



**NAVSEA, DIRECTORATES &  
PROGRAM EXECUTIVE OFFICE  
SMALL BUSINESS STRATEGY  
FY21 & FY22**

**Contents**

<b>Introduction</b>	<b>1</b>
<b>Direction</b>	<b>1</b>
<b>NAVSEA Small Business Strategy Goals</b>	<b>2</b>
<b>Measuring for Success</b>	<b>4</b>
<b>Appendix A – NAVSEA HQ Addendum</b>	<b>6</b>
<b>Appendix B – PEO Unmanned and Small Combatants Addendum</b>	<b>9</b>
<b>Appendix C – PEO Ships Small Business Addendum</b>	<b>14</b>
<b>Appendix D – PEO Aircraft Carriers Small Business Strategy Addendum</b>	<b>33</b>
<b>Appendix E – PEO Integrated Warfare Systems Small Business Strategy Addendum</b>	<b>40</b>
<b>Appendix F – PEO Submarines Small Business Strategy Addendum</b>	<b>46</b>
<b>Appendix G – Surface Warfare (NAVSEA 21)</b>	<b>53</b>
<b>Appendix H – NAVSEA Field Activities</b>	<b>59</b>



## Introduction

Assistant Secretary of the Navy, Research Development and Acquisition (ASN (RDA)) challenged Head of the Contracting Activities (HCAs) and Program Executive Offices (PEOs) to tap into small business in a “Big Way” by formulating a Small Business Strategy. The intent of the strategy is to promote small business participation as a first option and to create a culture of small business inclusiveness throughout the NAVSEA Enterprise. ASN (RDA) assigned all Deputy Program Managers (DPMs) as “Small Business Advocates” and provided a strategic framework to create opportunities for small businesses to be competitive and to create a healthy and diverse small business industrial base. Additionally, ASN (RDA) issued a memorandum addressing Small Business Utilization for a Strategic Advantage and encouraged leveraging the agile, timesaving authorities resident in the Small Business Innovative Research (SBIR) and Small Business Technology Transfer (STTR) Program tools to include direct Phase III award process. NAVSEA embraced the aforementioned guidance in the development of our Small Business Strategy, and is committed to making “Small Business – The First Option” to expand the advantage and maximize agility, innovation, and responsiveness that small businesses bring to the warfighter.

***NAVSEA Small Business Mission: Maximize Small Business opportunities available in NAVSEA and PEOs to support our mission of designing, delivering, and maintaining the United States Navy’s ships and systems on time and on cost.***

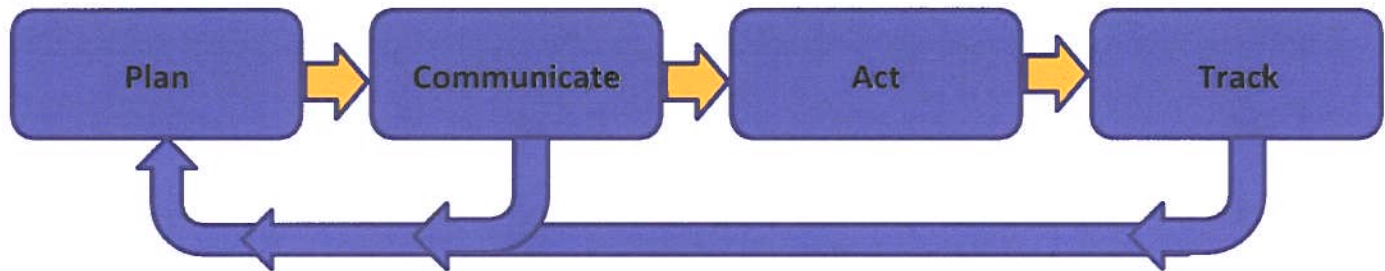
***NAVSEA Small Business Vision: Increase Small Business inclusion in our efforts to maximize the small business industrial base.***

## Direction

Small business concerns are essential in performing a vital role in our Nation’s economy and contribute efficiencies, critical technology innovations and enhancements by strengthening the competitive industrial base for the warfighter. NAVSEA recognizes the many benefits small businesses provide and is committed to creating small business opportunities throughout our Enterprise. Our small business strategy aligns with NAVSEA’s Strategic Framework 3.0, which builds on the foundation of Campaign Plan 2.0 and the work of the ONE NAVSEA team with a focus on executing our mission and ensuring our team is postured for an unpredictable future. The NAVSEA Mission “to design, build, deliver and maintain ships, submarines, and systems reliability, on-time and on-cost for the United States Navy” underpins our priorities and aligns directly with the CNO Navigation Plan. Activities and programs under our responsibility will consider small businesses as a viable partner in our efforts to maximize opportunity and offer innovative, flexible, agile and affordable options in achieving NAVSEA’s mission.

A key component of NAVSEA’s Small Business Strategy is the involvement of our PEO DPMs assigned as “Small Business Advocates”. As Small Business Advocates, our DPMs identify opportunities within their programs for small business participation. This entails early engagement and a collaborative working relationship with the NAVSEA Small Business Program Office, SEA 00K. Our Small Business Strategy was developed conjointly across the NAVSEA Enterprise, focused around four critical goals for small business success - Plan, Communicate, Act and Track. We will execute to these goals to implement effective acquisition strategies to promote small business participation.

## NAVSEA Small Business Strategy Goals



### Plan – Strengthen Small Business Acquisition Planning

○ Pending    ① In Progress    ● Continual or Complete

- Enhance our acquisition planning teams through expanded partnerships with industry, academia, and other government organizations.
- Nominate small business liaisons from PEOs, Directorates and Field Activities to participate in the NAVSEA Small Business Champions Council. The Small Business Champions Council members will work closely with the NAVSEA Small Business Program Office and DPMs to assist in acquisition planning strategies, incorporating small business best practices and promoting small business integrated strategies across the Enterprise.
- Expand specialized small business training to the acquisition workforce semi-annually in areas such as market research and small business subcontracting strategies. Specialized training will correct deficiencies identified during procurement performance and surveillance reviews, based on organizational need and targeted audience.
- Promote continued professional development of the acquisition workforce by requiring all Program Managers to complete Defense Acquisition University (DAU) course CLM 059 “Small Business for Program Managers”.
- Team with Program Managers and DPMs to identify small business opportunities within the PEOs, Directorates and Field Activities and to assist in the development of execution plans annually. This will be accomplished through Small Business Professionals (SBPs) participating early in the acquisition cycle and through attendance at annual PEO and Directorate Service Requirements Review Board (SRRB) meetings.
- Collaborate with PEOs, Directorates and Field Activities to increase awareness among program and requirement officials to ensure procurement milestones are accurate and up to date to support quarterly postings of the NAVSEA Long Range Acquisition Forecast (LRAF).
- ① Increase the visibility of the NAVSEA Small Business Program Office across NAVSEA through periodic engagement meetings with the PEOs and Directorates to strengthen partnerships, participate as an active member in acquisition Advance Planning Conferences (APCs) and promote small business as the first option in acquisition strategies.

## Communicate – Improve Small Business Communication

☐ Pending   ☒ In Progress   ☐ Continual or Complete

- ☐ Establish a NAVSEA 00K Small Business Communication Plan to include a social media strategy to advance NAVSEA's engagement with industry partners.
- ☒ Promote High Velocity Learning (HVL) by sharing small business best practices and lessons learned across our PEOs, Directorates and Field Activities by leveraging the NAVSEA iNFUSION platform. Develop an iNFUSION space dedicated to small business matters, serve as a small business knowledge sharing portal to reduce barriers to information sharing and allow collaboration across the NAVSEA Enterprise.
- ☒ Organize and host Small Business Industry Day opportunity forums annually. The forums' goals are to improve NAVSEA's outreach to industry on acquisition opportunities and facilitate market research feedback from small businesses.
- ☒ Implement "Small Business Thursday Meet and Greet" for engagement with small businesses. The meet and greets will be conducted virtually and provides an opportunity to allow small businesses an opportunity to meet and brief SEA 00K, learn about doing business with NAVSEA and hear from PEOs and Directorates on upcoming small business acquisition and subcontracting opportunities.
- ☒ Promote awareness of small business-related Department of Defense (DoD) and DON memorandums and directives by teaming with NAVSEA Public Affairs Office, NAVSEA Contracts Policy Office and NAVSEA Program Management Competency Office to disseminate and share the Department's small business priorities and strategic direction with the NAVSEA acquisition community.

## Act – Implement Small Business Strategies

☐ Pending   ☒ In Progress   ☐ Continual or Complete

- ☒ Update the NAVSEA Small Business Program instruction 4380.5 to provide program policies and guidance to enable enforcement of the NAVSEA small business programs.
- ☒ Provide training and guidance to the acquisition community on best practices used when considering including Small Business Participation as a factor or subfactor in source selection. Development of an effective subcontracting strategy is a team effort to be addressed early in the acquisition planning process.
- ☒ Leverage the capabilities of iNFUSION to develop a search tool that contains small business capability information. The iNFUSION search tool will provide a NAVSEA internal mechanism for increased market research.
- ☒ Engage with the PEOs and Directorates on fast lane initiatives and accelerated acquisition strategies to be used with our small business partners to encourage agility and speed in the acquisition process.
- ☒ Strive to achieve DON small business and socio-economic targets through involvement of the SBPs early in the acquisition cycle and through targeted outreach events.
- ☒ Coordinate with the Department of Navy Office of Small Business Programs (OSBP) on small business initiatives and help promote a DON-wide culture that leverages small businesses as a strategic advantage.

- ① Work with the acquisition community, through specialized training, educate the workforce on the Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) program and address barriers that prevent transition into Phase III programs of record.

