



NUWC Division Newport SeaPort-e Council Meeting

Dec. 14, 2016



Introduction

- **IAW the SeaPort-e CONOPS, NUWC Division Newport established a SeaPort-e Council in 2005 to provide a forum for industry involvement and feedback.**
- **NUWC Division Newport SeaPort-e Council solicits questions and feedback from Industry every six months, and then hosts a meeting to address questions and provide feedback.**
- **Attendees at the NUWC Division Newport SeaPort-e Council always include representatives from the Contracts Department, the Office of Small Business Programs, and industry, and frequently include the Office of Counsel, Contracting Officers Representatives, and Security staff.**
 - **The following pages reflect questions and answers from the most recent NUWC Division Newport SeaPort-e Council meeting.**



Industry Questions and Answers

Q1: Is there any way we can (via SENEDIA or NCMA) contact our U.S. senators or representatives so their office may contact OPM to see if the clearance approval process can be expedited? The process has screeched to a halt. It puts a premium on cleared people and customers are not interested in hearing that the holdup is at OPM when their tasking is not being accomplished.

A1: Security personnel provided an answer.



Industry Questions and Answers

Q2: We are now less than three years away from the planned end of the ordering period for SeaPort-e as we know it. From a planning perspective, given the PALT for new or follow-on solicitations, that means we are less than two years away for programs and contracts to be making decisions on the acquisition plans. Is there any update from NAVSEA on SeaPort-e NEXGEN, part deux, or?

Q3: What does the procurement future hold beyond the end of the last option of the current SeaPort-e contract? What is the plan for the next-generation electronic contracting portal?

Q4: With the anticipated expiration of SeaPort-e, there is talk that NAVSEA, like other agencies, may utilize the GSA OASYS contract. Is this an option?

A2/A3/A4: NAVSEA currently has an analysis of alternatives underway. There is a working group actively working to identify the best alternative for the future of requirements currently met under the Seaport-e MACs. All options including GSA OASIS are being considered.

Until issuance of the resulting analysis, NUWC Division Newport has no knowledge of the future of SeaPort-e.



Industry Questions and Answers

Q5: Historically, NAVSEA’s Contract Department requests past performance questionnaires in addition to reviewing CPARs in their evaluation of an offerors response to an RFP to ensure all potential offerors are afforded an opportunity to claim relevant past performance. The NUWC Division Newport Contracting Department has historically utilized only CPARs in their evaluation of responses. Given that a majority of the team submarine contracted work is accomplished by subcontractors on one of the four large business primes for the EWCSS Task Order vehicles (and therefore no CPARs that rate the subcontractor’s performance exists), the past performance questionnaire allows large and small business subcontractors on the EWCSS Task Order the opportunity to claim “relevant” past performance in their support of Team Submarine. Otherwise, only the four large businesses could claim “relevant” past performance for this work, which greatly reduces the potential competition for team submarine RFPs. With NUWC Division Newport assuming responsibility for the competing and evaluation of the Undersea Task Orders for NAVSEA (e.g. team submarine), is/will NUWC Division Newport considering utilizing past performance questionnaires in their evaluation of responses to RFPs to allow the numerous small and large businesses the opportunity to utilize their team submarine experience and foster greater competition?



Industry Questions and Answers

A5: No, NUWC Division Newport does not include questionnaires in RFPs, however NUWC Division Newport policy is to use questionnaires where necessary to obtain past performance information. For example, if an offeror submits a past performance reference that does not show up in PPIRS, then the source selection evaluation team may use a questionnaire to obtain feedback from cognizant government personnel on the submitted reference.

Industry is reminded that the point of contact and contact information for the points of contact for each reference need to be accurate.



Industry Questions and Answers

Q6: If prices that include little or no escalation are to be escalated by the government as part of the cost review, why not publish a minimum escalation rate in the solicitation for each contract year?

