



Seaport NxG& Contracts Council



17 October 2023



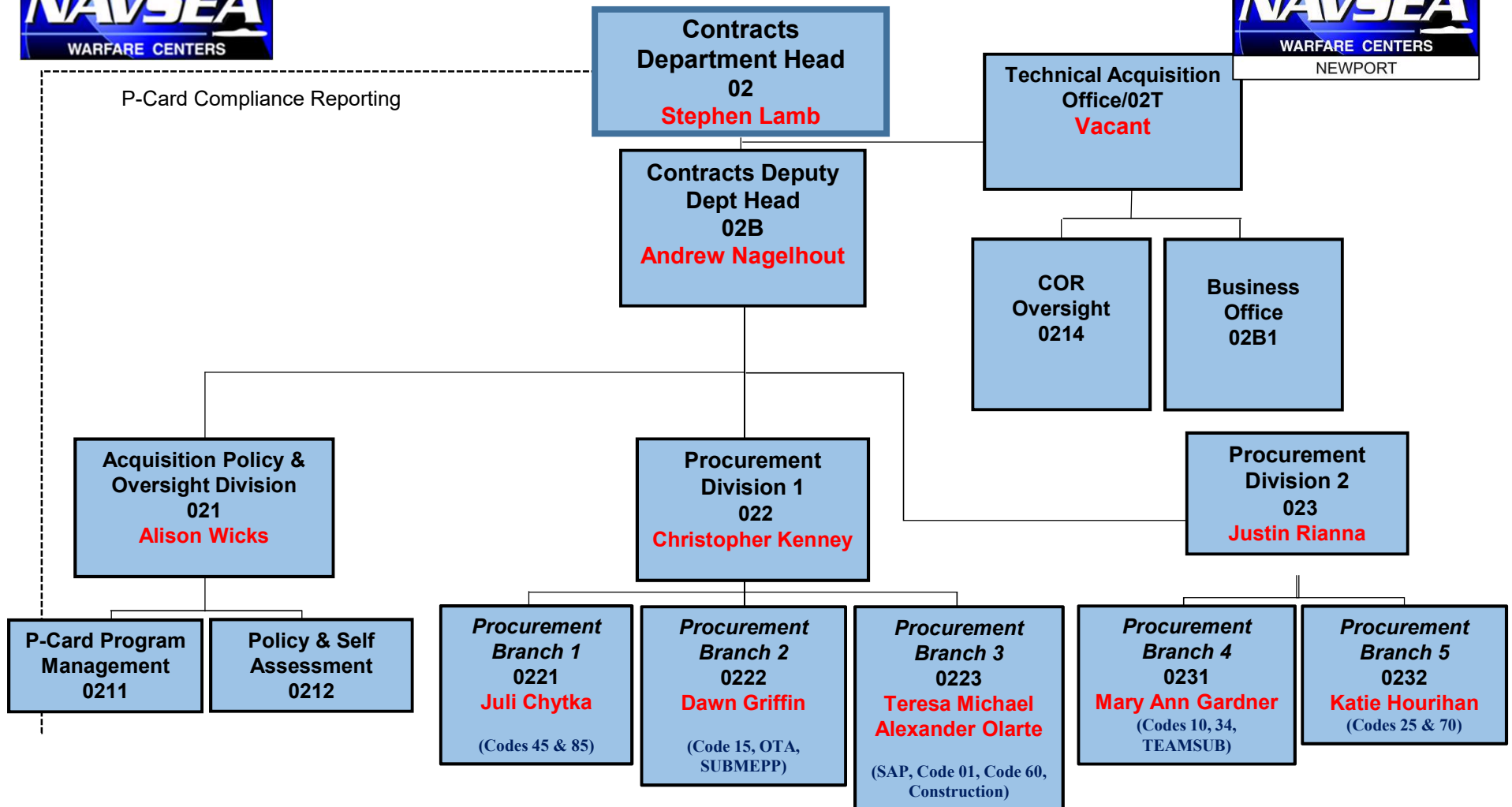
Agenda



- Welcoming Remarks
- Contracts Updates & Briefing
- NAVSEA Contracts Template
- Small Business Status
- Q&A from Industry
- Adjourn



