

Naval Surface Warfare Center, Carderock Division

AMERICA'S FLEET STARTS HERE



Contracting and Acquisition Department, (Code 02)

Tariq Al-Agba, Department Head / Chief of Contracting Office

CAPT Mark Vandroff
Commanding Officer, NSWCCD

June 12, 2018

Dr. Paul Shang
Technical Director (Acting), NSWCCD

Carderock Contracts Departments

P-Card Compliance

WB Contracts
(Code 02)

Tariq Al-Agba

Deputy
(Code 02B)

Kathleen Bonturi

Deputy
(Code 02T)

Mike Vukovich
(Acting)

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

P-Card Program
Management
Kim Barker

Policy and Self Assessment
Laura Rider

COR Oversight
Shelly Holifield

Acquisition Managers
Codes 10, 60, 70, 80

Code 10 – Renard Walker
Code 60 – Basem Makar
Code 70 – Kiersten Johnson
Code 80 – Dave McAfee

Contracting Division
Code 022
Michael Peduto (Acting)

Large Contracts
for Code 70A
Heather Valiga

Large Contracts
for Code 70B
Heather Valiga (Acting)

Large Contracts
for Code 80A
Abeer Ameer

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

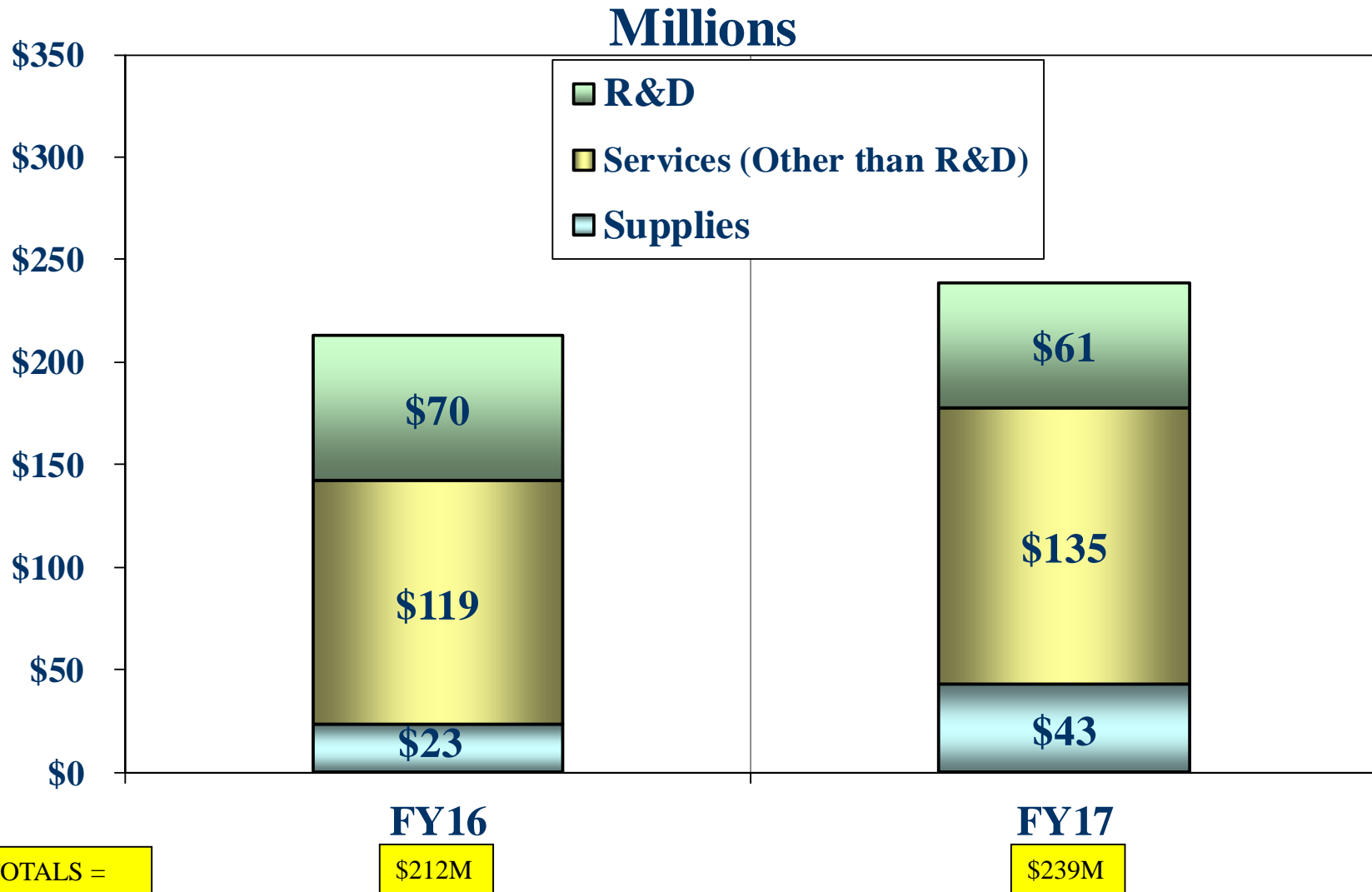
Contracting Division
Code 023
Keith Rouch (Acting)