A6: NUWC's escalation methodology is posted on the public facing website, a link to which is included in Section L of each solicitation. This methodology applies the higher of the proposed or current Global Insight escalation rates in competitive situations.



Industry Questions and Answers

Q7: Requesting clarification of the function of the TDAA's. Most of us interpreted that to mean that we should/could contact TDAA's regarding upcoming procurements. I have contacted every TDAA and have only heard back from two. Both responses were to contact the negotiator.

This seems to conflict with the release of myth-busting in "Addressing Misconceptions to Improve Communication with Industry during the Acquisition Process, dated Feb. 2, 2011," which encourages government/industry one-on-one meetings. How do non-incumbents meet with the NUWC departments?

A7: The function of the TDAA is to serve a similar role as the acquisition managers in the Program Offices at NAVSEA. TDAA's work with the cognizant 02 branch head to discuss strategy, schedule, and execution of pre- and post-award actions. They also work within their departments to establish a long-term forecast, to prioritize requirements, and to increase the quality of requirements packages.

One-on-one's with industry are typically reserved for large, major acquisitions (e.g. LDUUV). NUWC holds a number of events with a small business focus throughout the year and for the majority of our requirements we hold Pre-Solicitation Conferences or offer facility tours which increase the communication with Industry and assist non-incumbents.

As always, questions concerning any particular requirement should be sent to the point of contact listed in the Advance Notice or RFP.



Industry Questions and Answers

Q8: NUWC Division Newport appears to be inheriting some task orders/contracts from other activities (such as NAVSEA EWCSS, LDUUV, etc.). Can you provide an overview of why this is happening, and provide a brief list/overview of these contracts?

A8: The high quality of work being executed at NUWC is well known with the NAVSEA enterprise and NUWC has been given the opportunity to work on these efforts. In FY16 and FY17, Code 02 took steps to recruit and hire a workforce that can effectively and efficiently handle the additional work.

The long-term forecast will be updated to include these contracting actions.



Industry Questions and Answers

Q9: Can we expect to see the latest long range acquisition forecast (LRAF) at this meeting?

A9: The NUWC Division Newport LRAF has been updated and posted to our Business Partnerships page on the external website at:
<http://www.navsea.navy.mil/Home/WarfareCenters/NUWCNewport/Partnerships/BusinessPartnerships.aspx>

- In addition, the next quarterly release of the LRAF will include the actions identified in answer No. 8.**



Industry Questions and Answers

Q10: Please discuss the 51/49-percent rule with regard to labor and ODCs. Can ODCs be used as part of the 51-percent requirement? We are of the opinion that under the Small Business Act that total dollars paid to a subcontractor (labor and ODCs) divided by the total paid to the prime contractor can be interpreted as fulfilling the 51/49-percent rule. The FAR is “clear as mud.”

A10: As it relates to requirements for services, the FAR and CFR include the following:

- FAR clause 52.219-14(c)(1) "Services (except construction). At least 50 percent of the cost of contract performance incurred for personnel shall be expended for employees of the concern."**
- 13 CFR 125.1 defines “cost of contract performance incurred for personnel” as follows: "direct labor costs and any overhead which has only direct labor as its base, plus the concern's G&A rate multiplied by the labor cost."**

Therefore ODCs are not part of the equation for service requirements.



Industry Questions and Answers

Q11: Typically, a tripwire rate is imposed at \$156 per hour but it is without regard to whether the labor is on government site or contractor site. Does this impose different standards to keep wages below a ceiling (except for special cases)?

A11: The current tripwire rate of \$156 per hour includes direct labor, indirect rates and applicable fee. As such the calculation of the fully loaded rate applies the proposed indirect rate, whether on site or off site.

NUWC does not view the \$156 tripwire as a “ceiling,” rather it is a point at which more consideration to added value is given to ensure the use of highly paid personnel is appropriate for the work.



