



Naval Surface Warfare Center Industry Day 2017

Contracts

presented by

Tariq Al-Agba

Contracts

NSWC Division Carderock

May 2017



Carderock Contracts Departments

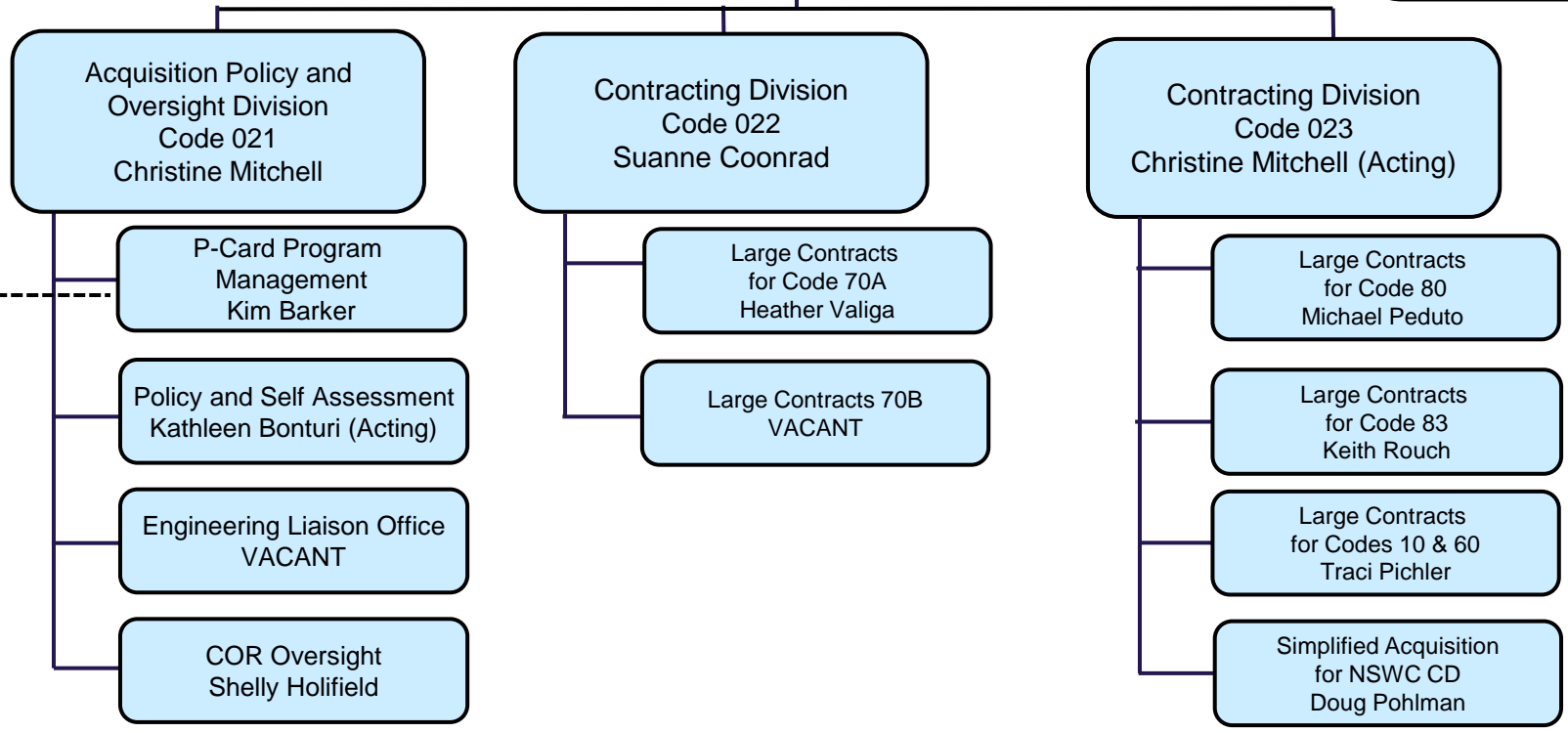
WB Contracts
(Code 02)
Tariq Al-Agba

Deputy
(Code 02B)
Kathleen Bonturi

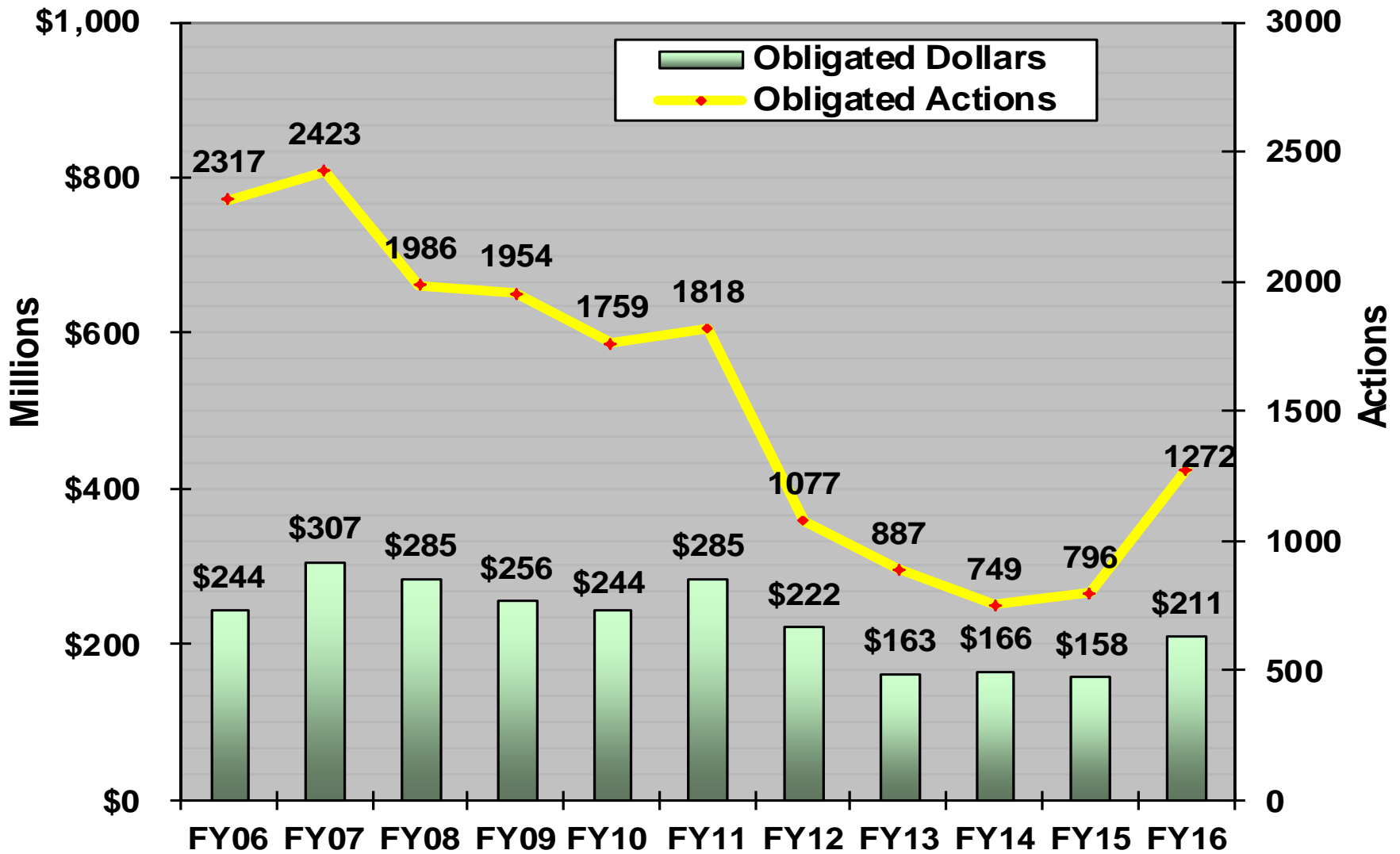
Acquisition Managers
Codes 10, 60, 70, 80