Contracts Department – Code 02

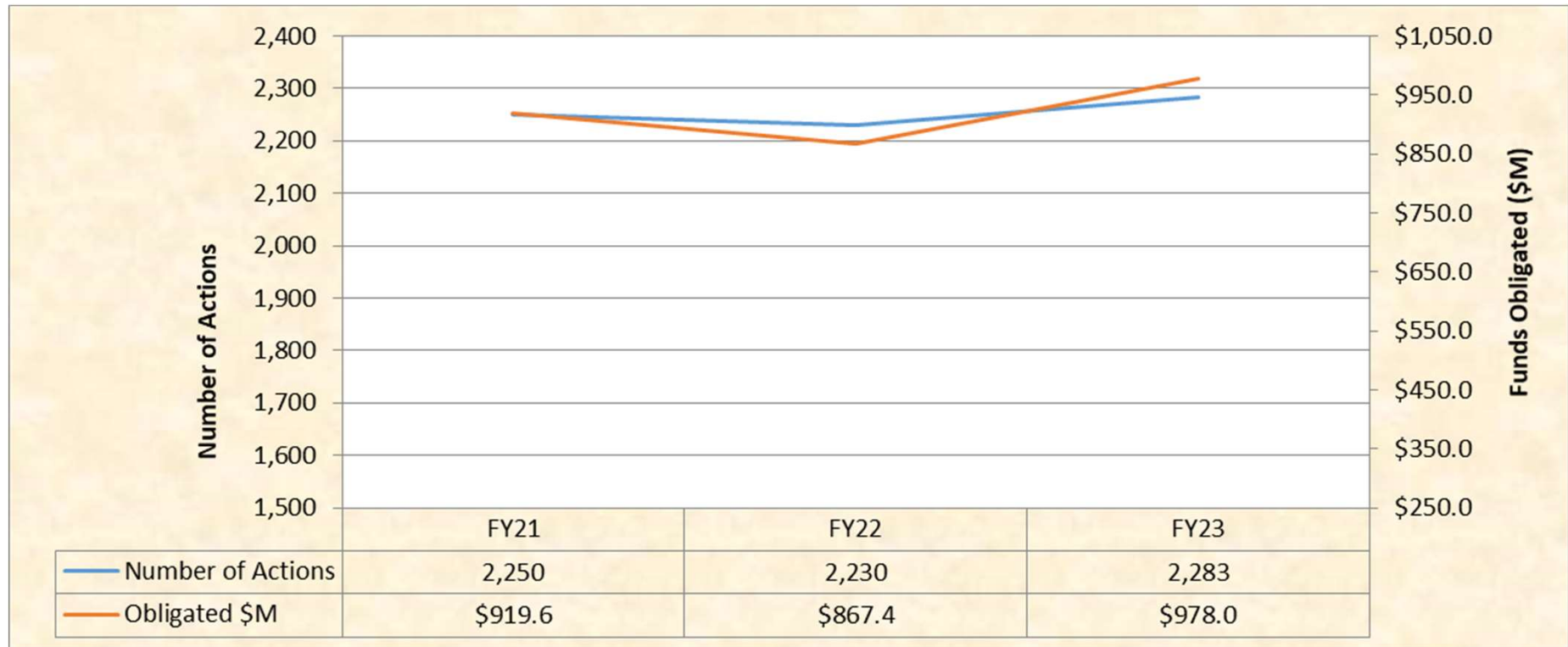




Production by Fiscal Year



FY23 Obligations including OTAs and TEAM SUB: \$978.0M



Note:

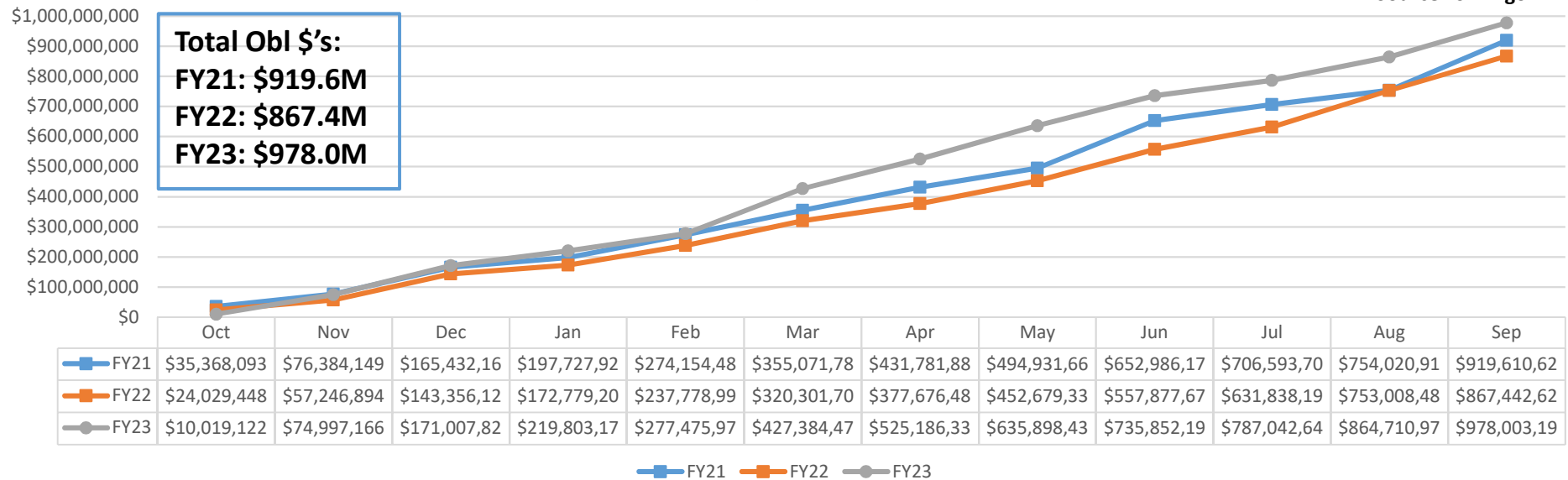
- Code 02 obligated \$1.03B in FY23, exclusive of deobligations which totaled \$58.6M.



\$ Obligations & Number of Actions (Cumulative): FY21-FY23 -- Data includes OTAs and TEAM SUB --