Industry Questions and Answers

Q12: Please provide update on the “final” ruling on subcontracting limitations with regard to allowing more than one small business to be combined to make up the 51-percent rule that was supposed to be effective June 30, 2016. As of Oct. 12, 2016, it seems as though this is still an open FAR issue. Please provide an update with regard to the “Small Business Government Contracting and National Defense Act of 2013 Amendments Final Rule.”

A12: A review of open FAR cases as of Nov. 18, 2016 shows that FAR Case 2016-011, which implements the SBA’s final rule, was sent back to the FAR team for revision on Nov. 2, 2016.



Industry Questions and Answers

Q13: We understand that the government contracts with companies to provide support with the eCRAFT system. These companies could be competitors and thus we are concerned that these potential competitor companies will have visibility into our proprietary information including rates. Will the government provide the name and contact information for the companies it has retained for this eCRAFT support so that we may establish non-disclosure agreements with these companies?

A13:

- a) The current eCRAFT system is not supported by contractors.**
- b) The development of eCRAFT 2.0 is performed 100 percent by government personnel. eCRAFT 2.0 may allow for a role where contractors would only have access to non-proprietary awarded contract term data (ceiling and funding data).**



Industry Questions and Answers

Q14: For the past year we have encountered great difficulty with the eCRAFT system. We upload our monthly report in an .xml file as required by eCRAFT and, frequently, the uploaded data results in a blank page at the government. We have worked with the COR on this issue and the COR has involved others. We have been told a variety of reasons that could be the cause and we have addressed each issue, yet the problem continues. It is clear that this is a computer program issue that the government has not corrected. As a workaround, we have sent our monthly report in an Excel file to the COR. I might add, that we have been spending an inordinate amount of time on eCRAFT and we believe that the government has a couple of options; (a) fix the eCRAFT program, (b) replace the eCRAFT program, or (c) establish a funded CLIN in each cost-reimbursable task order to cover the costs associated with eCRAFT reporting. What are the government's plans to solve the eCRAFT issues?

A14: NUWC Division Newport is aware of the issues in the current iteration of eCRAFT and has worked to fix these issues. If you are still having issues please send them to the email address listed on the eCRAFT site: NWPT.NUWC_NPT_0212@navy.mil. Also, work is underway on a fully overhauled version of eCRAFT that should alleviate potential issues.



Industry Questions and Answers

Q15: Recent NUWC RFPs have required increasingly complex technical responses from bidders. For example, one current SBSA RFP on the street requires technical approaches to perform over a dozen hypothetical tasks and resumes for at least nine key personnel, along with past performance references, staffing matrix and rationale, an assortment of pass/fail inputs, etc. While the SeaPort CONOPS now requires at least 30-calendar days for all responses — at least 25 of which must be “working days” for task orders with an anticipated value greater than \$5 million, in the interest of increased competition would NUWC consider routinely increasing the response periods for its SBSA RFPs to at least 45 — and in some cases (see previous question concerning “bunching”) as many as 60-calendar days?

Q16: The government recently issued three separate and distinct RFPs that are small business set-asides with proposal due dates now schedule for Jan. 4, 5 and 6, 2017. The concern we have is that many key staff members will be unavailable due to pre-scheduled and approved vacations. Moreover, potential large business subcontractors will be unavailable as they shut down between Christmas and New Year's Day. And, with three solicitations to respond to at the same time, we anticipate that competition will likely be adversely affected since we and our competitor small businesses may only be able to respond to one or two of the RFPs due to limited staffing available. Will the government extend the proposal due dates for these three solicitations to the end of January 2017?