Code 10 – Lindsey Reilly
Code 60 – Basem Makar
Code 70 – Mike Vukovich
Code 80 – Dave McAfee

P-Card Compliance

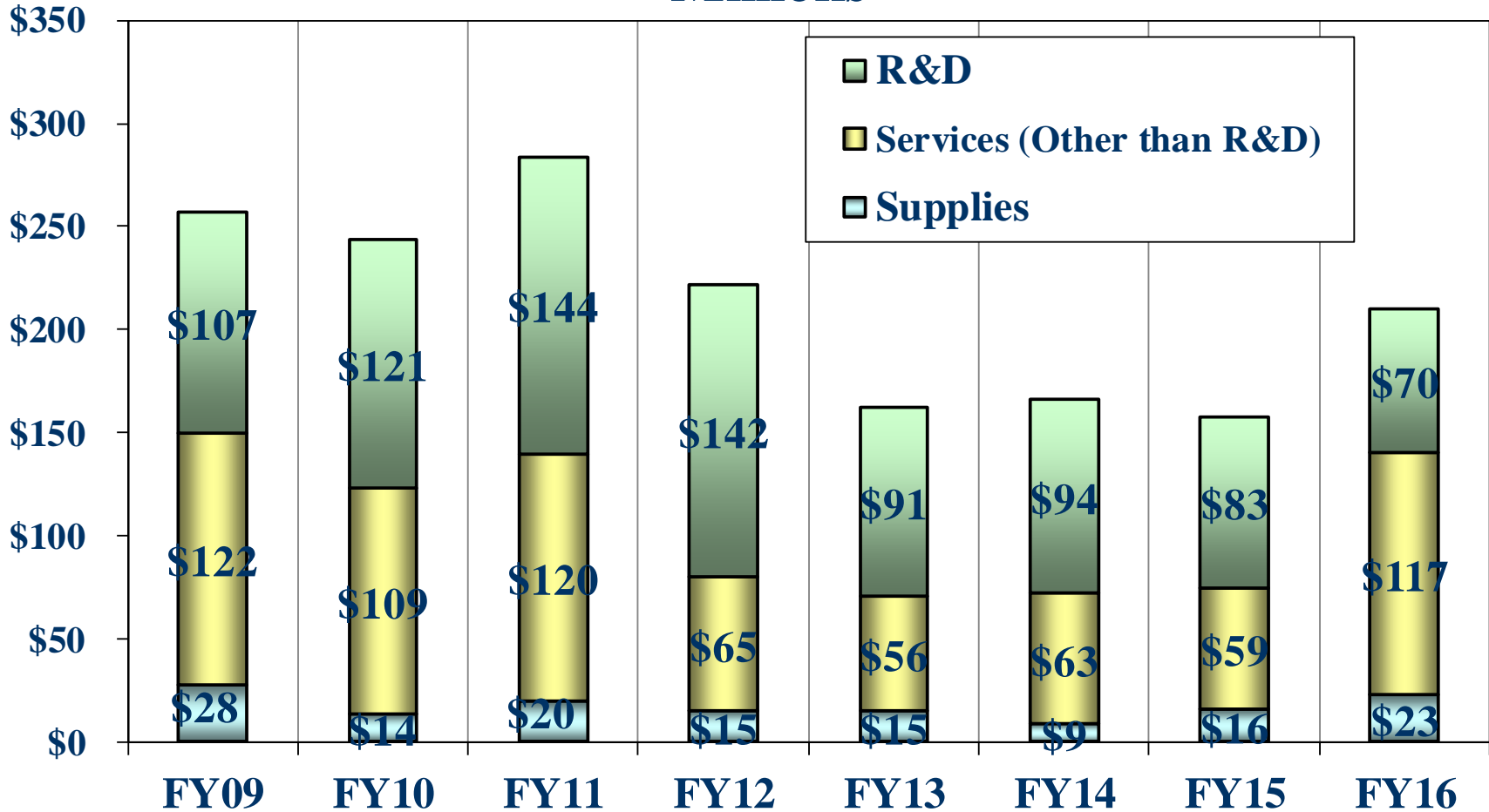


NSWC Carderock – Contract Obligations