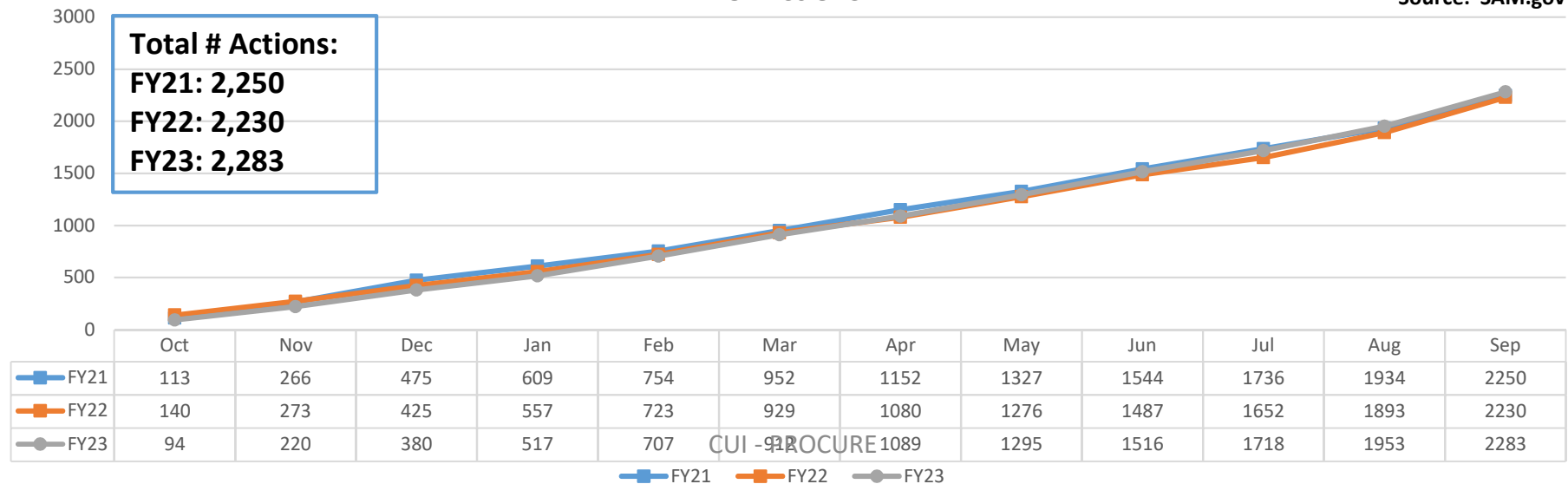


Obligation \$'s

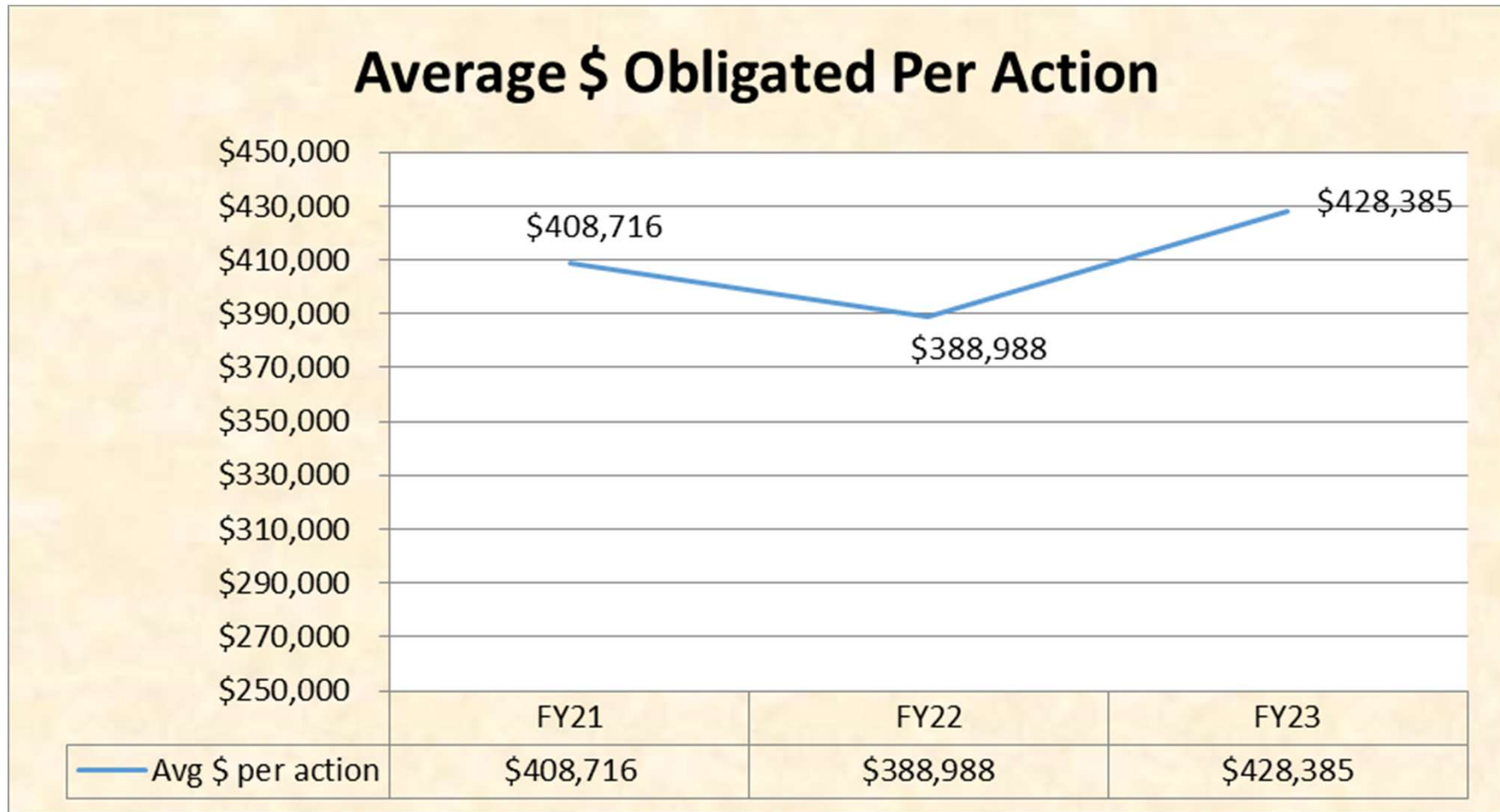


of Actions

Source: SAM.gov



Obligation Funding per Action



Note:

- There were a total of 627 actions that did not involve any funding, which represents approximately 27% of the actions executed.