Industry Questions and Answers

Q17: During the week before Thanksgiving, NUWC released two small business set-aside RFPs on successive days with response dates similarly a day apart in mid-December. Both have since been extended and are now due during the first week of January — still a day apart. Two days before Thanksgiving, a third SBSA RFP was released that also has a closing date in the first week of January. Three RFPs — the first two of which support the same technical code, from three different negotiators, due on three successive days during the first full work week after simultaneous response periods that include three federal holidays — two of which generally involve high rates of employee absences, for NUWC and contractors alike. Even without the holiday season, the near-simultaneous release of three RFPs limits competition by making it very difficult — if not impossible — for an otherwise qualified small business to simultaneously prepare prime bids for two, much less all three. Looking ahead, NUWC’s projected contracts schedule shows the potential for a number of SBSA RFP releases being similarly “bunched” before April. Could you address this concern and any steps being taken to avoid or mitigate its potentially negative effect on competition?

A15/A16/A17: Response dates are established on a case-by-case basis. In establishing these dates the complexity of the RFP, mission requirements, holidays, and regulatory and policy requirements are all considered. If offerors have concerns over response periods, the question should be asked through the Portal on the individual requirement. All efforts are made to allow for as much response time as possible without adversely impacting the schedule and competition. (continued next page)



Industry Questions and Answers

A15/A16/A17 (continued): Recently the government took the following actions on the below RFPs based on questions submitted within the Portal in an attempt to allow offerors additional time, while still meeting mission requirements:

- **Code 25 N00024-16-R-3307 – RFP was released on Nov. 15, 2016 with a closing date of 12/16/2016. Amendment 0002 recently extended to Jan. 13, 2017.**
- **Code 25 N00024-16-R-3163 – RFP was released on Nov. 15, 2016 with a closing date of Dec. 15, 2016. Amendment 0002 recently extended to Jan. 6, 2017.**
- **Code 34 N00024-16-R-3299 – RFP was released on Nov. 22, 2016 with a closing date of Jan. 2, 2016. Amendment 0002 recently extended to Jan. 12, 2017.**



Industry Questions and Answers

Q18: The government has been issuing task orders with CLINs that are firm, fixed-price (FFP). While that is not a concern in and of itself, we are finding that the FFP task order lacks proper billing guidance thus resulting in a single FFP payment at the completion of the applicable FFP CLIN. As a small business, we cannot absorb our costs without more frequent billing and payment such as monthly. Will the government modify these task orders to allow for monthly invoicing and payment? And, will the government include specific monthly invoicing schedules in future FFP task orders?

A18: NUWC has been working toward allowing for other than year-end payment on a requirement-by-requirement basis. If a perspective offeror takes exception to any RFP term, a question should be posted in the Portal for the government to consider. Post-award, if you have this concern on a task order you should contact your contracting officer for them to consider a potential modification.



Industry Questions and Answers

Q19: A recent solicitation with FFP CLINs includes three-month period of performances. We suspect that is due to limited government funding. But, having three-month periods of performance CLINs increases administrative costs for both the contractor and the government.

We believe that the government should establish a period of performance of one year for these FFP CLINs and include the DFARs clause 252.232-7007 Limitation of government's obligation which is for incrementally funded fixed-price contracts and includes an allotment of funds schedule.

Will the government amend this solicitation to allow for 12-month periods of performance FFP CLINs and include this DFARs clause?

A19: Awarding CLINs in the manner suggested above would constitute multi-year contracting, which requires additional approvals. Also, the administrative burden to the government is not substantially different between exercising options or incrementally funding those CLINs.



Conclusion

- Thank you NCMA for coordinating the questions for this SeaPort-e Council meeting
- This briefing will be posted to the Division Newport Electronic Reading Room on our public website at:
<http://www.navsea.navy.mil/Home/WarfareCenters/NUWCNewport/Partnerships/BusinessPartnerships/ElectronicReadingRoom.aspx>
- Upcoming Events
 - Jan. 11, 2017: Code 85 “Fleet Production Support” Pre-Solicitation Conference
 - March 22-23, 2017: PTAC Matchmaker Event
 - April TBD, 2017: 3rd Annual SBRT Reverse Matchmaker
 - May TBD, 2017: Next SeaPort-e Council Meeting
 - June 14, 2017: 2nd Annual NCMA Ocean State Workshop