What We Buy – Carderock Division

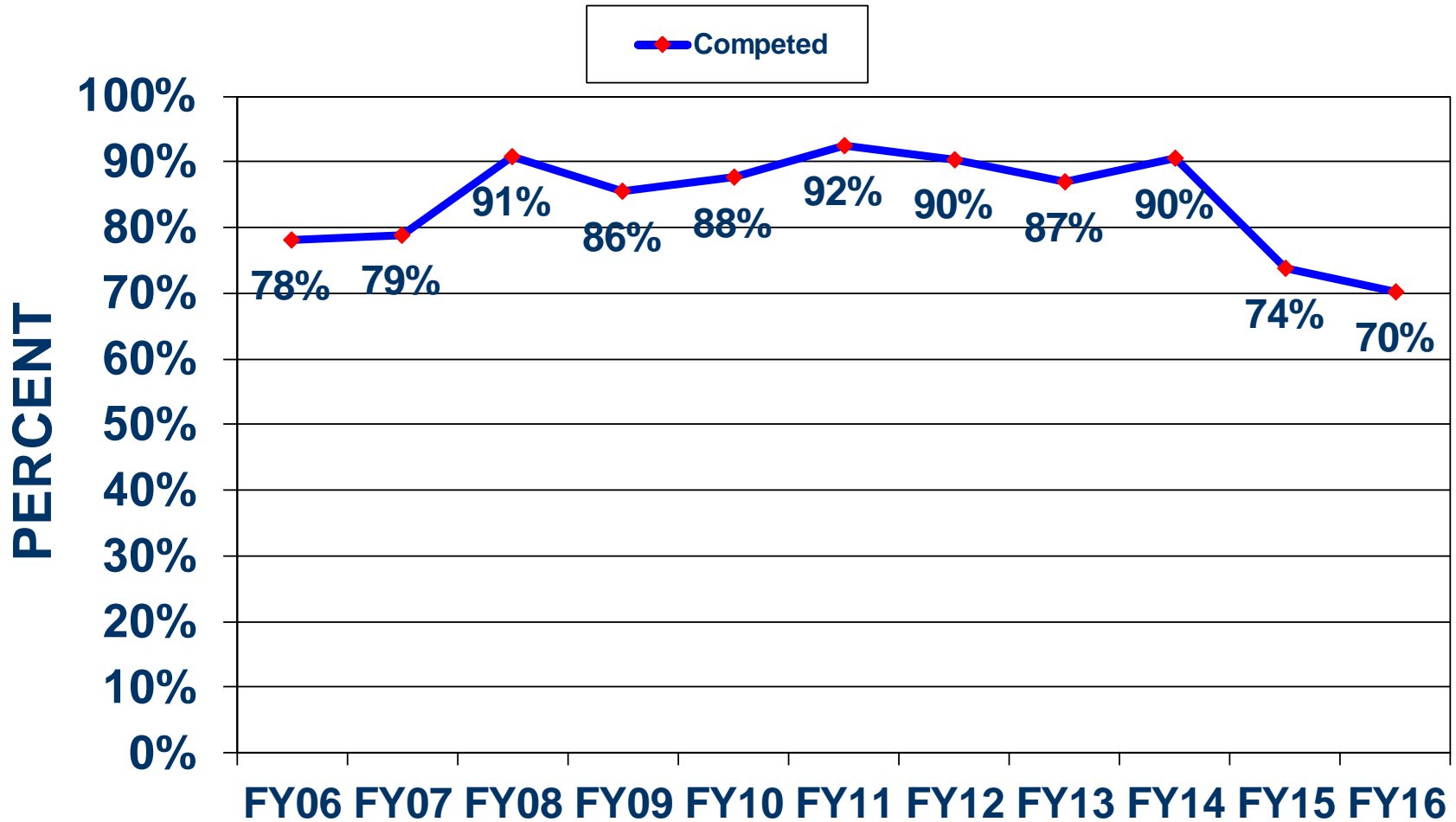
Millions



TOTALS =	\$257M	\$244M	\$284M	\$222M	\$162M	\$166M	\$158M	\$210M
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Source: FPDS-NG