-- Continuously striving to obligate more dollars with fewer actions --



Obligations by Action Type



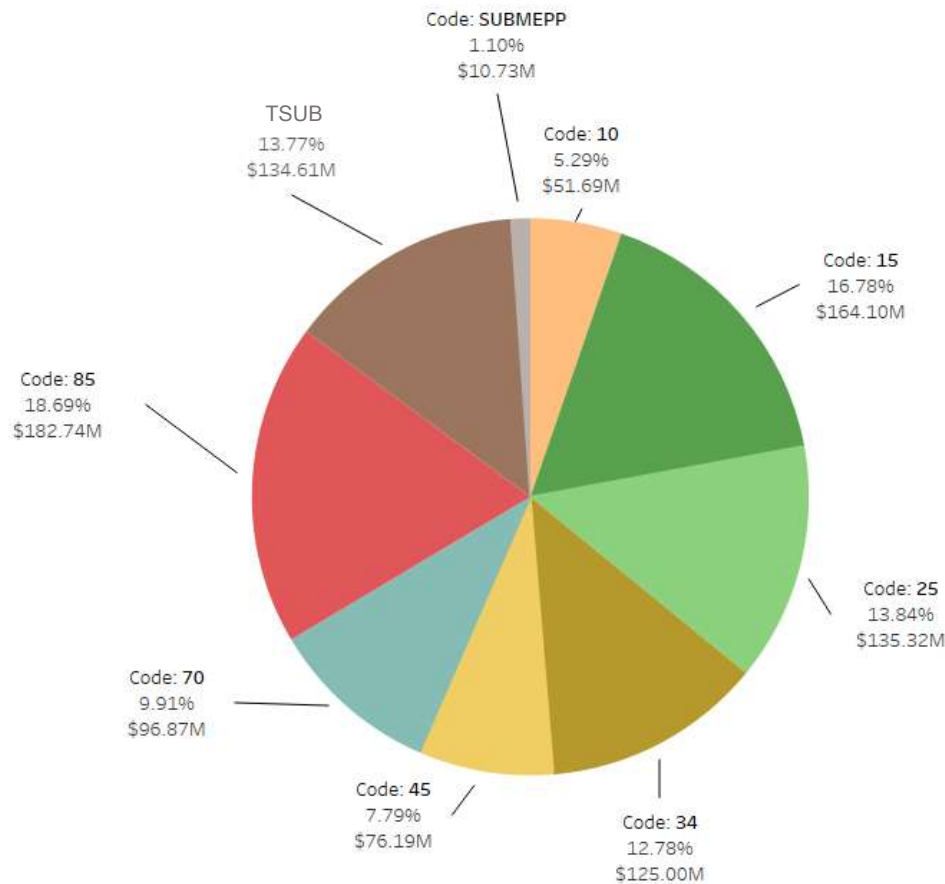
	FY21		FY22		FY23	
Type of Action	#of Awards	\$ (M)	#of Awards	\$ (M)	#of Awards	\$ (M)
Major Contract	30	\$34.97	11	\$7.5	16	\$2.90
Seaport TO	15	\$19.14	20	\$16.28	10	\$15.20
Multiple Award TO/DO	54	\$36.20	20	\$10.34	9	\$4.80
Single Award TO/DO	127	\$111.68	162	\$115.30	150	\$164.30
Modifications	1,495	\$564.60	1,508	\$559.58	1,497	\$585.40
New SAPs	423	\$46.08	425	\$40.54	501	\$49.90
OTA New	23	\$16.43	2	\$3.66	13	\$8.70
OTA Mod	83	\$90.50	82	\$114.24	87	\$146.80
TOTAL	2,250	\$919.60	2,230	\$867.44	2,283	\$978.00



