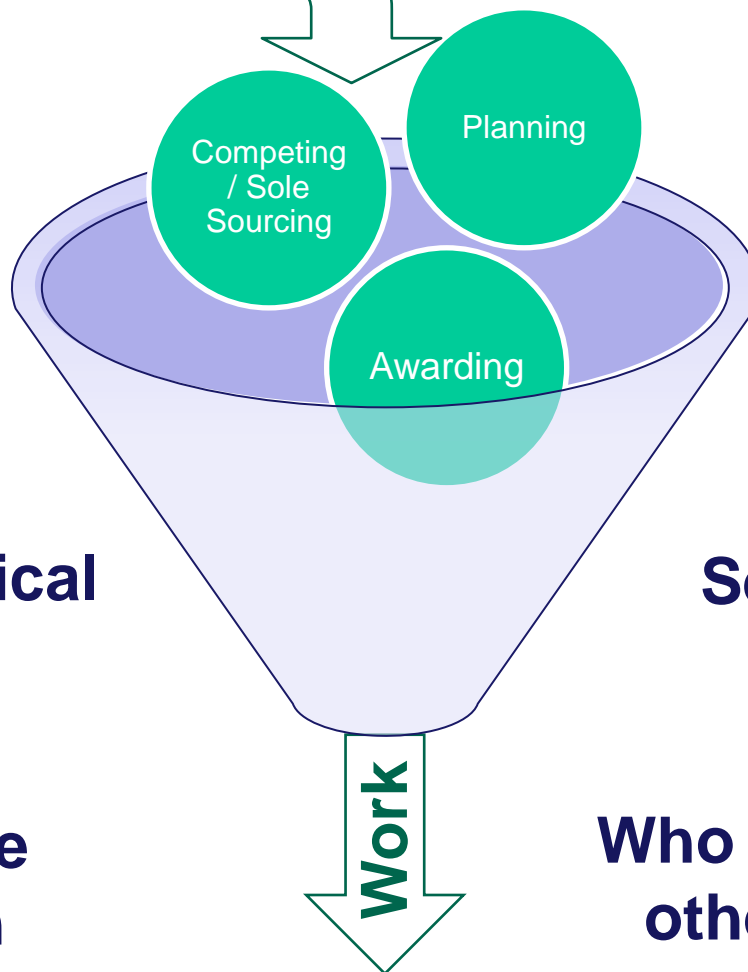
# Understanding the Lay of the Land

## Requirements & Budget

**When can I talk to an end user?**

**How do I put together a technical proposal?**

**What are the acquisition policies?**



**What is Best Value?**

**Should I get a SeaPort-e contract?**

**Who can answer my other questions?**

# Acquisition Environment and Trends

## Ashton Carter Memos – 2010, 2012, 2014 – Better Buying Power: Deliver better value to the taxpayer and warfighter

### Focus Areas:

- Achieve Affordable Programs
- Achieve Dominant Capabilities While Controlling Life Cycle Costs
- Control costs Throughout the Product Lifecycle
- Incentivize Productivity & Innovation in Industry and Govt
  - Better define value
  - Better define what is acceptable to the Govt
  - Increase the use of incentive-type contracts
- Eliminate Unproductive Processes and Bureaucracy
- Promote Effective Competition
  - Enforce open system architecture and effectively manage technical data rights
- Improve Tradecraft in Acquisition of Services
  - Expand use of requirements review boards and tripwires
- Improve the Professionalism of the Total Acquisition Workforce

# Ashton Carter— Productivity and Innovation Strategies

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


# Pre/Post-Award Contracting Oversight: NAVSEA Tripwires

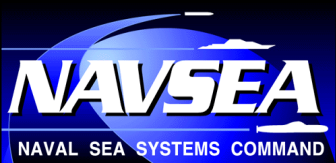
**Commander, Naval Sea Systems Command Memo of 4 April 2012,  
Revised 6/2013**

**Subj: NAVSEA HEAD OF THE CONTRACTING ACTIVITY (HCA)  
SERVICES CONTRACTING TRIPWIRES, INTERIM POLICY**

**Selected tripwires:**

- Hourly labor rates exceeding rate of \$156
- Excessive variation between proposed and actual rates
- Subcontracts - monitor proposed addition of subcontractors beyond what was included as part of the initial award
- Excessive ODCs on a services contract (>10%) (potential to drop to (>5%))
- Lack of effective competition (when only one offer is received, it's going to get a closer look and require headquarters approval)