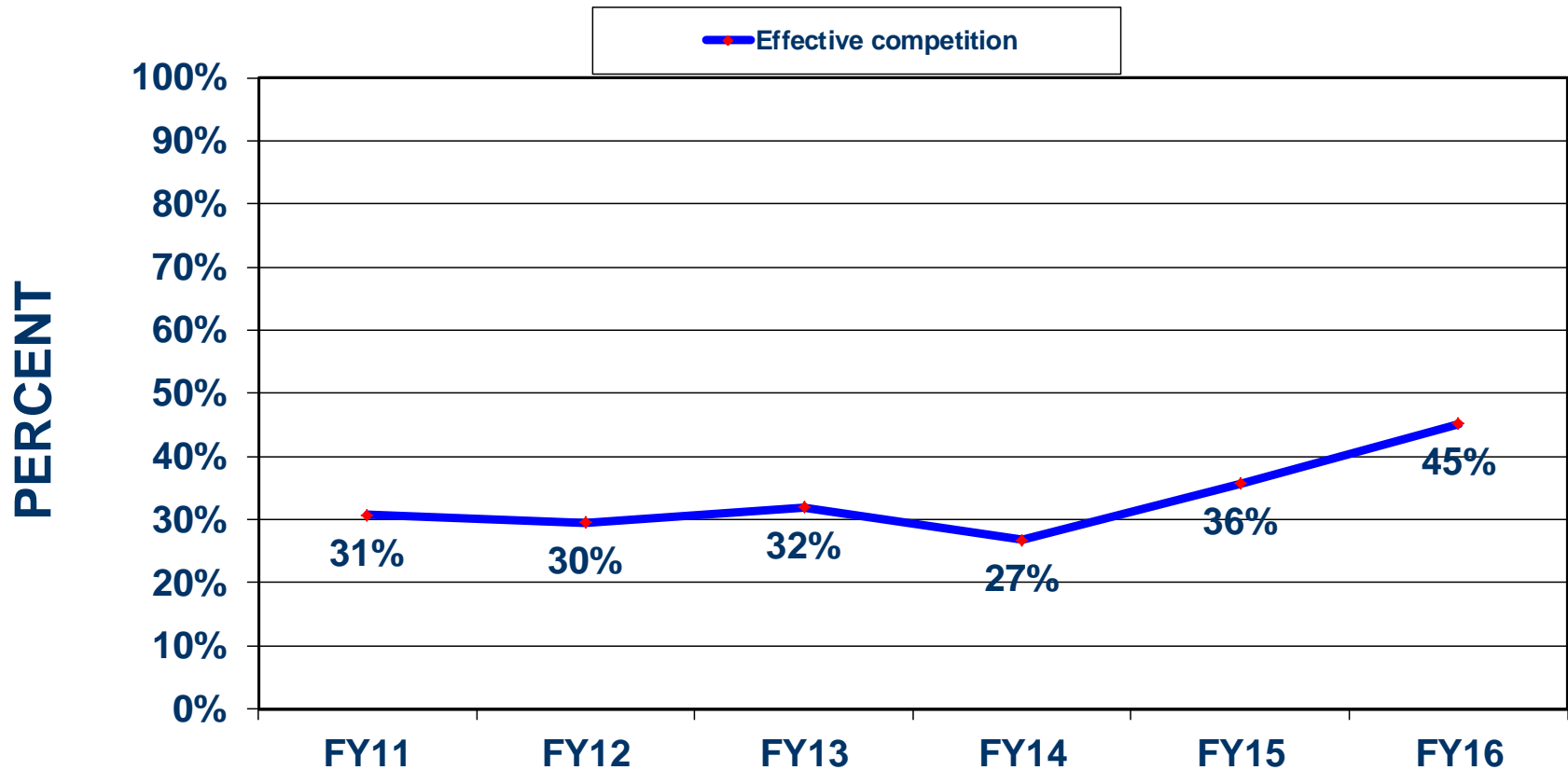
Competition Performance



Source: FPDS-NG Standard "Competition report"

Effective Competition Performance

- **Effective competition** is defined as a market condition that exists when more than one offer is received in response to a solicitation issued using competitive procedures.
- Effective competition was a new measure in FY 2011 resulting from the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD (AT&L's)) Better Buying Power Initiative for promoting real competition.