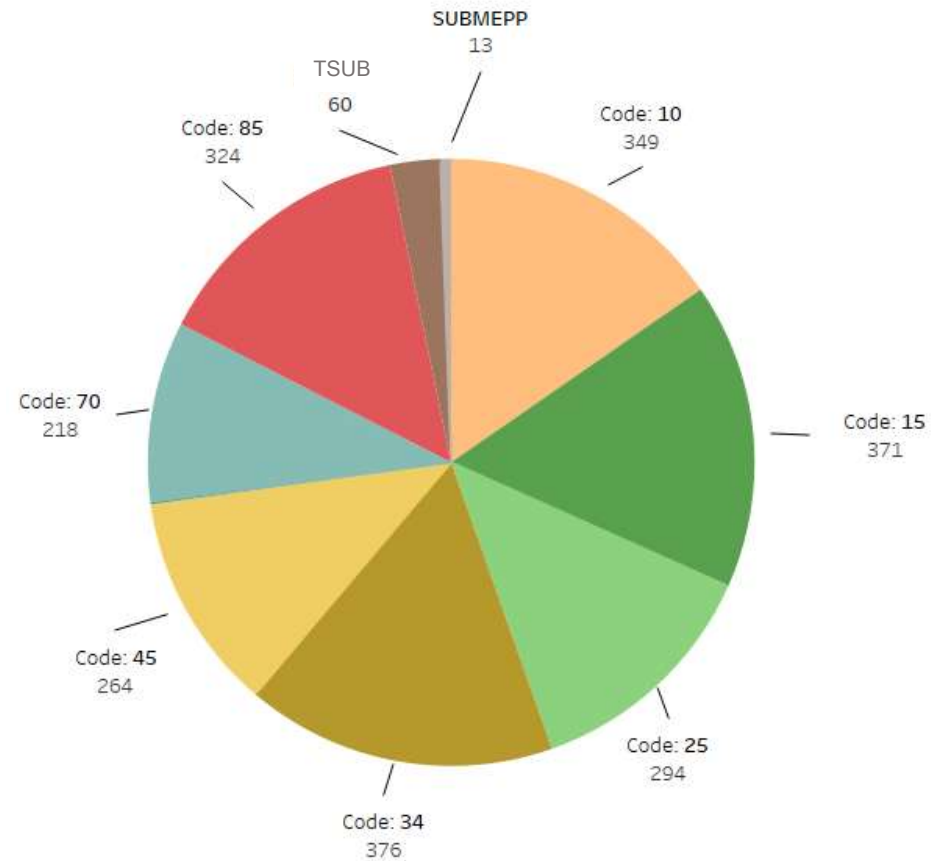
Workload by Department



FY23 Obligations by Department



FY23 Actions by Department



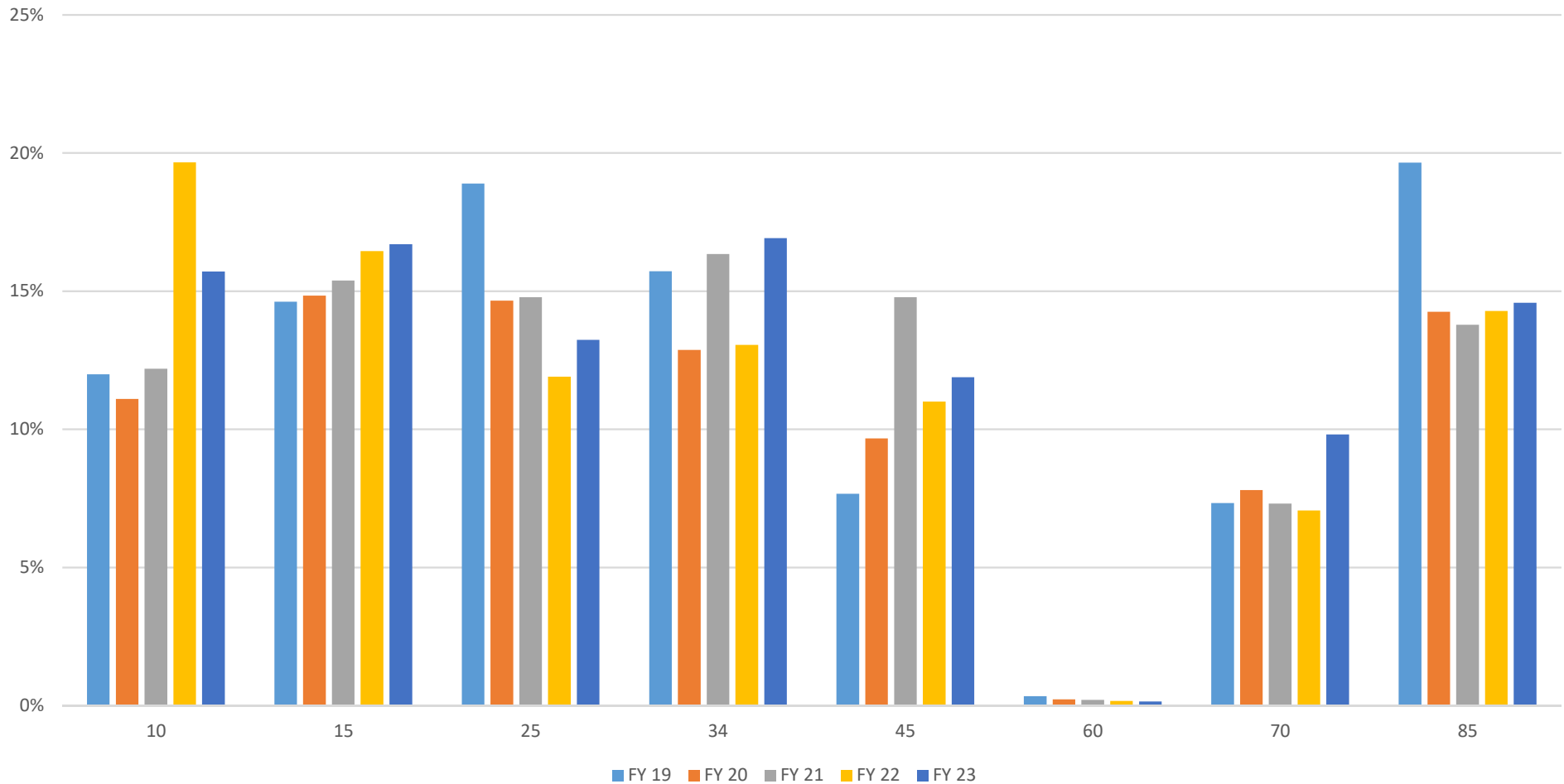
Approved for Public Release, Distribution is unlimited



Workload by Department (Cont'd)



Workload Trends by Dept (% work load based on # of Actions)





Vendor Base Top 20

-- \$M and Number of Actions --



Vendor	\$M Obligations	Vendor	# of Actions
SERCO INC.	\$ 82.8	SYSTEMS ENGINEERING ASSOCIATES CORPORATION	124
SYSTEMS ENGINEERING ASSOCIATES CORPORATION	\$ 75.6	MCLAUGHLIN RESEARCH CORPORATION	98
AMENTUM SERVICES INC	\$ 56.7	MIKEL, INC.	67
KMS SOLUTIONS, LLC	\$ 44.7	SCIENCE APPLICATIONS INTERNATIONAL CORPORATIO	67
MCLAUGHLIN RESEARCH CORP	\$ 42.2	RITE-SOLUTIONS, INC.	64
LEIDOS, INC.	\$ 42.1	PURVIS SYSTEMS INCORPORATED	55
RITE-SOLUTIONS, INC.	\$ 41.0	SERCO INC.	47
BOOZ ALLEN HAMILTON INC.	\$ 31.9	KMS SOLUTIONS, LLC	45
SCIENCE APPLICATIONS INTERNATIONAL CORPORATIO	\$ 27.5	AMENTUM SERVICES, INC.	43
MIKEL, INC.	\$ 26.9	L3 TECHNOLOGIES, INC.	43
ULTRA ELECTRONICS OCEAN SYSTEMS INC	\$ 22.7	NORTHROP GRUMMAN SYSTEMS CORPORATION	40
PURVIS SYSTEMS INCORPORATED	\$ 21.7	LEIDOS, INC.	32
SYNCHRON, LLC	\$ 20.1	RAYTHEON COMPANY	28
L3 TECHNOLOGIES, INC.	\$ 17.6	AMERICAN SYSTEMS CORPORATION	27
CANADIAN COMMERCIAL CORPORATION	\$ 14.8	GENERAL DYNAMICS INFORMATION TECHNOLOGY, INC	24
LOCKHEED MARTIN CORPORATION	\$ 13.0	WOODS HOLE OCEANOGRAPHIC INSTITUTION	24
PATRONA CORPORATION	\$ 12.2	INDUS TECHNOLOGY INC.	22
NORTHROP GRUMMAN SYSTEMS CORPORATION	\$ 12.0	L3 UNIDYNE, INC.	22
SAAB INC.	\$ 10.1	MASSA PRODUCTS CORPORATION	21
MASSA PRODUCTS CORPORATION	\$ 9.5	TROFHOLZ TECHNOLOGIES, INC.	19

***\$100K or More – 216 companies, \$500K or more 96 Companies
\$1M or more – 70 Companies***



FY24 Outlook



- WARP
- GFP
- PBRs
- S&T Alignment Strategy
 - BAA (<https://sam.gov/opp/b8155121a68a400dab25c09e2d5b0881/view>)
- Communication and Updates
- Changes to Industrial Base