	DEPARTMENT OF THE NAVY NAVAL SEA SYSTEMS COMMAND 1333 SAAC HALL AVE SE WASHINGTON NAVY YARD DC 20374-0001		4200 Ser 00/073 4 Apr 12
	MEMORANDUM		
From: Commander, Naval Sea Systems Command			
Subj: NAVSEA HEAD OF THE CONTRACTING ACTIVITY (HCA) SERVICES CONTRACTING TRIPWIRES, INTERIM POLICY			
Ref: (a) DASN memorandum of 15 May 07 (b) OUSD (AT&L) memorandum of 14 Sep 10			
Encl: (1) NAVSEA Services Contracting Tripwires, Interim Policy			
1. The purpose of this memo is to express my intent as HCA to ensure NAVSEA services requirements are properly planned, acquired, and managed. As a result of NAVSEA's Service Requirements Review Board process, I have identified several areas of vulnerability (or tripwires) which require greater visibility and conscious decisions by higher levels of management. Tripwires are not intended to preclude execution, but do require higher level concurrence and notifications before continuing to execute. These tripwires apply to all types of service contracts executed by NAVSEA headquarters and its field activities with the exception of services contracts under the cognizance of the Naval Nuclear Propulsion Program (SEA 08). This interim policy is in effect as of the date of this memorandum.			
2. Enclosure (1) provides a complete outline of these tripwires and is provided as interim policy until it is superseded by a revised NAVSEA Services Contract Instruction (NAVSEAIS 4200.13 series).			
3. SEA 02 is responsible for ensuring that I have an opportunity to review any necessary documentation and concur with the approach as required per enclosure (1).			
4. The standard time for my review is no more than three (3) business days unless additional time is specifically necessary due to the level of detail. If a longer review is required, the			



# Reduction of ODCs on Services Contracts/Orders

## Why?:

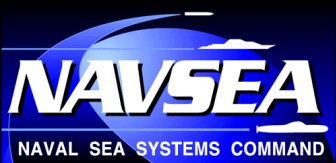
- Greater scrutiny on services (subcontracts) under ODCs. If a prime wants to subcontract certain work, add the company as a team member on the original proposal under the labor CLIN (e.g. have the proper labor categories included).
- Simplified Acquisition Procedure procurements (under \$150K) shall be procured to every extent possible by Government means.
- Additional oversight now required on material purchases (incidental only), travel, and FFP services as ODCs.
- More emphasis on reducing travel costs when possible; looking for more cost effective ways to travel (e.g. not having three contractors going to the same location, same company, same schedule, with three rental cars).



# Invoicing and Billing Issues

## Common Issues:

- Contractors forget to, or don't add attachments with supporting documentation to back up the costs on the cost voucher.
- Some vendors e-mail the backup information to the COR, but WAWF is the official billing vehicle.
- Insufficient detail, "lump sum" amounts, vague item descriptions, not enough information concerning material procurements, especially when over \$3K.
- Contractors provide employee numbers instead of names. We can't identify key/non-key, approved, etc. without names.
- Contractors e-mail documentation that shows \$50K/month burn rate, but then invoicing \$100K/month in WAWF.



# Contracting Points of Contact

**Federal Business Opportunities (FBO) - <https://www.fbo.gov/>**

**Seaport (Services) - <http://www.seaport.navy.mil/default.aspx>**

## **NSWC Carderock Chief of Contracting Office:**

**Tariq Al-Agba**

Carderock Division,

Naval Surface Warfare Center

9500 MacArthur Blvd

West Bethesda, MD 20817-5700

Email: [Tariq.Al-Agba@navy.mil](mailto:Tariq.Al-Agba@navy.mil)

Phone: (301) 227-3487

## **NSWC Carderock Small Business Deputy:**

**Amy Kim**

Carderock Division,

Naval Surface Warfare Center

9500 MacArthur Blvd

West Bethesda, MD 20817-5700

Email: [Amy.Kim@navy.mil](mailto:Amy.Kim@navy.mil)

Phone: (301) 227-2128