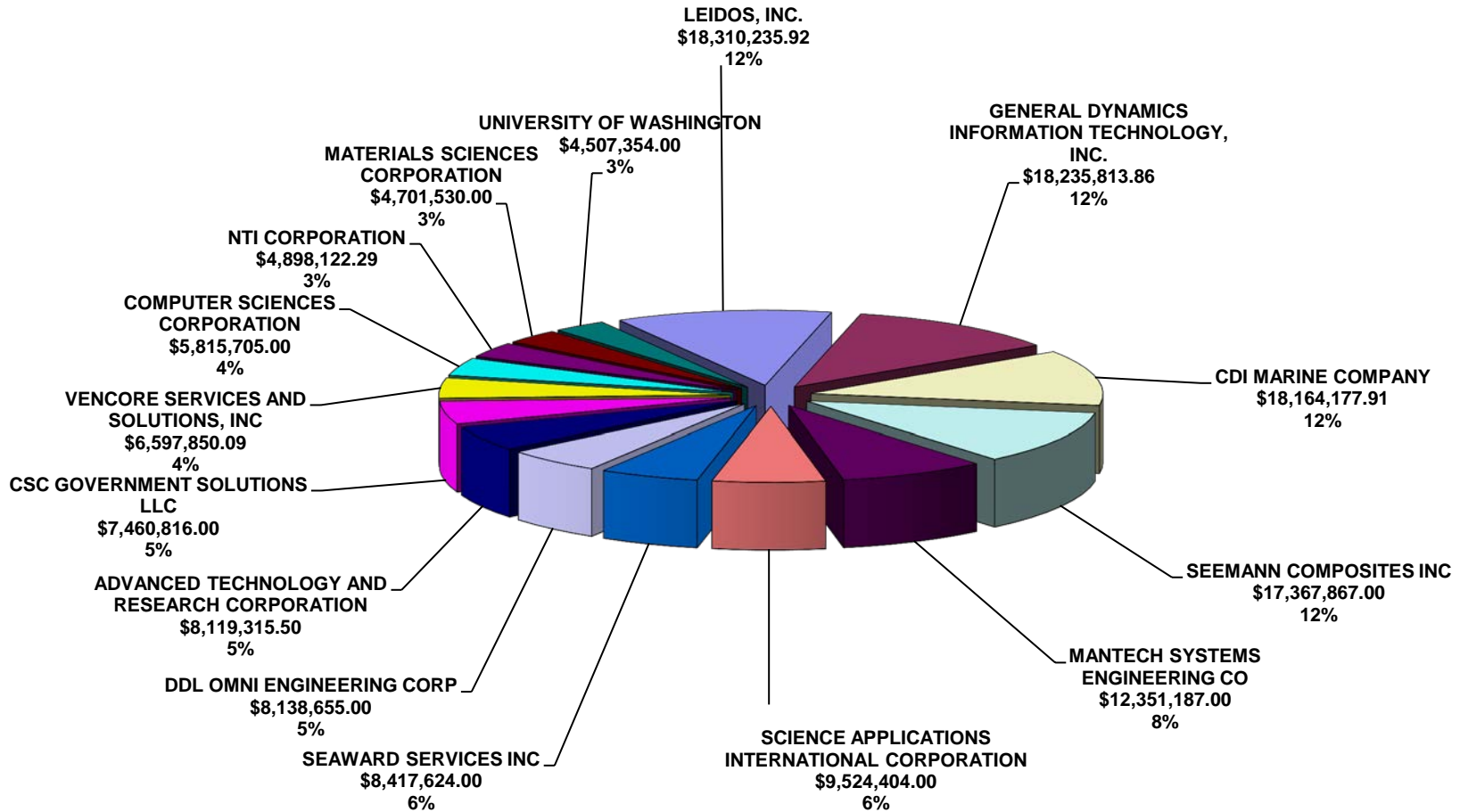


Source: FPDS-NG Standard "Competition report"