## Track – Track Progress of Small Business Contracting

○ Pending    ① In Progress    ● Continual or Complete

- ① Provide integrated management and oversight of SBIR/STTR projects, document and track SBIR/STTR improvements to meet warfighter needs.
- Document and report major small business awards, SBIR/STTR technologies bringing innovation to the warfighter and outreach initiatives as part of the quarterly PEO program briefs to ASN (RDA).
- Conduct quarterly analysis of small business performance and provide quarterly reports on small business progress to command leadership.
- Capture and share good news stories of small business utilization as primes or subcontractors assisting NAVSEA to meet mission, reduce cost, or bring innovation to the warfighter.
- ① Report small business performance metrics during the monthly NAVSEA Corporate Board meeting, chaired by SEA 00, to gauge small business performance and address areas for improvement.

## Measuring for Success

### **Results: Small Business Opportunities throughout our Enterprise**

The NAVSEA Small Business Strategy will be utilized to increase small business opportunities throughout our Enterprise. Our strategy will be reviewed and updated on a biennial basis to assess its impact. Primary measure will be actual small business contracting achievements against forecast opportunities. The effect will be a close correlation between planned opportunities and achievements.

All NAVSEA Directorates, PEOs and field activity civilian and military personnel responsible for acquisition planning, establishing technical requirements for contracting, and contract execution will support this strategy. For specific questions regarding implementation of our Small Business Strategy or Small Business Programs, please contact the NAVSEA Small Business Program Office at NAVSEA\_SMALL\_BIZ.FCT@navy.mil.





<p><b>BANNISTER.PATRICIA.A.1368236442</b> Digitally signed by BANNISTER.PATRICIA.A.1368236442 Date: 2021.04.13 13:36:19 -04'00'</p> <p><b>P. ANNE BANNISTER</b> Director of Small Business Program, SEA 00K</p>	<p><b>LOFGREN.JAMES.GORDON.1230411421</b> Digitally signed by LOFGREN.JAMES.GORDON.1230411421 Date: 2021.04.09 14:46:44 -04'00'</p> <p><b>JAMES LOFGREN</b> Director of Contracts, SEA 02</p>
<p> ANGELA S. BEACH, SES Executive Director (Acting)</p> <p><b>RDML E. SEIKO OKANO</b> Program Executive Officer, Integrated Warfare Systems</p>	<p><b>SHEVOCK.ROBERT.C.JR.1229276383</b> Digitally signed by SHEVOCK.ROBERT.C.JR.1229276383 Date: 2020.09.24 10:15:10 -04'00'</p> <p><b>Mr. Robert C. Shevock</b> Program Executive Officer, Aircraft Carriers</p>
<p> RADM DAVID A. GOGGINS Program Executive Officer, Submarines</p> <p>9/10/2020</p>	<p> RDML THOMAS J. ANDERSON Program Executive Officer, Ships</p> <p>9/30/20 Date</p>
<p><b>MOTON.CASEY.JOHN.1047307658</b> Digitally signed by MOTON.CASEY.JOHN.1047307658 Date: 2020.10.21 12:28:37 -04'00'</p> <p><b>C. J. MOTON</b> RDML C. MOTON Program Executive Officer, Unmanned Small Combatants</p>	<p> RDML H. NGUYEN Cyber Engineering &amp; Digital Transformation, SEA 03</p>
<p><b>LITTIG.EVAN.L.1231911878</b> Digitally signed by LITTIG.EVAN.L.1231911878 Date: 2020.12.23 09:45:49 -05'00'</p> <p>for (acting)</p> <p><b>RDML E. VER HAGE</b> Deputy Commander, Surface Warfare, SEA 21 Commander, Navy Regional Maintenance Center</p>	<p><b>LLOYD.JASON.M.1056374864</b> Digitally signed by LLOYD.JASON.M.1056374864 Date: 2021.02.23 11:52:45 -05'00'</p> <p><b>RDML JASON A. LLOYD</b> Deputy Commander, Naval Systems Engineering, SEA 05</p>
<p> RDML H. MARKLE Industrial Operations, SEA 04</p>	<p> K. P. BYRNE, RDML, USN Commander, Naval Surface Warfare Center Commander, Naval Undersea Warfare Center</p>
<p> GIAO PHAN Executive Director, Naval Sea Systems Command</p>	<p> VADM WILLIAM J. GALINIS Commander, Naval Sea Systems Command</p>



## Appendix A – NAVSEA HQ Addendum

Date: 09 September 2021

### Part I – Executive Summary

The NAVSEA mission "to design, build, deliver, and maintain ships, submarines and systems reliably, on-time and on-cost for the United States Navy" underpin our priorities and aligns our mission objectives directly with the CNO's Navigation Plan. Small businesses have contributed efficiencies, economies, critical technology, innovations and agility by strengthening our industrial base. We will employ our best efforts to attain command targets consistent with cost, schedule, and performance to achieve mission and our objectives while aligning to NAVSEA's Strategic Framework and the CNO's Navigation Plan. NAVSEA's vision and mandate to expand our Navy's competitive military advantage over our competitors remains consistent and forms the foundation of our Small Business Strategy.

### Part II – Portfolio Overview

NAVSEA is comprised of command staff, headquarters directorates, affiliated Program Executive Offices and numerous field activities. Together, we engineer, build, buy and maintain ships, submarines and combat systems that meet the Fleet's current and future operational requirements. Due to the complexity and wide variety of major acquisition programs at NAVSEA HQ, limited prime contracting opportunities are available for SBs. Accordingly, NAVSEA HQ thoroughly reviews their requirements early in the acquisition strategy development phase and incorporates to the maximum extent possible, opportunities suitable for small business concerns into their acquisition programs.

### Part III – Small Business Strategy Implementation

- A. Specific efforts to increase Small Business participation in each socio-economic category utilizing Small Business Innovation Research (SBIR), Small Business Technology Transfer (STTR) and Mentor Protégé (MP) Program
  - Promote training of Deputy Program Managers (DPMs), who are designated as Small Business Advocates, to identify mutually beneficial opportunities within the SBIR, STTR and MP programs.
- B. Specific actions to identify new requirements suitable for small business participation as prime contractors.
  - Early participation of Small Business Professionals (SBPs) in all acquisition processes to include acquisition pre-planning conferences and meetings.
  - Focused collaboration with program offices and requirement holders to identify opportunities for small businesses in all phases of the acquisition life cycle.



- Greater communication with industry small business partners to evaluate their capabilities and identify breakout opportunities, as applicable.
- C. Explain your process for reviewing historically unrestricted procurements to determine if there are opportunities for small business participation as prime contractors.
- NAVSEA senior leadership, SBPs and contracts personnel participate in annual Service Requirements Review Board (SRRB) meetings presented by the PEOs and NAVSEA Directorates to identify, plan, revise, prioritize and validate contractual services. SRRB meetings provide a mechanism to review historically unrestricted procurements for the opportunity of separating acquisitions for small business opportunities instead of a single solicitation offering limited competition.
- D. Efforts taken to streamline the acquisition process.
- In response to ASN RDA memorandum on Systems Commands Fast Lane Initiatives and to increase the rate at which Navy projects can be initiated, executed, and completed, NAVSEA has initiated a FAST-Lane Acquisition Steering Team (FAST) and Governance Organization board. This approach will leverage middle-tier and acquisition agility authorities that may be used with our small business partners to encourage agility and speed in the acquisition process.
- E. Specific actions to increase Small Business subcontracting opportunities.
- Evaluate proposals for small business participation in competitive source selections.
  - Incentivize small business subcontracting when appropriate.
  - Promote attendance at internal training sessions for the PEOs, Directorates and SEA 02 on subcontracting considerations.
  - Mandate percentages for small business subcontracting performance based on historical performances in selected acquisitions.
- F. Efforts to communicate with industry.

Our intentional engagement with industry is a direct result of the National Defense Strategy which directs us to harness and protect the National Security Innovation and Industrial Base. We perform the following actions to facilitate increased awareness and engagement with industry.

- Host an annual NAVSEA Small Business Industry Day and participate in other industry day events sponsored by industry associations.
  - Personnel from the technical and contracting community, DPMs, and Command leadership actively participate during NAVSEA Small Business Industry Day event to include presenting Long Range Acquisition Forecast (LRAF), organizational overviews and one-on-one engagement with industry representatives.



- Encourage NAVSEA's technical community to participate in industry specific outreach events prior to proposal solicitation in order to evaluate small business interest. Conduct site surveys of small business respondent's requirements for expanded market research and increase the level of transparency on decisions resulting from the market research process.
  - Promote awareness of the NAVSEA sponsorship of HACKtheMACHINE, a unique hands-on experience for the Navy to present its digital challenges to the country's most talented and innovative software engineers, scientists and security researchers, to identify and connect with emerging technology in maritime security.
- G. Efforts to publish and frequently update an accurate Long Range Acquisition Forecast.
- NAVSEA utilizes the E-Milestone software application to capture current Request for Proposal dates, as updated by the PEOs and Directorates, to produce an accurate Long Range Acquisition Forecast (LRAF). The LRAF is updated quarterly and posted on NAVSEA's external website. It lists proposed procurements for the next eight quarterly periods to provide insight to small businesses on upcoming opportunities.
- H. Plans to award direct Phase III SBIR/STTR awards (if applicable)
- We will review SBIR/STTR Phase III technologies to expedite awards into programs of record, as appropriate.
- I. Efforts to establish goals for applying SBIR/STTR technologies in programs of record (if applicable). N/A



## Appendix B – PEO Unmanned and Small Combatants Addendum



**DEPARTMENT OF THE NAVY**  
PROGRAM EXECUTIVE OFFICE  
UNMANNED AND SMALL COMBATANTS  
1333 ISAAC HULL AVE, SE  
WASHINGTON NAVY YARD, DC 20376-7003

IN REPLY REFER TO  
**4380**  
**Ser USC/0111**  
**19 Oct 20**

**From:** Program Executive Officer, Unmanned and Small Combatants  
**To:** Director, Navy Office of Small Business Programs  
**Via:** Commander, Naval Sea Systems Command (SEA 00K)

**Subj:** PROGRAM EXECUTIVE OFFICE, UNMANNED AND SMALL COMBATANTS  
FY21 AND FY22 SMALL BUSINESS STRATEGY

**Ref:** (a) ASN (RDA) Memo, “Head of Contracting Activity and Program Executive Officer Small Business Strategy Document requirements,” of 12 Jun 18  
(b) ASN (RDA) Memo, “Tapping Into Small Business in a Big Way,” of 12 Jan 15  
(c) DASN (P) Memo, “The Ability to Award a Sole Source Contract through Various Socioeconomic Programs,” of 10 May 17

**Encl:** (1) PEO USC FY21 –FY22 Small Business Strategy Addendum

1. Program Executive Office, Unmanned and Small Combatants (PEO USC) FY21-FY22 Small Business (SB) Strategy is forwarded per reference (a).