Large Contracts
for Code 80B
Matthew Aponte

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

Simplified Acquisition
Gary Whitney (Acting)

What We Buy – Carderock Division

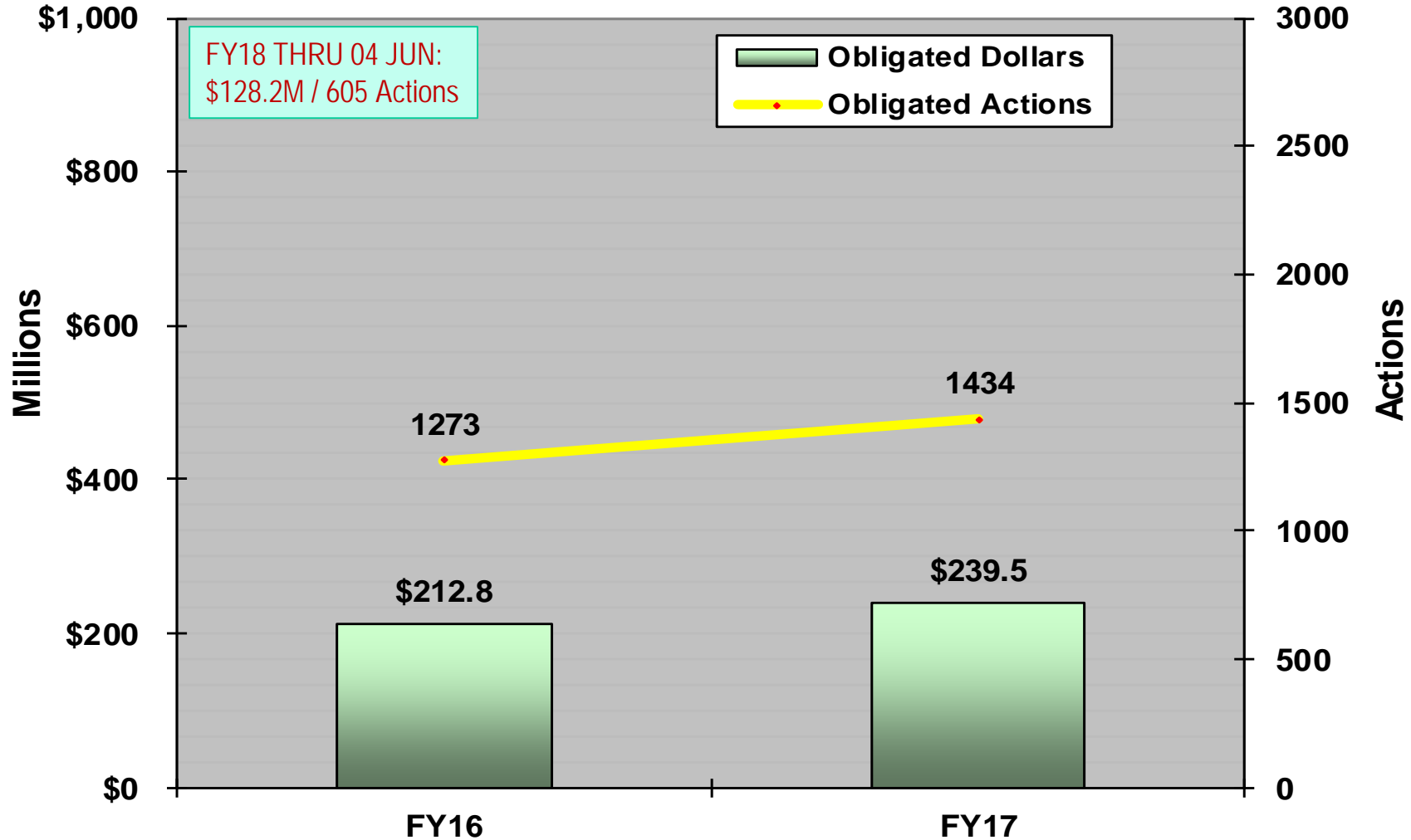


Services We Buy – Carderock Division

- Technology development
- Technical and business data collection, entry, and 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

Services Portfolio	Services Sub-Portfolio	% Service Contracts	
Knowledge-Based Services	Engineering	56%	57%
	Program Management & Other	1%	
Research & Development	Systems Development	29%	32%
	Technology Base	3%	
Electronic & Comms Services	Telecom Services	5%	11%
	Equipment Maintenance & Other	6%	
OTHER: - Facilities Related Services - Equipment Related Services - Maintenance, Repair, & Overhaul			