Top 15 Contract Obligations – FY16

Total FY16 Obligations \$210M

FY16 Top 15 Contractors \$152M (72%)



Total Division Contractors = 435



What 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

Portfolio	Sub-Portfolio	% Contracts	
Knowledge Based Services	Engineering	45%	46%
	Program Management & Other	1%	
Equipment Related Services	Equipment Modification	1%	2%
	Maintenance & Other	1%	
Research & Development	Systems Development	33%	34%
	Technology Base	1%	
Electronic & Comms Services	Telecom Services & IT Services	2%	8%
	Equipment Maintenance	6%	
Facilities (Supplies & Equipment)	Machinery & Tools	4%	6%
	Furnishing & Office S&E	1%	
	Physical Plant & Land	1%	
Other: 4%			



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 2018
- Forecasted services also to be published in SeaPort-e



The Process of Buying Goods & Services



- Perform market research, sources sought notices/RFI
- Industry Days – posting draft SOW/Sections L&M
- Consult Deputy for Small Business
- Budget/cost estimates & project planning
- Write acquisition plans and work statements
- Determine evaluation factors and criteria

- Communicate through Contracting Officer
- Solicitation, (synopsis)
- Price/cost evaluation
- Technical evaluation
- Past performance
- Small Business plan evaluation by Deputy for Small Business

- Communicate through Contracting Officer
- Award 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

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 ...and the list goes on...
- 2016 – NAVSEA Services Guide



Where are these documented?

- Federal Acquisition Regulation (FAR) – 1,885 pages
- Defense Federal Acquisition Regulation Supplement (DFARS) – 1,362 pages
- Navy Marine Corps Acquisition Regulation Supplement (NMCARS) – 174 pages
- DoD and Navy instructions
- NAVSEA Contracting Handbook

SeaPort-e



- All current SeaPort-e MACs will expire in April 2019
- Task Orders awards will continue to occur up until MAC expiration
- The Navy is in the process of collecting lessons learned via an RFI that was posted to FBO in May 2016
- The feedback from the RFI is being used by HQ to develop the Acquisition Strategy
- Draft RFP will be released to industry for comments in FY18
- No rolling admission to add new vendors in FY17
- Five year Period of Performance for new SeaPort-e Task Order awards
- Waivers required by NAVSEA to use vehicle (MAC IDIQ) outside Seaport



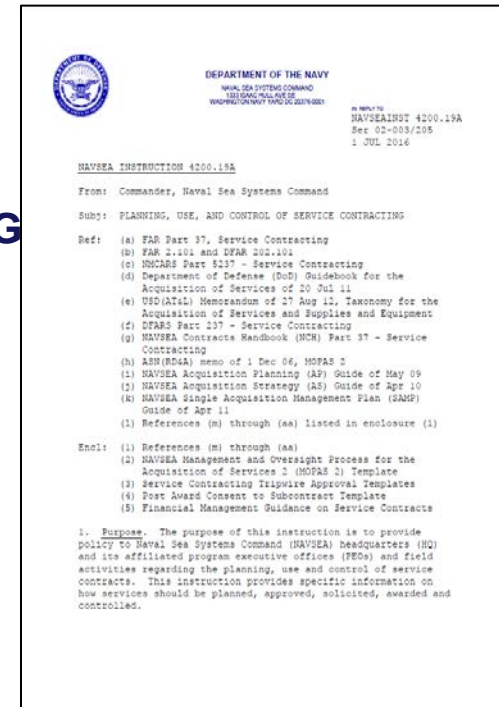
Pre/Post-Award Contracting Oversight: NAVSEA Tripwires

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
- IAW 52.222-46, offerors should not limit discussion of the total compensation plan to salaries. Shall identify the survey data used (name source).
- Offerors including subs must have an adequate **accounting system determined adequate by the Government** for cost type contract
- 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 (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 Carderock Chief of Contracting Office:

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