NAVSEA Template Updates



UPDATE FROM THE MEETING:
Please see advance notice
N6660424R3000 on the Seaport NxG
portal for a real-life example

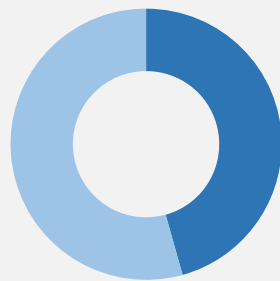


NUWC FY23 Small Business Performance



FISCAL YTD 2023 | *NUWC Division Newport*

As of 09/30/23

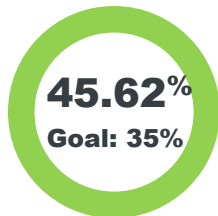


\$775M total

\$354M
small business

\$421M
other than SB

FY23 obligations
grew by 15% or
more in every
socio-economic
category



\$353,516,553
Small Business



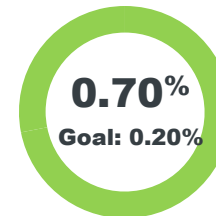
\$80,030,669
Small Disadvantaged



\$29,452,288
*Service-Disabled
Veteran Owned*



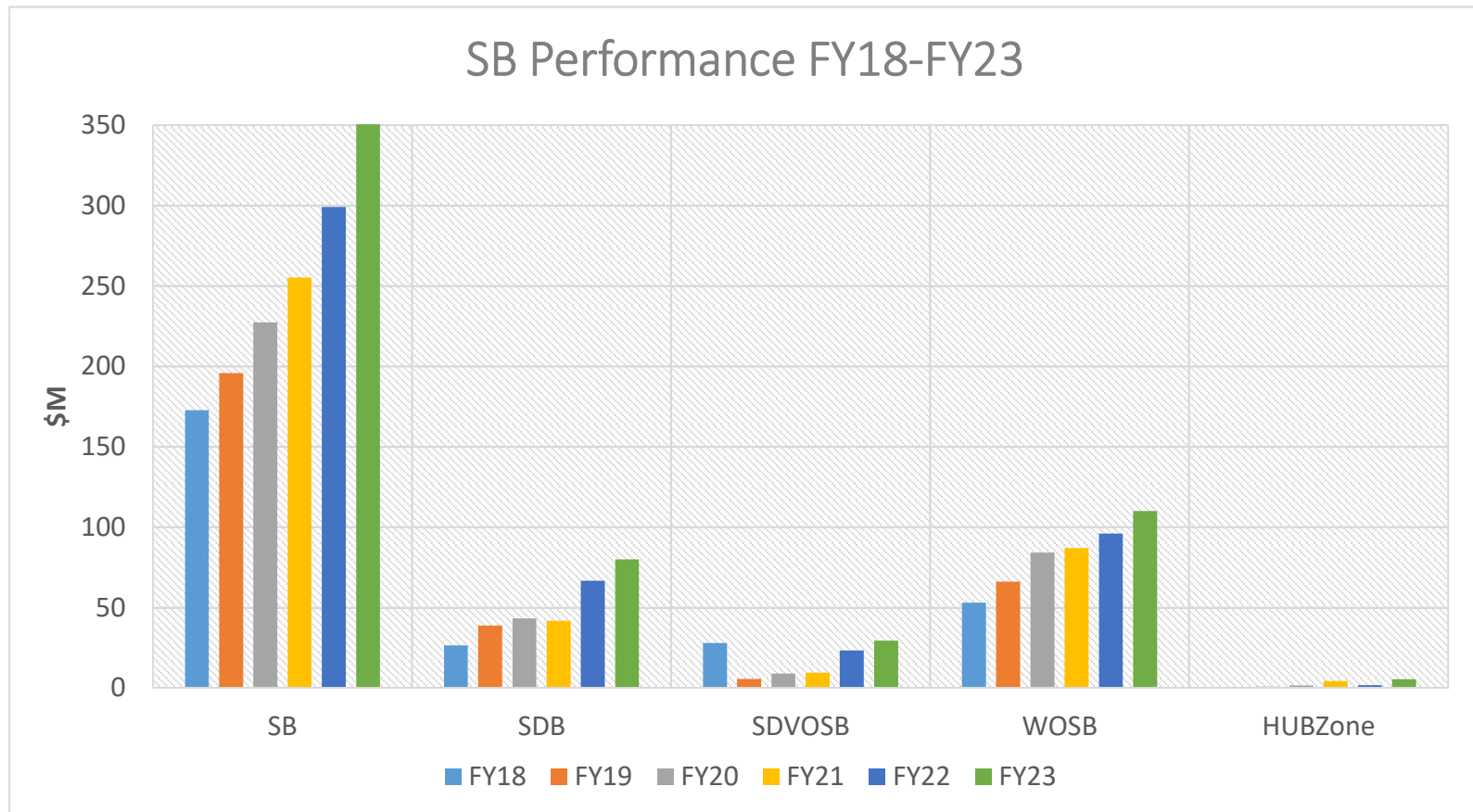
\$110,075,809
Women Owned



\$5,430,288
HUBZone



NUWC Historical Small Business Performance



NUWC has met all NAVSEA goals for five years running!

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What's Newsworthy?

- Upcoming Events

- 2 November: Code 25 STRIKE Industry Day
- January EOM: Ocean State Workshop in conjunction with NCMA

- Other

- NAVSEA SB Strategy submitted
- Meet Our Partners
 - Chad Lewis, APEX Accelerator
 - Molly Magee, SENEDIA
 - Julie Kallfelz, Northeast Tech Bridge



Q & A



Q1:

Are subcontractors prohibited from earning fee above the difference between maximum awarded fee and the prime's fee? A use case may prove helpful: Prime with subs are awarded a SeaPort-NxG Task Order with the bid of 6% fee. The prime's position is that they're going to deliver the minimum 51% of the work earning the maximum 6% fee as bid. The prime further asserts that because they're being held responsible by the government for subcontractor readiness to perform and work execution, they're justified in earning fee on their subs' work. If the prime determines they're going to earn 3% fee on their subs' work, are the subs thereby limited to 3% fee, the total being the awarded 6% fee? Or, can subs earn fee up to 6% that's irrespective of the prime's fee on their work?