2. In order to fulfill the PEO USC primary objective of delivering and sustaining operationally effective capabilities to the warfighter, I have instilled a SB contracting mindset as part of our PEO USC culture. SB participation will promote innovation and affordability in the acquisition of our products and services.

3. As directed in reference (b), Deputy Program Managers (DPMs) serve as the SB advocates within their respective portfolios. DPMs will serve as the technical points of contact for SB and will communicate requirements to SBs to enable these companies to either compete as a prime contractor or partner with other industry members. Under this strategy, I am directing the DPMs with the following responsibilities:

a. Communicate technology and program requirements to the PEO USC Director of Science and Technology (S&T) to foster a long range critical technology plan for Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) investment decisions and other S&T planning.

b. Establish SB goals with large prime contractors to increase SB subcontracting, and hold prime contractors accountable in their subcontracting plans.

c. Foster additional SB participation by using contracting strategies including:

(1) Multiple-award contract vehicles for task orders when it is known that at least two SBs can compete and provide a fair price with acceptable quality and delivery schedules



## Appendix B – PEO Unmanned and Small Combatants Addendum

Subj: PROGRAM EXECUTIVE OFFICE, UNMANNED AND SMALL COMBATANTS  
FY21 and FY22 SMALL BUSINESS STRATEGY

(2) Other Transaction Authority vehicles to promote innovation from small business and non-traditional industry partners

(3) Utilize sole-source contract vehicles for socioeconomic programs as outlined in reference (c) as well as phase III SBIR programs

d. Perform market research through the issuance of a sources sought notice to identify requirements that can be set aside for small business. This shall be entrance criteria for the second procurement advance planning conference.

e. Develop and implement SB plans and metrics that will be reviewed as part of program office tri-annual execution reviews.

5. My point of contact for this matter is Mr. Tim Gaffney (PEO USC Acquisition Director), [timothy.gaffney@navy.mil](mailto:timothy.gaffney@navy.mil), 202-781-5136.

MOTON.CASEY.J  
OHN.1047307658

Digitally signed by  
MOTON CASEY JOHN 1047307  
858  
Date: 2020.10.21 12:28:37 -04'00'

C. J. MOTON

Copy to:  
PMS 340  
PMS 406  
PMS 408  
PMS 420  
PMS 495  
PMS 501  
PMS 505  
PMS 515  
PMS 525  
PEO USC Director, S&T  
PEO USC Director, Acquisition



## Appendix B – PEO Unmanned and Small Combatants Addendum

October 19, 2020

### Part I – Executive Summary

PEO USC has instilled a small business contracting mindset as part of its acquisition culture. Through market research and by exploiting contracting tools and sole source authorization, program offices are directed to accelerate acquisition and promote innovation from small business partners.

### Part II – Portfolio Overview

The office of PEO Unmanned and Small Combatants (PEO USC) designs, develops, procures, maintains, and modernizes the Navy's expanding family of unmanned maritime systems, mine warfare systems, explosive ordnance disposal systems, special operations systems, and small surface combatants.

### Part III – Small Business Strategy Implementation

Deputy Program Managers (DPMs) serve as the small business advocates within their selective portfolios. DPMs will serve as the technical points of contact for small business and will communicate requirements to small businesses to enable these companies to either compete as a prime contractor or partner with other industry members.

The Director of Science and Technology for PEO USC coordinates all Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) investments and identifies transition opportunities with the program offices.

Specific actions taken to increase small business participation include:

- A. Specific efforts to increase small business participation in each socio-economic category utilizing SBIR, STTR and Mentor Protégé Program (MPP)

**Response:** The Director for Science and Technology (S&T) for PEO USC interfaces with industry, the science and technology community, and the program offices to identify SBIR and STTR investments and transition opportunities. The PEO USC S&T office participates in small business outreach events annually.

- B. Specific actions to identify new requirements suitable for small business participation as prime contractors

**Response:** As part of advance planning for procurements, program offices identify potential small business sources as part of market research while coordinating those findings with the NAVSEA Small Business Office. The completion of this research is entrance criteria for a follow-on advance planning conference to begin development of

## Appendix B – PEO Unmanned and Small Combatants Addendum

the solicitation package. As a result of this approach, the ship sustainment branch recently awarded a MAC contract to six small businesses, and MAC contracts to large businesses requiring 30% of the effort to be subcontracted to small business.

- C. Explain your process for reviewing historically unrestricted procurements to determine if there are opportunities for small business participation as prime contractors.

**Response:** As part of advance planning for follow-on procurement competitions, program offices identify potential small business sources as part of market research while coordinating those findings with the NAVSEA Small Business Office. For service contracts, a percentage of the solicitation is set aside for small business. For supply and equipment contracts, MAC contract vehicles are used for small business to compete on individual delivery orders.

- D. Efforts taken to streamline the acquisition process

**Response:** PEO USC is capitalizing on acceleration acquisition authorities provided by Congress to promote innovation and accelerate capability to the warfighter through rapid prototyping. The Director of Acquisition has been assigned as the Chief Acceleration Officer to establish accelerated acquisition strategies when possible. The PEO also capitalizes on multiple contracting tools available to shorten award timelines and provide flexibility, such as IDIQ contracts, OTAs, and MAC contracts.

- E. Specific actions to increase Small Business subcontracting opportunities to include evaluating small business participation in competitive source selections and incentivizing small business subcontracting when appropriate.

**Response:** Small business subcontracting is established as an evaluation factor in procurements. Contractors are then rated in CPARS on execution of their subcontracting plans.

- F. Efforts to communicate with industry

**Response:** The PEO USC S&T office participates in small business outreach events annually. Program offices also hold industry days as part of market research in acquisition planning and prior to announcing solicitations

- G. Efforts to publish and frequently update an accurate Long Range Acquisition Forecast

**Response:** Program offices enter solicitation milestones in Seaport for the next two years by the end of the third quarter of the fiscal year. This enables the contracting directorate to perform workforce planning, and the small business office to announce the LRAF in the fourth quarter.



## Appendix B – PEO Unmanned and Small Combatants Addendum

### H. Plans to award direct Phase III SBIR/STTR awards (if applicable)

**Response:** Presently we do not have any Phase III contract awards in progress.

### I. Efforts to establish goals for applying SBIR/STTR technologies in programs of record (if applicable)

**Response:** Presently we do not have any specific utilization goals with respect to SBIR/STTR in our Program acquisition strategies

### J. Projected FY21 – FY22 Small Business Acquisitions

**Response:** Small businesses can compete for multiple contracts, but small business set-aside contracts include:

- FY21 Front Office program management support services
- FY21 LCS program management support services
- FY21-22 mini-MAC LCS sustainment delivery orders



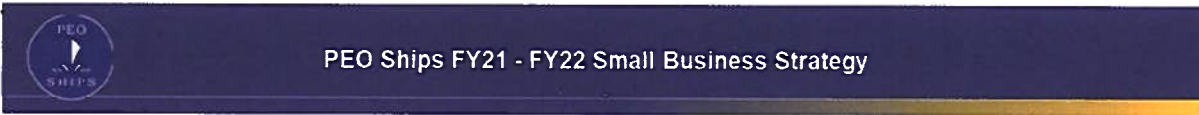
## Appendix C – PEO Ships Small Business Addendum




# **PEO Ships FY21 – FY22 Small Business Strategy**



## Appendix C – PEO Ships Small Business Addendum



### NAVSEA HCA-PEO FY21 – FY22 Small Business Strategy Signature Page

  
RDML THOMAS J. ANDERSON  
Program Executive Officer, Ships

9/30/20  
Date

## Appendix C – PEO Ships Small Business Addendum

### Table of Contents

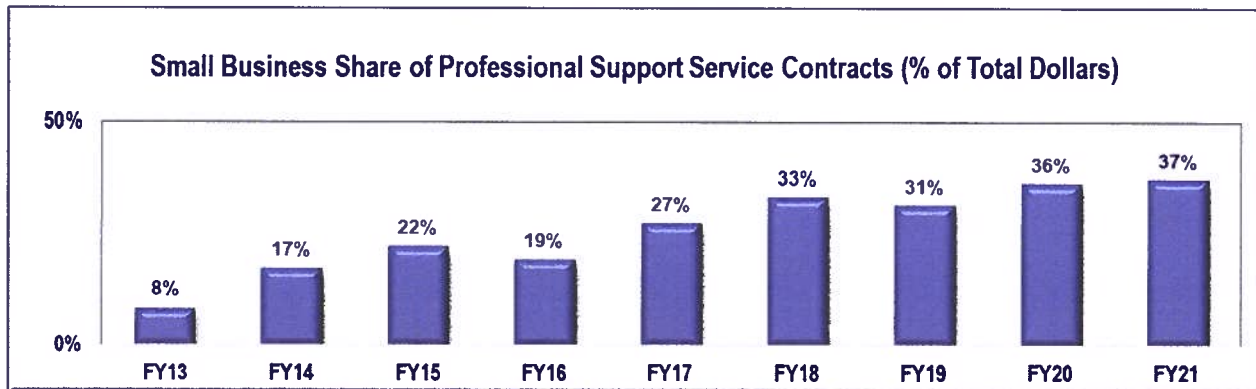
<b>Part I – Executive Summary .....</b>	<b>1</b>
<b>Part II – Portfolio Overview .....</b>	<b>3</b>
<b>Part III – Small Business Strategy Implementation.....</b>	<b>5</b>
A. Specific efforts to increase Small Business participation in each socio-economic category utilizing Small Business Innovation Research (SBIR), Small Business Technology Transfer (STTR) and Mentor Protégé Program (MPP). .....	5
B. Specific actions to identify new requirements suitable for small business participation as prime contractors.....	8
C. Explain your process for reviewing historically unrestricted procurements to determine if there are opportunities for small business participation as prime contractors. ....	10
D. Efforts taken to streamline the acquisition process. ....	12
E. Specific actions to increase Small Business subcontracting opportunities to include evaluating small business participation in competitive source selections and incentivizing small business subcontracting when appropriate. ....	13
F. Efforts to communicate with industry.....	15
G. Efforts to publish and frequently update an accurate Long Range Acquisition Forecast.....	17
H. Plans to award direct Phase III SBIR/STTR awards (if applicable). ....	17
I. Efforts to establish goals for applying SBIR/STTR technologies in programs of record (if applicable).....	18