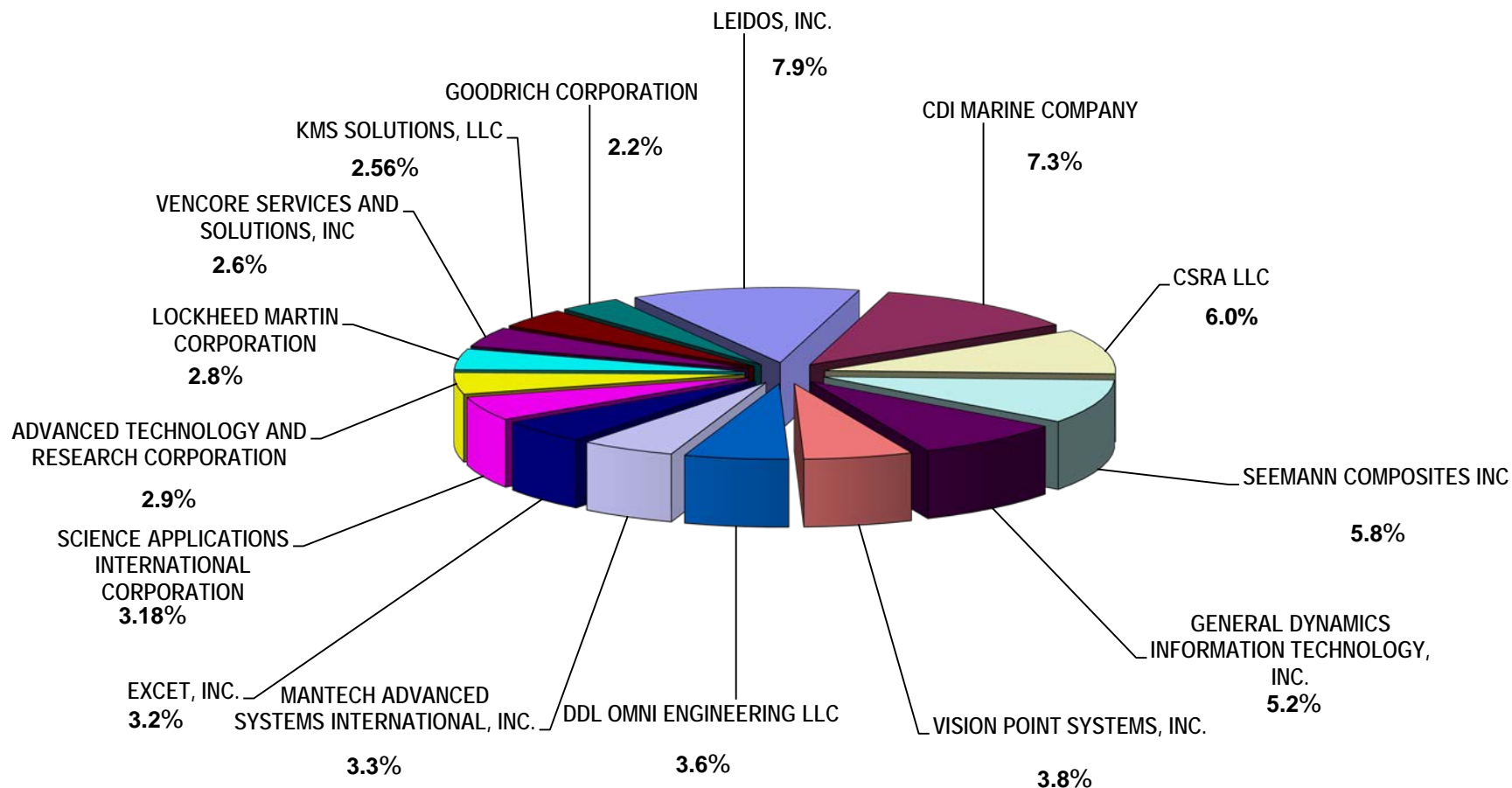
Obligations Trend



Source: FPDS-NG

Top 15 Carderock West Bethesda FY17 Industry Partners

% BASED ON TOTAL FY17 OBLIGATIONS OF \$239M

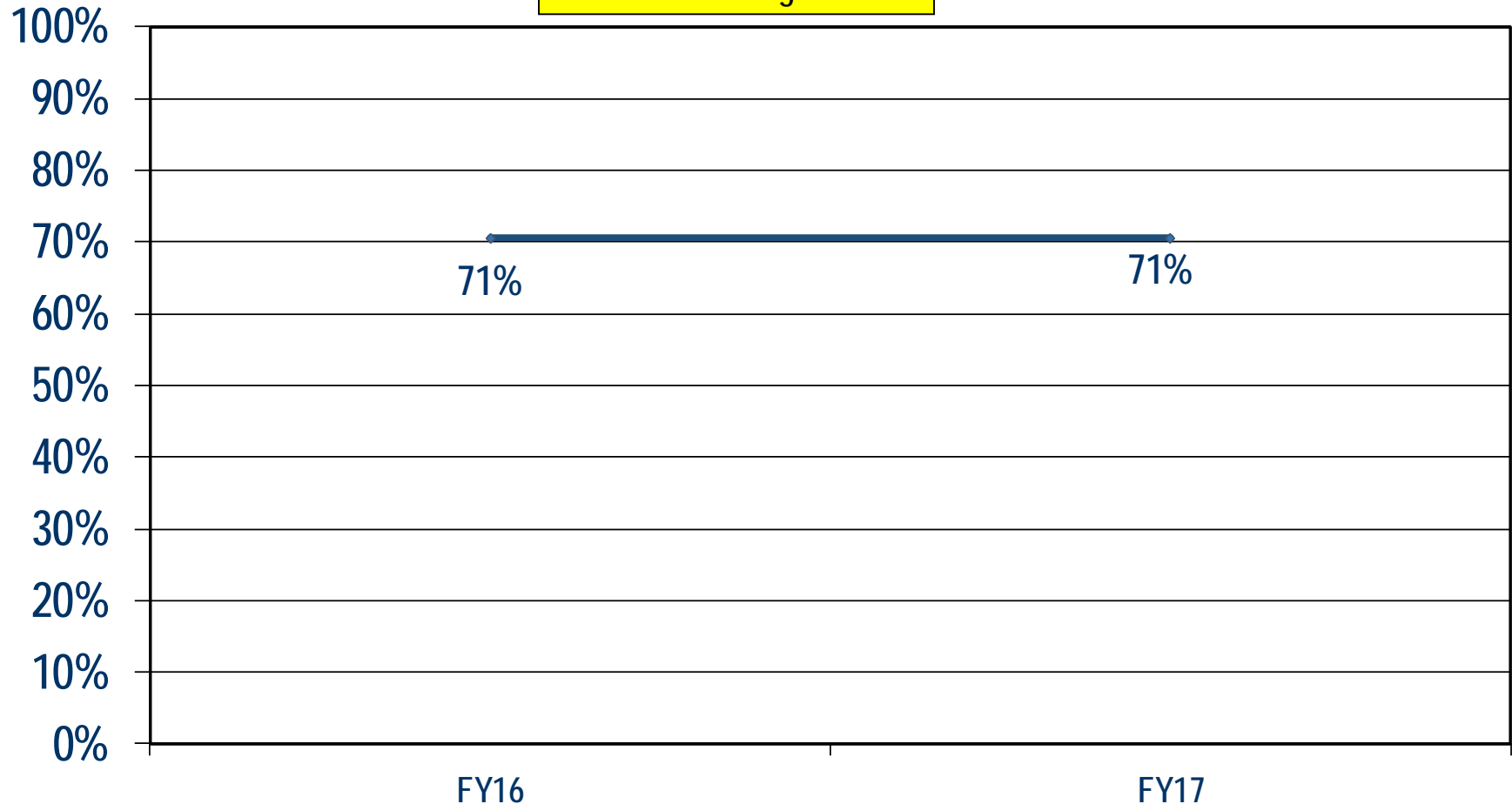


TOTAL DIVISION CONTRACTORS = 525

Competition Performance

Competed

Based on Obligations

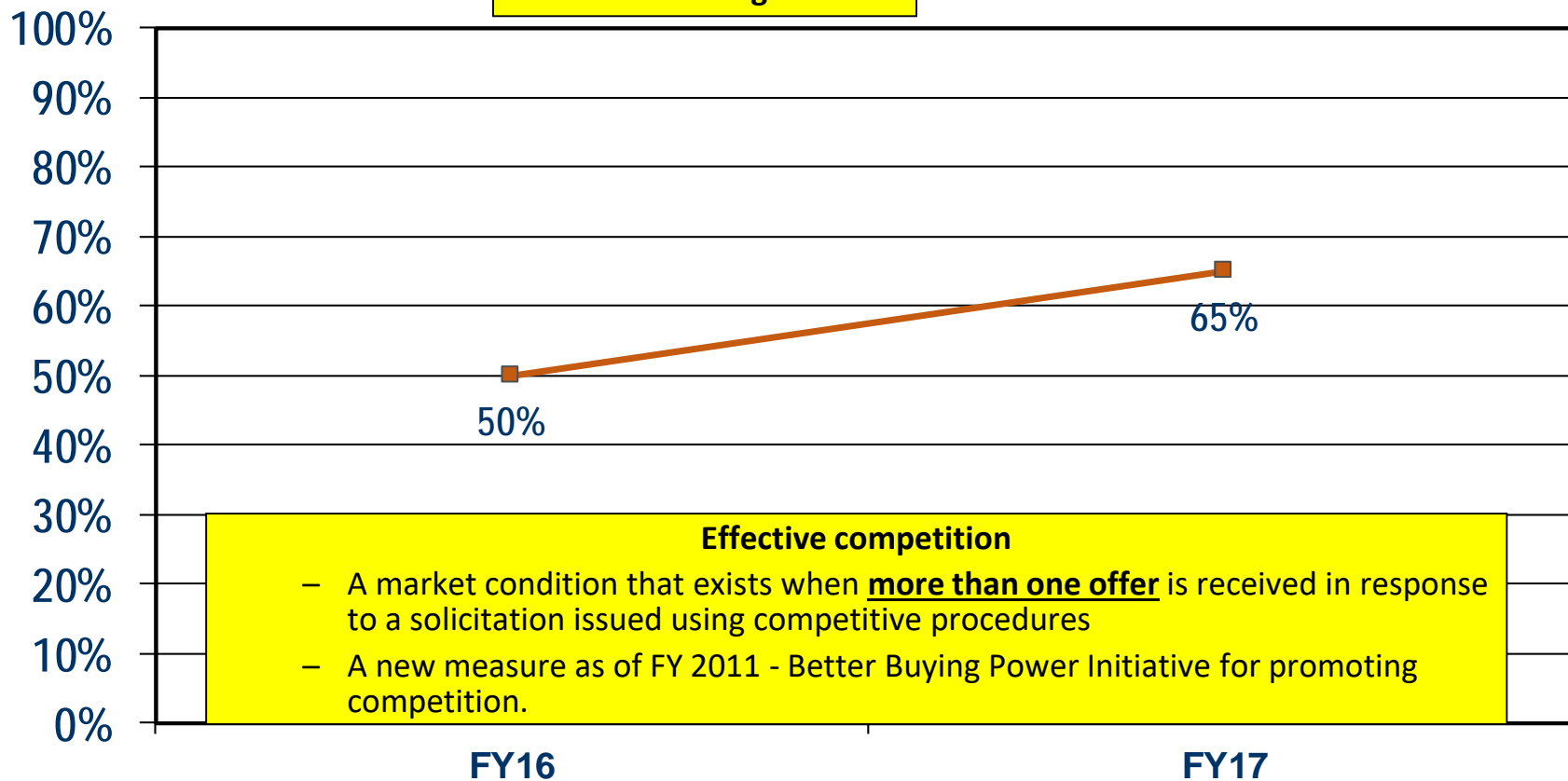


Source: FPDS-NG Standard "Competition report"