Q & A



A1:

The Prime's fee on its own labor (which is capped at 8% per the SeaPort MAC) as well as any fee the Prime proposes on subcontracted costs are summed to determine the total Fixed Fee on the task order. The fee percentage and resulting fee amount negotiated between a Prime and a Subcontractor(s) is included in the Prime's Cost so it is the Prime's responsibility to manage fee payments to Subcontractors per the agreements made with its Subcontractor(s).

Per the use case, the sub would be limited to 6% or less subcontractor fee.



Q & A



Q2:

Does anyone track prime's performance against their proposed and awarded Small Business Subcontracting Plan? It is widely understood that government acquisition organizations only track small business socioeconomic category threshold outlays against small business prime contracts, not small business subcontracts. From the vantage point of one SBA certified SDVO and HUBZone small business with three dozen subcontracts to perform 541330 Engineering Services for the Navy, only 9 have resulted in prime issuing task orders to deliver the services bid in the proposal. The data on government obligations to the primes is readily available, and for the majority of those contracts the primes are receiving tasking and substantial revenue. If the Navy is not interested in small business subcontractor performance against the prime's small business subcontracting plan and what the prime had the subcontractors bid, then why make it a requirement in the RFP? To my knowledge there are no other RFP requirements which the government is not interested in receiving what was proposed and awarded.



Q & A



A2:

Prime performance against subK plans is assessed as part of the eSRS review process and as a factor within CPARS. It is reflected in Prime contractors ratings if the prime is not meeting their subK plan commitments. Primes must provide a "get well" plan in eSRS if they are not meeting the SB goals provided in the RFP. Specific to SeaPort, the subcontracting plan is at the Multiple Award Contract level so overall adherence to the subcontracting plan is assessed and managed by the SeaPort Contracting Officer at Dahlgren.

At NUWCDIVNPT all CPARs and eSRS ratings are reviewed and approved by the Chief Contracting Officer (CCO). The CCO will ding primes if not meeting subK goals.

Prime performance against subK goals continues to receive attention at the highest levels with SECNAV reviewing prime performance against subK goals prior to meeting with firms.



Q & A



Q3:

What if anything does the Seaport-NxG program office do to affect prompt payment of subcontractors, or do they leave that to the acquisition organizations to handle? Some primes include within the subcontracts the limitation that subcontractors will not submit invoices more often than monthly. This creates a hardship for very small subcontractors who make payroll twice a month, and therefore must make payroll at least four (4) times before their invoice is paid by the prime. The interest paid by the small business subcontractor on the loan to make payroll is not recoverable, further decrementing the small single digit fee.



Q & A



A3:

NUWCDIVNPT cannot speak for the SeaPort Program Office, but on an individual contract basis NUWCDIVNPT has got involved if a prime contractor is not complying with regulation/law/statute related to subcontractors. There are resources (e.g. DCMA, SBA) NUWCDIVNPT can turn to assist with assessing compliance. NUWCDIVNPT does not get involved in instances where the prime is complying with regulation/law/statute, but may be operating outside the subcontract they entered into. That is a company to company issue.



Q & A



Q4:

There was a discussion at Gold Coast last year regarding a Company needing to recertify as a Small Business at time of contract award. Can you provide a status on the Government's deliberations?



Q & A



A4:

Per email sent to all vendors by Stacy McQuage on 10/02/2023 "On 2 January 2024, regardless of what size and socioeconomic status is reflected in the SeaPort portal, all Task Order award eligibilities will be determined at task order solicitation proposal submission to come into compliance with CFR 121.404(a)(1)(i)(A) as the SeaPort NxG MACs were not specifically awarded to a pool of concerns where size status would be maintained at the MAC level for the remainder of the ordering period."



Q & A



Q5:

When crafting a proposal response, many times Past Performance (PP) references are required to be submitted. How does NUWC evaluate quality on Past Performance for OTAs and other contracts that do not have CPARs?



Q & A



A5:

NUWC Division Newport is 100% compliant with the completion of CPARS, with 96% in FY23 completed within 120 days of the end of the performance cycle (220 CPARS overall). As a result Division Newport relies on the DoD required past performance depository when a CPARS exists. If a CPARS does not exist, then a Past Performance Questionnaire (PPQ) or other past performance information will be utilized.



Q & A



Q6:

For Past Performance (PP), what is the process to retrieve PP narratives/surveys from the Codes? Sometimes we have a hard time getting consistent responses or are downright denied a response. Is there a right way to do this? Are CORs allowed to provide responses? Who is our best POC?



Q & A



A6:

NUWC Division Newport is 100% compliant with the completion of CPARS, with 96% in FY23 completed within 120 days of the end of the performance cycle (220 CPARS overall). As a result Division Newport relies on the DoD required past performance depository when a CPARS exists. If a CPARS does not exist, then a PPQ or other past performance information will be utilized. In instances where Industry is looking to respond to another agencies RFP and a questionnaire is required by the solicitation, Division Newport will assist our Industry partner in completing the information to the best of our ability. Requests should be sent to the PCO, with Steve Lamb and Andrew Nagelhout on copy. Please allow for adequate processing time if a request is made. If information is required from the COR, NUWCDIVNPT contracts will work to obtain that information.



Q & A



Q7:

I'm seeing some Seaport contract advance announcements and RFPs that include much higher material numbers than in the past. In the past, material amounts were "incidental" to the overall services to be provided. Has the guidance changed which now allows for a greater amount of materials to be applied to task orders?



Q & A



A7:

There has been no change in guidance. Each acquisition strategy documents the amount of material, travel, ODCs and there is a case-by-case discussion of the need for those items in order to execute the services required in the Statement of Work.



Q & A



Q8:

For those solicitations using the NUWC Mid-Point Escalation Cost Spreadsheet, should the Date of Actuals be the start date of the contractor's fiscal year, or the anticipated start date included in the solicitation?