## Appendix C – PEO Ships Small Business Addendum

### Part I – Executive Summary

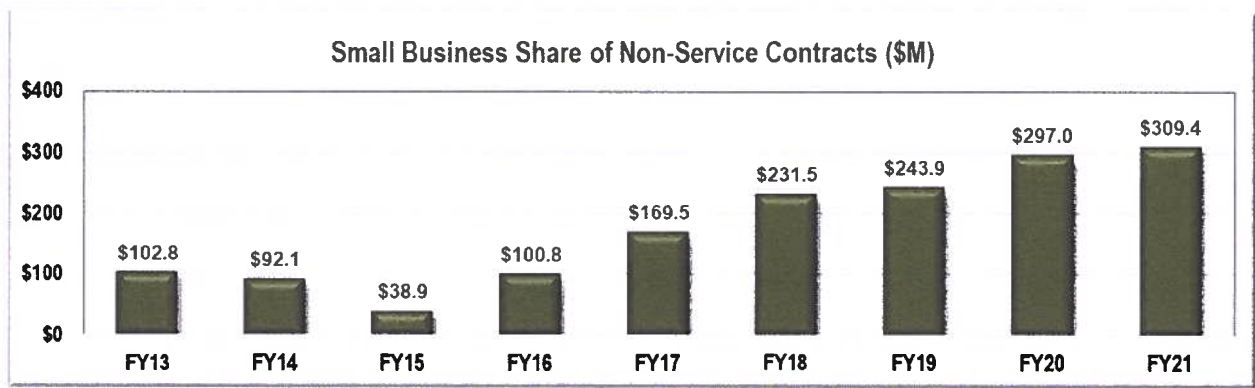
As one of the largest acquisition organizations in the U.S. Navy, PEO Ships manages the design and construction of destroyers, amphibious ships, special mission and support ships as well as a wide range of boats and craft for U.S. governmental agencies and foreign military sales. As small businesses are recognized for their innovative and agile solutions to acquisition needs, PEO Ships has led the charge to enhance shipbuilding and professional support service contracting opportunities for this critical component of the defense industrial base.

For Fiscal Year 2020, small business contracts represented 45.3% of the total number of contracts administered by PEO Ships, of which, 72.6% were designated as non-service and 27.4% were designated as professional support service contracts. As illustrated below, opportunities for small businesses to compete for professional support service contracts have continued to increase since 2013, with 36.8% of total contracting dollars planned for small business set-asides in FY21. Similarly, small business set aside opportunities for non-service contracts are expected to increase by approximately 4.2% in FY21.



An increase in small business opportunities within PEO Ships is also evident in non-service contracts. Compared to support services contracts, the percentage of funding awarded to non-service small business prime contracts is relatively small, as totals are dominated by shipbuilding contracts awarded to large businesses, such as Huntington Ingalls Incorporated, General Dynamics Bath Iron Works, General Dynamics National Steel and Shipbuilding Company (NASSCO), and Austal USA, LLC. Additionally, since the number of shipbuilding contracts awarded varies from year to year, the percentage of small business non-service contracts tends to fluctuate. Therefore, for non-service contracts, the yearly amount awarded to small businesses is a better indicator of increased small business participation. As shown in the following chart, the total value of non-service contracts awarded to small business will more than triple between 2013 and 2021.

## Appendix C – PEO Ships Small Business Addendum



PEO Ships also heavily leverages the Office of Naval Research's Small Business Innovation Research (SBIR) Program to identify small business solutions to shipboard challenges. Illustrated below are those projects that have transitioned from the research phase and have been successfully integrated onboard U.S. Navy surface ships. In FY 21, PEO Ships plans to continue to execute SBIR efforts with projects in a variety of research areas including power and energy, advanced materials, cyber security, digital transformation, and launch and recovery of boats, craft and unmanned vehicles from ships.



## Appendix C – PEO Ships Small Business Addendum

### Part II – Portfolio Overview

The mission of PEO Ships is to design and acquire the future Surface Fleet of the U.S. Navy, translating warfighting requirements into combat capability enabling our Nation and its allied partners the ability to project presence in peace, power in war, and assured access at all times.

- PEO Ships consists of the following program offices:
- PMS 400D - DDG 51 Arleigh Burke Class Destroyer Program: Manages the design and construction of DDG 51 Arleigh Burke class guided missile destroyers.
- PMS 500 - DDG 1000 Zumwalt Class Multi-Mission Destroyer Program: Manages the design and construction of DDG 1000 Zumwalt class multi-mission destroyers.
- PMS 317 – LPD 17 San Antonio Class / LPD Flight II / Light Amphibious Warship (LAW): Manages the acquisition, design and construction of LPD 17 San Antonio class ships, including Flight II ships. Additionally PMS 317 is involved in the early stages of the Light Amphibious Warship (LAW) concept.
- PMS 377 – Amphibious Warfare Program (LHA / LCAC / SSC / LCU 1610 / LCU 1700 / AADS): Manages the design and construction of LHA(R) America class amphibious assault ships, Ship to Shore Connectors and Landing Craft, Utility (LCU) 1700; provides in-service sustainment for Landing Craft Air Cushion, LCU, and the Amphibious Assault Direction System.
- PMS 385 – Strategic and Theater Sealift Program Office: Manages the design and construction of the Expeditionary Fast Transport (EPF), Expeditionary Sea Base (ESB), and Common Hull Auxiliary Multi-Mission Platform (CHAMP).
- PMS 325 – Support Ships, Boats and Craft Program Office: Manages the design and construction of auxiliary and special mission ships, boats, service craft and seaborne targets, and provides aid to allied partners through the procurement of boats, craft, equipment and provision of follow-on technical support services.
- PMS 320 - Electric Ship Program Office: Develops and provides smaller, simpler, more affordable, and more capable ship's power systems for all Navy platforms by defining common open architectures, developing common components, and focusing Navy and industry investments.
- Ships Acquisition Management Program Office: Manages activities associated with the acquisition of all elements of Government Furnished Equipment and Government Furnished Information.





## Appendix C – PEO Ships Small Business Addendum

Per ASN(RD&A) memo of 12 Jan 2015, PEO and SSP Deputy Program Managers from each of the aforementioned programs were formally appointed as the Small Business Advocates responsible for identifying opportunities within the programs for Small Business participation, serving as technical Point of Contact for Small Businesses interested in pursuing these opportunities, and for management of SBIR and STTR within their cognizance.

Additionally, PEO Ships works across governmental agencies (Department of Homeland Security, Department of Commerce) and with nearly 50 international partners to provide the program management and technical expertise required to support their critical acquisition needs.



## Appendix C – PEO Ships Small Business Addendum

### Part III – Small Business Strategy Implementation

#### **A. Specific efforts to increase Small Business participation in each socio-economic category utilizing Small Business Innovation Research (SBIR), Small Business Technology Transfer (STTR) and Mentor Protégé Program (MPP).**