Competition Performance

Effective competition

Based on Obligations



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

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

Better Define Value: What is important to the Government when 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 Expectations: 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

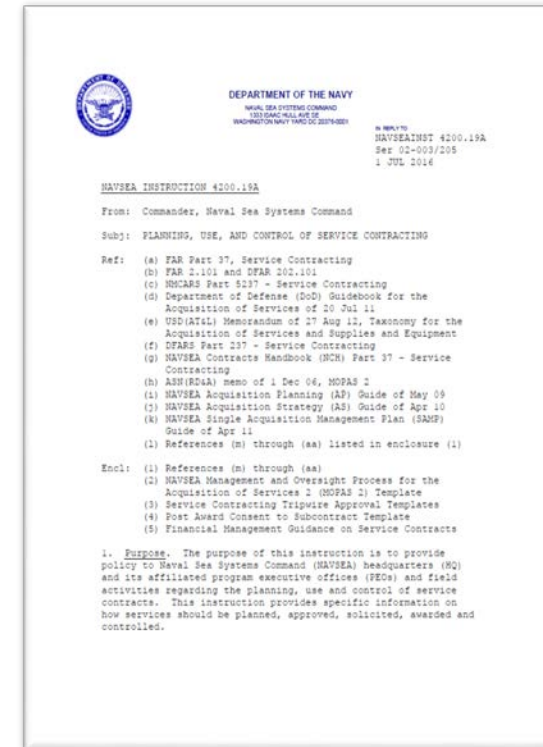
Pre/Post-Award Contracting Oversight: NAVSEA Tripwires

Commander, Naval Sea Systems Command 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 be 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 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 **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 expenses, 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)**
- Use of Electronic Cost Reporting and Financial Tracking (eCRAFT) web-based tool mandated by all warfare centers
- CDRLs (Incurring 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.

Post Award: Invoicing and Payment

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:
Christopher Jones
Naval Surface Warfare Center, West Bethesda
9500 MacArthur Blvd
West Bethesda, MD 20817-5700
Email: christopher.jones7@navy.mil
Phone: (301) 227-0580