Q & A



A8:

Date of actuals should be the date the proposed rates are based upon. For example, if the rates are based on actual rates of existing employees, the date of actuals will be the effective date of those rates; if the proposed rates are based on a Forward Pricing Rate Agreement, the date of actuals will be the effective date specified in the FPRA; and for TBD personnel or personnel to be hired once the contract is awarded, the date of actuals would be the anticipated start date of the contract specified in the solicitation. Note that the cost spreadsheet provided in each SeaPort solicitation includes a Mid-Point Escalation Demo tab with detailed instructions.



Q & A



Q9:

Is NUWC considering moving to a single flat rate fee per hour across all options (as mentioned as a possibility by CRANE at a recent Town Hall)?



Q & A



A9:

There has been no discussion at Division Newport on moving to a single flat rate fee per hour.



Q & A



Q10:

SEAPORT NXG is currently having all contract holders recertify their business size for the next five year option. Typically, once certified as a small business, a contract holder would remain small for the entire 5 year period. However, the Government doesn't seem to be going this way per Stacy McQuage's email dated 10/2/23 which states: On 2 January 2024, regardless of what size and socioeconomic status is reflected in the SeaPort portal, all Task Order award eligibilities will be determined at time of task order solicitation proposal submission to come into compliance with CFR 121.404 (a)(1)(i)(A) as the SeaPort NxG MACs were not specifically awarded to a pool of concerns where size status would be maintained at the MAC level for the remainder of the ordering period. We were under the impression that current SB status would remain within the MAC Option award. This new interpretation has come as a surprise to us as we had asked for clarification on numerous occasions and were assured the MAC SB size standard would be grandfathered in for all task orders under the 5 year period of performance, as was executed in the past Seaport Macs. Also, if the Government is required by law to do this, why isn't the Government adding multiple NAICS codes to NXG which is required by law? Based on this new interpretation, we suspect the number of qualified small businesses within NUWCDIVNPT will decrease substantially. Has the Government done a SB survey to quantify the impact? And in order to minimize this impact would the Government consider delaying the adoption of this law until impacts are fully understood?



Q & A



A10:

Please refer to the emails from Stacy McQuage and direct questions to the SeaPort program office.

Concerns from this discussion will be collected and forwarded to the SeaPort Program Office following the discussion.

Industry is encouraged to submit feedback on the potential change to the Federal Register through 11/28. Link:
<https://www.federalregister.gov/documents/2023/09/29/2023-21354/federal-acquisition-regulation-rerepresentation-of-size-and-socioeconomic-status>



Q & A



Q11:

Recently, NUWCDIVNPT revised a solicitation to not include SCLS (Wage Determination) because it was determined that the level of effort for SCLS (Which was 15% of the LOE) was deemed insufficient thus making SCLS not applicable. Can NUWCDIVNPT provide Industry with the guidance on how SCLS isn't applicable because it doesn't seem to jive with FAR Part 22.1006 requirement for applicability on all services contracts over \$2.5K or any of the FAR exemptions for SLCS. Further, Industry can't find where the exemption exists. Providing this guidance will help industry in future proposals.



Q & A



A11:

The exception is in the Department of Labor Field Manual Chapter 14. Contracts which have as their principal purpose the procurement of a type of service where service employees will not be used. (b) In practice, a 10 to 20 percent guideline has been used to determine whether there is more than a minor use of service employees. See preamble at 48 FR 49736, 49743 -44 (October 27, 1983). Note, The SeaPort MACs did not include Clause 52.222-41 as the majority of labor procured under SeaPort are considered exempt as defined for executive, administrative, professional, computer and outside sales employees.



Q & A



Q12:

Industry has taken notice that a lot of non-technical Task Order awards such as: Finance, Administration, and Lab Services seem to be awarded on an Lowest Price Technically Acceptable (LPTA) basis. Based on these awards, for these types of Tasks Orders at NUWCDIVNPT, can the Government confirm that it's their policy to award non-technical Task Order awards on an LPTA basis? LPTA is always a hot button topic and it's important for Industry to know whether this is the policy because it'll help Industry determine if they should go after work. Given the current labor market it seem impossible to successfully perform these types of Task Order at some of the recent average award rates.



Q & A



A12:

If NUWC is going to use LPTA as the source selection technique, then that criteria is established within the RFP and then those procedures are followed. On a requirement by requirement the Government assesses the appropriate source selection technique and documents the analysis within our Acquisition Strategy document.



Q & A



Q13:

There is a current requirement on all TIs to obtain COR approval prior to traveling or purchasing material. Each COR is handling the approval process differently. In each case, the contractor is required to develop a customized process for each COR and contract requirement. The Government's review and approval time can also impact original estimates for travel and material (where quoted prices usually go up impacting our original estimated submitted). This is currently not cost effective for government or Industry. We recommend that the Government consider adding approved travel locations and material to be procured at the TI level so that routine actions can be executed timely and within cost, seeking approval in the instances if the travel or item is not identified on the TI.



Q & A



A13:

Examples were requested from Industry. Follow-up on specific examples should be forwarded to the CCO and/or PCO.

“ODCs, including travel, requests shall be separately submitted to and authorized by the COR prior to cost incurrence.”

The CCO discussed with Contracts management and the team believes NUWCDIVNPT's current process in place already takes this statement into account . CORs are trained to start the TI process by reaching out to the contractor STR/rep and work through their Basis of Estimate (BOE) with them, not only to be compliant with the above statement, but so the COR comes to an agreement on the labor mix, types and quantities of material and ODCs, and travel. CORs should be agreeing to the BOE before submitting the TI through the Code 02 process with their KO.



Follow-Up Q & A



Q: Can fee be added to the Seaport ODCs? Or can fees be added for storage of materials?

A: The SeaPort CONOPs specifically prohibits fee being applied to ODCs. This is feedback Industry and the Government could provide to the SeaPort Program Office for consideration in any future state of SeaPort. Within industry material handling/overhead should account for costs associated with handling and storage of work-in-process material or GFP in accordance with your cost disclosure statements.



Questions?