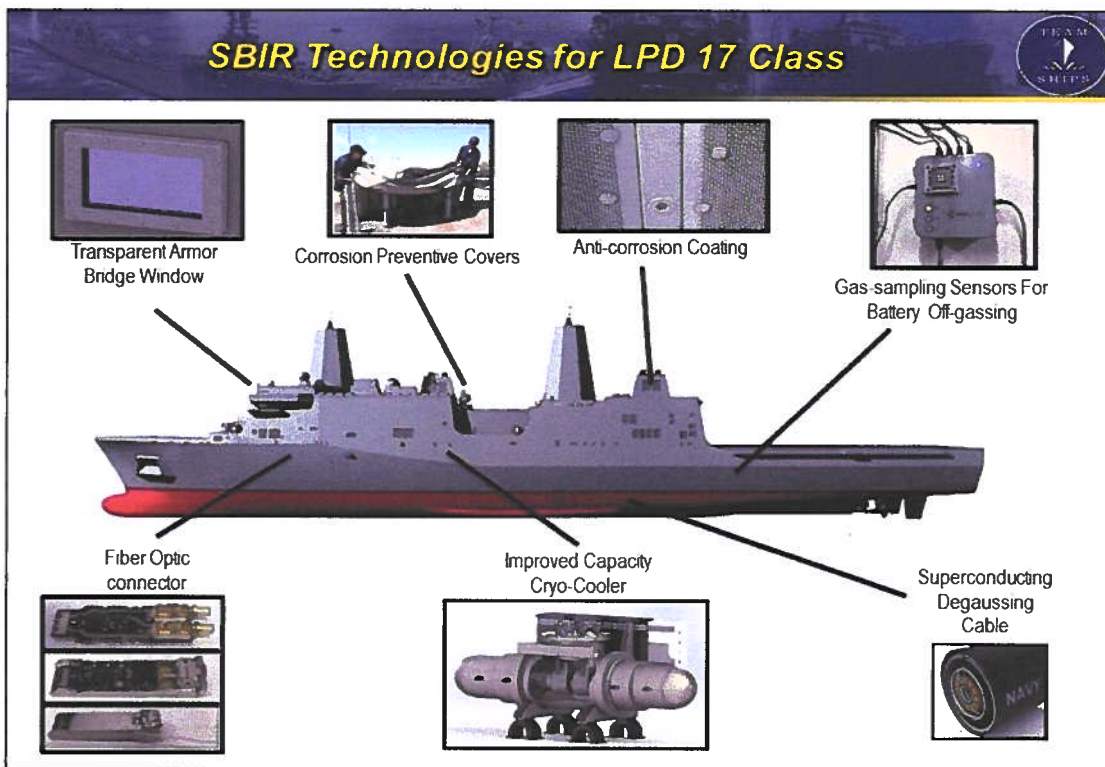
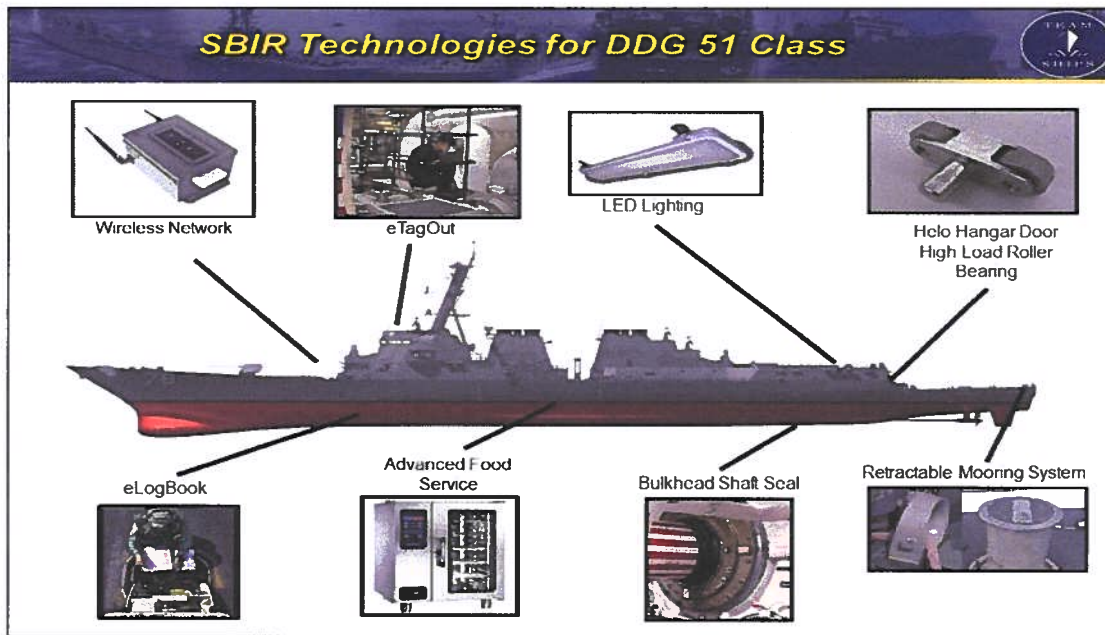
The PEO Ships SBIR program regularly performs outreach events that include on-site presentations and one-on-one discussions with small business representatives to increase small business participation.

Additional efforts to increase small business participation for FY21 include:

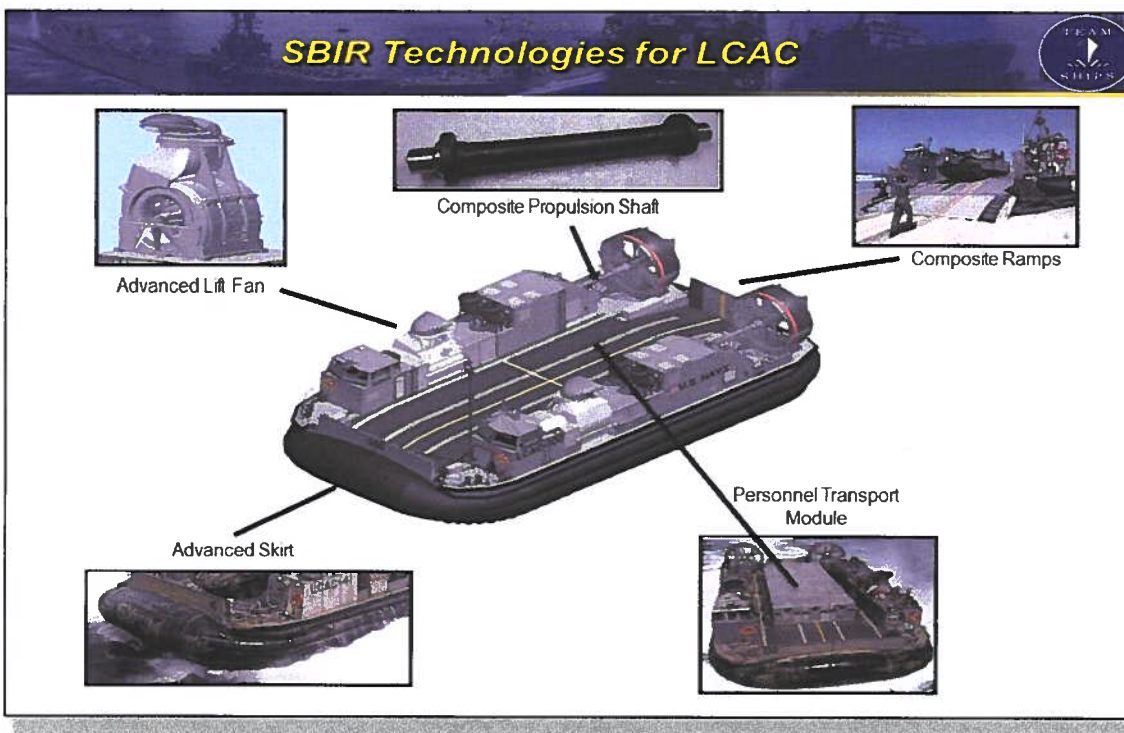
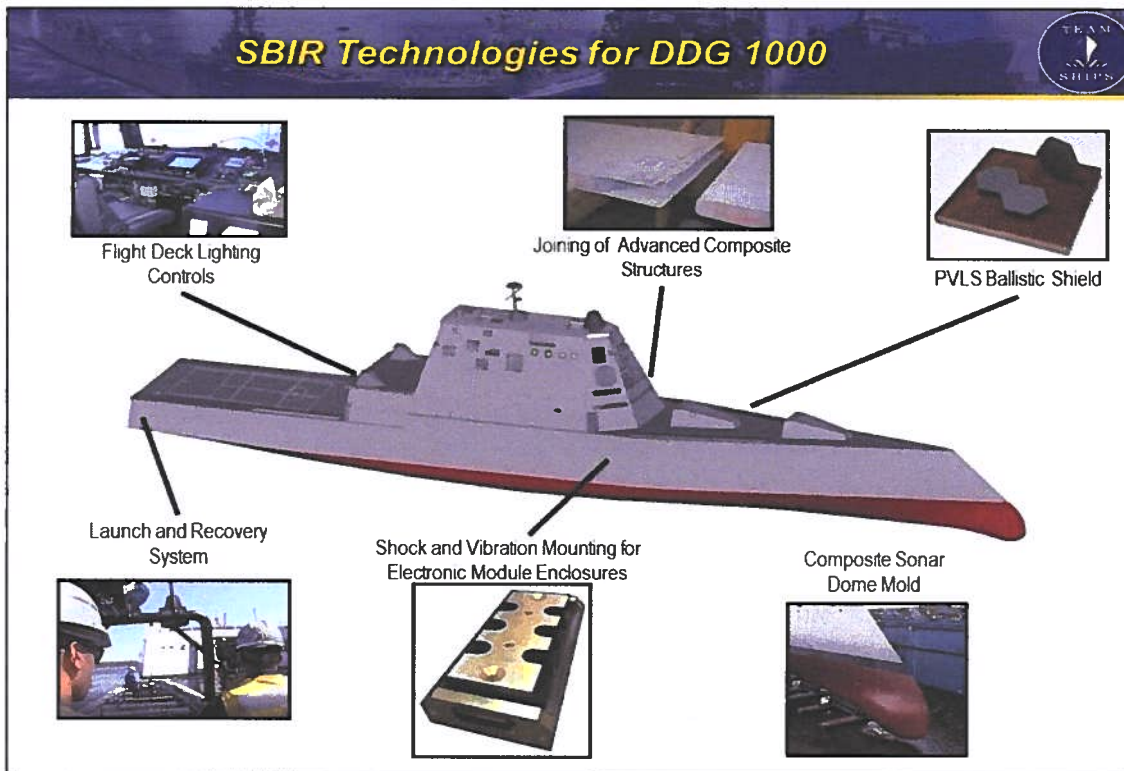
- PEO Ships SBIR/STTR FY20 portfolio presentation at the Navy SBIR East and West Topic Workshops and video conferences. Combined, this workshop reached 20 states, 639 participants and provided onsite representation for one-on-one SBIR guidance to small businesses.
- Navy Forum for SBIR Transition that connects SBIR-funded technologies with warfighters. PEO Ships SBIR provided four representatives who met with 21 small businesses to identify technology needs, status of development, and expected transition path to commercialization. The SBIR team also facilitated other one-on-one meetings with government acquisition and technical personnel, large primes, and system integrators.
- STP Program brings together small businesses, Navy program offices, and other SYSCOMs in a collaborative environment to help small businesses increase the transition potential of their technology.
- Small Business access to “Suggest an SBIR/STTR Research Topic” website <http://www.navsea.navy.mil/Business-Partnerships/SBIO/>
- 4th Annual Department of the Navy SBIR/STTR Primes Summit to expand productive partnerships between prime contractors and small businesses, presented PEO Ships SBIR program objectives
- Small Business Industry days hosted by NAVSEA SBIR to connect small businesses with DoD personnel and primes at the Washington Navy Yard, BLDG 197.

PEO Ships currently manages 65 SBIR contracts with companies across 21 states in a variety of research areas including power & energy, HM&E, advanced materials, cyber-security, training systems, and launch & recovery systems of boats, craft and unmanned vehicles from ships. SBIR technologies resident on several of PEO Ships platforms are highlighted in the following figures.

## Appendix C – PEO Ships Small Business Addendum



## Appendix C – PEO Ships Small Business Addendum





## Appendix C – PEO Ships Small Business Addendum

Several current PEO Ships SBIR research projects are summarized below:

- Bulkhead Shaft Seals – SBIR firm Mide developed a seal with a unique design that does not require pulling the shaft in dry-dock to replace the seal. The legacy propulsion shaft bulkhead seal on USS COLE failed which resulted in cross- compartment flooding requiring locking of the shaft and placing operational restrictions on the ship's ability to maneuver. The new Mide "hydro-active" seal material only activates (expands) when exposed to flooding and also permits the shaft to continue to rotate as proven on the USS Fitzgerald. Over 200 Mide bulkhead shaft seals have been installed in 46 US Navy ships to date including DDG 51, LPD 17 and both LCS variants.
- Lighting Controls - SBIR firm C3I developed an aviation flight deck advanced lighting control system. \$23M of non-SBIR funding has been invested in the procurement and installation of 35 common systems in 7 different ship types to date including (as well as two Marine Corps Air Stations and three Air Force Bases)
- Composite Ramp - SBIR firm Material Science Corporation with their manufacturing partner Seemann Composites successfully developed a composite LCAC loading ramp that isolated for new construction and back-fit bow and stern ramp applications for Landing Craft Air Cushion (LCAC) hovercraft and the replacement Ship-to-Shore Connector (LCAC 100).

An IDIQ contract was awarded for a ramp prototype and replacement of legacy ramps. \$9.6M of non-SBIR funding has been invested in the procurement of these ramps to date.

### **B. Specific actions to identify new requirements suitable for small business participation as prime contractors.**

Requests for Information (RFIs) are used to determine industrial base interest in acquisitions prior to issuing solicitations to inform industry of upcoming business opportunities, in particular for small businesses. In accordance with FAR 19.502(b), programs set aside acquisitions over \$150,000 for small business if there is a reasonable expectation that offers will be obtained from at least two responsible small business concerns. As an example of where this strategy was applied within PEO Ships, PMS 400D's acquisition team has performed market research for all tasks under the Professional Support Services (PSS) statement of work in order to evaluate tasking that could be set-aside for small business in a forthcoming solicitation. Efforts associated with Strategic Planning were identified as a strong candidate for inclusion in the already existing set aside, as many consultants offering Strategic Planning services are small business.

Similarly, several PEO Ships programs' follow-on support services contracts will be small business set asides in FY21-22. Contracts originally planned as an unrestricted solicitation, upon discussions with the NAVSEA Small Business office, have resulted in changing the strategy to move forward with a small business solicitation. PMS 317 recently awarded a Small Business Set Aside task order that shifted work that was previously accomplished under its unrestricted task order. In addition to last year's support services contracts across PEO Ships that were awarded as small business set asides following prior contracts that were awarded as unrestricted procurements, two contracts are expected to shift to small business set asides in FY21-22.



## Appendix C – PEO Ships Small Business Addendum

In addition to PSS contract small business set-aside efforts, technology development areas are also pursued for small business partnerships. In addition to PSS contract small business set-aside efforts, technology development areas are also pursued for small business partnerships. As part of the general utilization of the Naval Power and Energy Systems (NPES) Technology Development Roadmap (TDR), the Electric Ships Office (PMS 320) releases an annual Broad Agency Announcement (BAA) for suitable technology developments in the area of shipboard power and propulsion systems. The BAA has been a source of many novel ideas from small businesses that are presently under review for funded efforts. This firm has also been an active partner in the SBIR portfolio and the technology they have developed is planned for demonstration as the primary source for the Solid State Laser Technology maturation program implementation on LPD 27. The BAA has been a source of many novel ideas from small businesses that are presently under review for funded efforts.

In FY20, PMS317 leveraged Small Business Concerns in the following technology development areas:

- 400Hz Point of Use Converters (PUCs) – R&P Technologies – Currently there is not a vital or non-vital PUC qualified to meet all Navy Mil-Spec requirements. Commercial PUCs recommended by NAVSEA 05 to meet a technology gap in our LPD 28AF design were determined to have too much risk and did not meet Environmental Qualification Test (EQT) requirements. PMS 317 initiated a PUC development project with a small business (R&P Technologies) to design, build, and qualify a system to Mil-Spec requirements. This project is ongoing, and is expected to complete testing this fall/winter CY20. The small business was able to quickly develop the design, procure materials, build the units, and get test laboratories under contract. This will allow PMS 317 to procure and install the new units in our scheduled post-delivery availability. The system will meet all legacy requirements with no risk to the program or fleet.
- Transparent Armor Windows (TAWs) – Karagozian & Case – PMS 317 successfully completed a SBIR to develop a new TAW to meet all LPD and ballistic window requirements. NAVSEA 05D and the Technical Warrant Holder (TWH) concurred that the new windows meet all of the system requirements. PMS 317 is in the process of transitioning these windows into new construction, and backfit into the fleet. A Rapid Innovation Fund (RIF) project is ongoing for material procurement and installation support of the first ship set of windows. PMS 317 is working with PMS 407/443 and the fleet on the recommended installation approach. If it is determined that a Ship Change Document (SCD) is required, coordination will occur with these stakeholders to plan the initiation of the SCD
- Unmanned System Launch & Recovery (Well Deck) – PMS 317 is currently in the early planning stages for the Phase I/II statement of work, and evaluating existing systems and technology. PMS 317 is expecting multiple offers for Phase I proposals. PMS 317 is currently planning unmanned system demonstrations [Unmanned Aerial System (UAS), Unmanned Underwater Vehicle (UUV), Unmanned Surface Vehicle (USV)] with LPDs to help inform future organic requirements. This is in support of the concept where the LPD operates as a Mother Ship for multiple unmanned systems.



## Appendix C – PEO Ships Small Business Addendum

- High Temperature Superconducting (HTS) System – PMS 317 is currently working with American Superconductor (AMSC) and NSWC-Philadelphia to field the first full ship HTS degaussing system in the surface fleet as a transition of multiple SBIRs for HTS equipment. The system will be installed in post-delivery on LPD 28, 29, and in-line by the shipbuilder as part of the LPD 30 baseline. PMS 317 is working with NSWC Philadelphia for material procurement, AMSC support, and AIT management of the post-delivery install planning. The first installation is planned for FY22.

Additionally, requirements for future Target and Range support crafts (~220' OSV and Tugs) are being worked to facilitate purchase of used vessels in FY21 and FY22 such that both can be procured via a small Business set-aside.

### **C. Explain your process for reviewing historically unrestricted procurements to determine if there are opportunities for small business participation as prime contractors.**

NAVSEA senior leadership, small business personnel and contracts personnel participate in annual Service Requirements Review Board (SRRB) meetings presented by the PEOs and NAVSEA Directorates to identify, plan, revise, prioritize and validate contractual services. This provides an additional level of review and scrutiny. The PEO Ships' process for reviewing historically unrestricted procurements to determine opportunities for small business participation as prime contractors encompasses the following actions:

- 1) PEO Ships programs make extensive use of Requests for Information (RFI) to determine if specific tasks within the unrestrictive procurement can be performed by small businesses to meet the requirements. This approach has been particularly successful as evidenced by the following:
  - Awarded 20+ boat contracts in FY18 for the U.S. Navy to include 7m RIBs, 11m RIBs, Force Protection Medium Boats, Workboat Medium, Workboat Large, Naval Special Warfare Special Support Craft 11m RIBs, 9m EOD MERCs, 11m Expeditionary RIBs, NIWC Marine Mammal, 40' Patrol Boats, 60' Dive Boat, 65' Dive Boat, Oil Spill Response (OSR) Utility Boats, OSR Boom Platforms, and OSR Rapid Response Skimmers.
  - RIBCRAFT USA of Marblehead, MA was awarded a \$75M Firm Fixed Price Indefinite Delivery Indefinite Quantity (IDIQ) Contract for up to 278 7M RIBs composed of three different variants (Standard 7m RIB, LPD17 variant, SOLAS variant). RIBCRAFT USA is a small business boat builder.
  - The Foreign Military Sales (FMS) award of eight (8) 45' Patrol Boats for the countries of Montenegro and Guatemala is anticipated in FY20, and was determined to be a small business set aside.
  - Reconcraft of Estacada, OR was awarded a \$6.2M FMS Contract for a 38' patrol boat. Reconcraft is a Service Veteran Disabled Owned Small Business (SVDOSB) and was the respondent to a SVDOSB RFI.



## Appendix C – PEO Ships Small Business Addendum

- The LCU 1700 program team employed exceptional innovation and perseverance to overcome traditional issues and challenges, and they created a unique opportunity for small business where none previously existed, ultimately awarding a critical Navy shipbuilding contract to a Historically Underutilized Business Zone (HUBZone) Small Business entity.
- 2) PEO Ships programs regularly conduct reviews of unrestricted Statements of Work (SOW) in order to identify efforts that can be performed and set aside for Small Business. Important considerations in this process include:
- a) Industrial Base – Are there task areas in the subject unrestricted SOW that have an extensive base of Small Business firms that excel at that type of work?
  - b) Need for Integration – Are there task areas in the subject unrestricted SOW that do not necessarily need to be strongly integrated with the overall effort? If not, then that work is low risk to set aside if the industrial base exists.

Specific examples where the unrestricted SOW review process yielded an increase in small business participation:

- In the current DDG 51 Professional Support Services (PSS) contract, it was determined that Program Acquisition Management, Financial Management, and Integrated Performance efforts could be set aside on a Small Business Contract, and are currently being executed by small business as the prime contractor. Ahead of re-solicitation of PSS requirements, all efforts are reviewed in their entirety to determine potential opportunities for small business participation.
- In the case of PMS 385's support services contract, the current contract was awarded as a small business set aside following a prior unrestricted procurement. The requirement to obtain Small Business Office concurrence of the acquisition strategy produced dialogue that directly resulted in a decision to change from an unrestricted strategy to a small business set aside approach.
- PMS 377's historically unrestricted Professional Support Services contract was successfully split into three separate procurements - (2) SBSAs prime contracts and (1) unrestricted contract with a small business participation requirement of 20% aimed at maximizing small business opportunities. In July 2018, the first of the SBSAs for Production Support was awarded to a small business contractor and the second SBSA for Program Management, Administrative Support, and Business Financial Management Support services was awarded in October 2018. The unrestricted CSS procurement, with 20% small business participation, was awarded in September 2019.



## Appendix C – PEO Ships Small Business Addendum

### D. Efforts taken to streamline the acquisition process.

PEO Ships programs follow the Acquisition Best Practices Guide, dated June 2016, and continuously monitor current processes for improvement opportunities and implement efficiencies where and when possible. When dealing with multiple award contracts, PEO Ships programs strive to streamline the acquisition process in accordance with FAR 16.505 to the maximum extent possible. In addition, draft RFPs for competitive efforts are routinely issued.

The competitive nature of the PEO Ships shipbuilding programs incentivizes each prime contractor to look beyond its own facilities and capabilities to find the most cost effective way of performing the contract. The contracts include clause FAR 52.219-8, "Utilization of Small Business Concerns," which requires each contractor to afford Small Business concerns the maximum practicable opportunity to participate in Federal contracts. Each shipbuilder submits a subcontracting plan that includes a description of the efforts the contractors will make to assure that small business, veteran-owned small business, service-disabled veteran-owned small business, Historically Underutilized Business Zones small business, small disadvantaged business, and women-owned small business concerns have an equitable opportunity to compete for subcontracts in accordance with FAR 52.219-9.

PEO Ships shipbuilding program acquisition strategies take advantage of SBIR legislation that allows for the awarding of sole-source contracts with SBIR companies for the procurement of full production technologies. The requirement for competitive procurement is accomplished during the Feasibility Study phase of SBIR contracts.

PEO Ships programs and the NAVSEA contracts office provide potential bidders with simplified proposal requirement checklists and conduct post-award conferences to address questions regarding contract terms and conditions. This ensures small businesses can more easily navigate the complexity often associated with government contracts.

PEO Ships programs also work with the NAVSEA contracts office to provide performance-based, commercial-type payment clauses to accommodate restrained fiscal resources.

Additionally, through increased use of IDIQ type contracts for standard boat and service craft, companies are able to plan workload over a longer period of time, creating the desired stability for their workload projections, as well as accelerating the acquisition of products.

Examples of the above efforts include:

- The program office for Support Ships, Boats, and Craft (PMS 325), together with SEA02, and legal continue to look at changes in contracting execution to better support and accelerate the acquisition of boats, and combatant craft. For contracts involving repetitive procurements and a sustainable funding profile over five (5) years, the office makes maximum use of IDIQ contracts. Examples of changes include combining requirements for different boats/users into one RFP, and use of sign-off templates for the common acquisition documents. By extending over a five- year period, IDIQ contracts also mitigate small business challenges in maintaining adequate cash flow and stable workloads.

## Appendix C – PEO Ships Small Business Addendum

- PMS 320 utilized the DoD FY2019 Rapid Innovation Fund (RIF) BAA to award a MVDC High Speed Circuit Breaker contract to Diversified Technologies, Inc., in May 2020, based on efforts developed in a SBIR Phase II contract under Topic N161- 026, "Fault Current Limiting (FCL) Distribution Cable." The RIF is administered by the Under Secretary of Defense for Research and Engineering (USD(R&E)) Small Business and Technology Partnerships (SBTP). Annually, a RIF BAA is issued to facilitate the rapid transition and insertion of innovative technologies developed predominantly by small businesses, to include those from Small Business Innovation Research (SBIR) and DoD reimbursed Independent Research and Development (IR&D), into defense acquisition programs. Historically, about 90 percent of RIF awards were to small businesses with an average award of \$2.1 million.
- For PMS 317's recently awarded SBSA PSS task order, the work was partitioned to include only unclassified tasking. Because of this, no DD-254 was required, effectively lowering the barrier of entry for Small Business. Compliance with elevated industrial security requirements places a significant cost burden on Small Business. In addition to this, the process can be difficult to understand and navigate for a Small Business that is trying to expand into competing for Government contracting opportunities. This work reorganization resulted in a very high number of proposals received to compete for this solicitation.

### **E. Specific actions to increase Small Business subcontracting opportunities to include evaluating small business participation in competitive source selections and incentivizing small business subcontracting when appropriate.**

PEO Ships program offices evaluate and assess prime contractors' small business subcontracting performance through the Contractor Performance Assessment Reporting System (CPARS). A contractor's evaluation in CPARS has a specific category for small business; companies with a strong commitment to subcontracting to small businesses are rated accordingly, thus motivating large businesses to pursue small business utilization policies and procedures that reflect or even exceed Government objectives. Correspondingly, if a company does not meet their small business subcontracting goals, the assessment in CPARS is reflective of this performance.

Quarterly program reviews are also utilized by the programs to discuss the primes' outreach initiatives for identifying all potential small business resources to increase small business opportunities. "Industry Days" are utilized to provide awareness to small businesses of available opportunities to add value on large scale projects for major acquisitions, such as ship building detail design and construction (DD&C).

In future acquisition programs, PEO Ships is considering the use of financial capital expenditure (CAPEX) incentives to encourage investment in the facilities operated by small vendors/suppliers.

Additional actions to increase Small Business subcontracting opportunities include:

- The PMS 385 DPM and Small Business Advocate created Assistant Small Business Advocates for both the EPF and ESB programs. This is an informal approach that is akin to deputizing additional Program Office personnel as Small Business Advocates. The Assistant Small Business Advocates have access to Electronic Subcontracting Reporting System (e-SRS); evaluate ISRs in e-SRS; initiate historical data metrics; initiate CPARS assessment of the Small Business section; establish contact with the Prime Contractors Small Business Liaison Officers; and modify the quarterly Shipbuilding Production Progress Conferences (SPPCs) to include a slide on Small Business contracting.

## Appendix C – PEO Ships Small Business Addendum

PEO Ships program offices utilize, as part of the solicitations, a section required in proposals to ensure small business participation. The Small Business Subcontract Management Approach requires Large Business concerns to describe the extent to which they have identified and committed to provide for participation of Small Business concerns, Small Disadvantaged Business concerns, Women-Owned Small Business concerns, HUBZone Small Business concerns and Service- Disabled Veteran-owned Small Business concerns as subcontractors in the performance of the requirements addressed within the solicitation.

PMS 317's recent LAW industry days yielded four small business concerns either acting as an interested prime contractor or subcontractor. These small business concerns are currently participating in early industry studies related to the LAW.

### F. Efforts to communicate with industry.

Small businesses are offered multiple opportunities to network and familiarize working with PEO Ships. Leaders and other representatives from PEO Ships program offices participate at these events to promote awareness of business opportunities with the organization. A selection of these events are described below.

- Sea, Air & Space: A small business training and panel discussion with the theme "Strengthening the DoN Industrial Base and Supply Chain Resiliency through Small Business Participation" was part of the agenda. Hosted by Emily Harman, Director, Navy Office of Small Business Programs, the panel consisted of Small Business Liaison Officers from NAVSEA's prime vendors with their respective Program Managers and Navy Small Business Professionals with their respective Navy Program Managers. The panel focused on promoting Small Business acquisition opportunities through partnering with Navy's large business partners.
- Multi-Agency Craft Conference (MACC): An open forum for the exchange of operational and technical information on small boats and craft between Government agencies and the maritime community. Information on new technologies and new product offerings, as well as information on Army and Navy service craft, Navy and Coast Guard patrol boats, Navy and USMC expeditionary craft, and Naval Special Warfare craft are highlighted in chaired technical presentations, vendor and agency displays, and in-water demonstrations.
- International Work Boat Show (IWBS): Held every year in New Orleans, and attracts 15,000 members of the commercial marine industry, who come together from around the world to network, educate, spot new industry trends, and uncover innovative products and solutions. Produced by the same team as Workboat Magazine and WorkBoat.com, the IWBS is a trade-only conference and expo for commercial vessel owners, operators and builders as well as the vendors and suppliers that serve them. Support Ships' Boats, and Craft Office (PMS 325) held extensive discussions with many small businesses during the IWBS regarding upcoming requirements across all PMS 325 Divisions to include Boats & Combatant Craft, Service Craft & Seaborne Targets, Foreign Military Sales as well as US Navy Boat Repair and Maintenance. Presentations at the IWBS also included discussion on requirements associated with Special Mission and Undersea Surveillance Ships operated by Military Sealift Command.
- NAVSEA Small Business Industry Day (SBID): Provides a forum for interested small businesses to hear from senior Navy leadership and Program Executive Offices about NAVSEA programs. The intention of the forum was to facilitate an enhanced understanding of NAVSEA's programs and strategic direction to help small businesses prepare for prime and subcontracting opportunities. In addition,



## Appendix C – PEO Ships Small Business Addendum

the SBID provides a panel of large-business guest speakers to communicate about subcontracting.

- **Mega Rust**: Conducted annually to provide a consolidated focus on Navy corrosion issues. The conference provides an impartial forum for dialogue between government and commercial organizations, and providers of coatings and corrosion control products, processes, technologies and solutions. Participants include representatives from military, industry, and government organizations involved with research and development, design, engineering, construction, maintenance, modernization and operation of naval systems that are potentially affected by corrosion. The conference covers all segments of the naval services including sea, air, Marine Corps, vehicles, and facilities.
- **Naval Future Force Science and Technology (S&T) Expo**: The Office of Naval Research's (ONR)-hosted event to showcase some of the Navy's and Marine Corp's latest technologies and bring together the brightest minds from around the world to share information; discuss research opportunities; and build partnerships between the Navy, Marine Corps, industry and academia. There will be one-on-one appointments, information kiosks with program officers, breakout and poster sessions, exhibits and seminars designed to help participants learn about ONR's mission and how to support it. The Expo will be co-sponsored by the American Society of Naval Engineers—the leading society for engineers, scientists and other professionals, who design, develop, test and maintain naval and maritime ships, submarines and aircraft, and their associated systems and subsystems.
- **Forum for SBIR/STTR Transition**: Venue for connecting 100+ Small Business with SBIR/STTR-funded technologies with warfighters, government acquisition and technical personnel, large primes, system integrators, and other potential partners/collaborators.
- **Fleet Maintenance & Modernization Symposium (FMSS)**: Includes prominent guest speakers, panelists and paper presentations from the Navy, Coast Guard, industry and academia; providing a unique opportunity to interact with senior military and civil service decision makers, ship and craft operators and maintainers, repair and maintenance personnel, designers, builders, planners, engineers, program managers, life cycle engineers, equipment suppliers and other technical experts.
- **ShipTech**: The two-day event targets the domestic shipbuilding industry, its supplier base, U.S. Navy Program Offices, and Navy-sponsored shipbuilding research programs. ShipTech is a forum to exchange information on the manufacturing technology developments generated by Navy ManTech through its Centers of Excellence, as well as the related initiatives conducted by the National Shipbuilding Research Program, industry and academia. This event will identify technology needs and ongoing initiative in the U.S. shipbuilding and ship repair industry for future small business opportunities.
- **Technology Systems and Ships (TSS) (Formerly ASNE Day)**: Focuses on the latest efforts of the Navy, Coast Guard, Marine Corps, and Army to design and procure the next generation of weapons, systems, and ships. Technical Papers presented regarding state-of-the-art technologies and exhibit halls available for networking to enable transition our current portfolio of SBIR technologies to Prime Contractors, Shipyards and other Agencies/SYSCOMS.
- **Surface Navy Association**: Annual National Symposium, bringing together US Navy Fleet Forces experience and guidance with industry to provide for a superior US Naval Force of the future.





## Appendix C – PEO Ships Small Business Addendum

### **G. Efforts to publish and frequently update an accurate Long Range Acquisition Forecast.**

On a quarterly basis, contracting milestones for every RFP with an expected award value greater than \$5M and scheduled for release within the next two years is entered into the eMilestone system for eventual public release by the NAVSEA contracting authority (SEA 02).

In addition, PEO Ships acquisition opportunities are promulgated via FEDBIZOPS and SBIR announcements.

PEO Ships programs also present acquisitions planned over the next 5 years based on the current Program of Record as reflected in the President's Budget at various public events including the MACC, IWBS, and Industry Days.

Prior to issuing solicitations, PEO Ships programs also issue Requests for Information (RFIs) to determine industrial base interest in upcoming acquisitions. This is done to inform industry of upcoming business opportunities and to seek out information that will help the acquisition process.

### **H. Plans to award direct Phase III SBIR/STTR awards (if applicable).**

In FY20, PMS 377 awarded a Phase III SBIR to MSC in Horsham, Pennsylvania and SCI in Gulfport, Mississippi for the construction of large-scale LCAC 100 production components such as the volutes, prop ducts, rudders, and bow thruster nozzles.

### **I. Efforts to establish goals for applying SBIR/STTR technologies in programs of record (if applicable)**

As part of its SBIR program strategy, PEO Ships senior leadership approves only those proposed SBIR topics that have a strong Program Office commitment to transition to Surface Ship Acquisition Programs.



## Appendix D – PEO Aircraft Carriers Small Business Strategy Addendum

Date: 23 March 2021

### **Part I – Executive Summary:**

The Program Executive Officer for Aircraft Carriers (PEO Aircraft Carriers) is tasked with supporting the design, development, construction, modernization and life cycle management of Aircraft Carriers for the Navy. PEO Aircraft Carriers has dual responsibilities reporting to the Assistant Secretary of the Navy (RDA) and Commander, Naval Sea Systems Command.

### **MISSION**

Deliver Aircraft Carriers on time, ready for tasking, at an affordable cost.

### **VISION STATEMENT**

We provide Aircraft Carriers for our Navy to defend and protect the nation around the world. We set the standard for acquisition excellence by delivering the capability we need, when we need it, at an affordable cost. We partner with our federated team to challenge the status quo to ensure the Aircraft Carrier remains an icon of our national security for generations to come.

### **PEO Aircraft Carriers Strategic Goals:**

In support of FY 2020 and FY 2021, PEO Carriers' goals and objectives will align with and support NAVSEA priorities, particularly those outlined in COMNAVSEA's Commander's Intent & Campaign Plan 3.0 Preview; the CNO's Lines of Effort contained in his "Design for Maintaining Maritime Superiority"; ASN(RDA)'s acquisition focus areas; and the National Defense Strategy. Strategic Goals are as follows:

- Deliver operationally effective, operationally suitable, safe, and sustainable capabilities to the warfighter in a timely manner.
- Enhance and sustain our delivered capabilities both directly and indirectly.
- Ensure effective and efficient use of our limited resources.
- Attract, train, maintain, and promote a professional, ethical and diverse workforce.
- Effectively communicate our vision, mission, goals, and results both externally and internally.

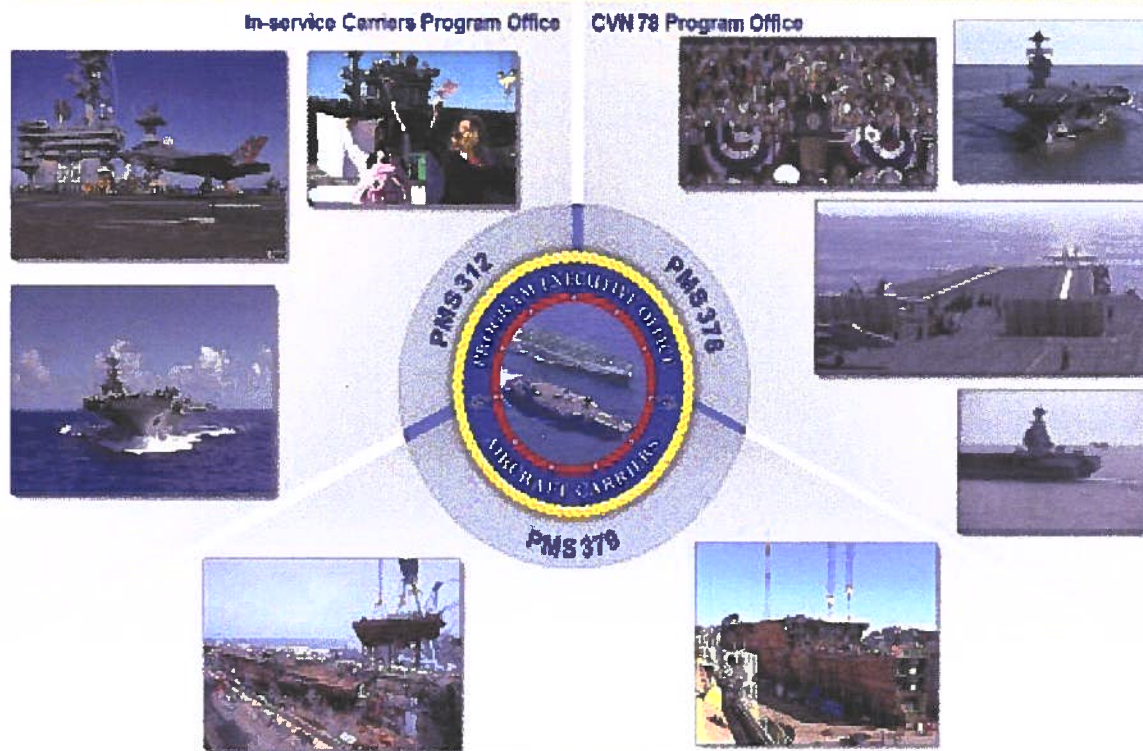
## Appendix D – PEO Aircraft Carriers Small Business Strategy Addendum

### Part II – Portfolio Overview



## PEO Carriers Portfolio

**Mission: Deliver Aircraft Carriers on time,  
ready for tasking, at an affordable cost.**



NAVSEA Signature A: Approved for Release: Distribution Unlimited

CVN 79/80 Program Office

### ORGANIZATION STRUCTURE:

- PEO Aircraft Carriers Front Office
  - Includes PEO, Executive Director, Chief of Staff (COS), Chief Financial Officer (CFO), Chief Technical Officer (CTO), Director of Corporate Operations (DCO), Public Affairs Officer (PAO) and Activity Chief Information Officer (ACIO).
- PMS 312, In-Service Aircraft Carriers



## Appendix D – PEO Aircraft Carriers Small Business Strategy Addendum

- Includes Program Manager (PMS312), Deputy Program Manager (PMS312B), Refueling Complex Overhaul (RCOH) Team, In-Service Team, Business and Financial Management Team, Life Cycle Support Team
- 312C/CPA is a PEO Aircraft Carriers field activity for Class Maintenance and Modernization Planning
- SEA05V provides engineering support
- IWS 10 provides Combat Systems Integration Support
- Embedded Air-1.2 rep facilitates coordination of air-ship interfaces and liaison with air programs
- Embedded NAVWAR rep facilitates coordination of NAVWAR equipment and liaison with PEO C4I programs
- PMS 378, CVN 78 Class Aircraft Carriers
  - Includes Program Manager (PMS378), Deputy Program Manager (PMS378B), and teams led by Principal Assistant Program Managers for CVN 78 Post Delivery, Waterfront Support, Life Cycle Support, and Test and Evaluation. The Life Cycle Support, and Test and Evaluation teams provide joint support of PMS 379
  - SEA05V provides aircraft carrier-related engineering support
  - IWS 10 provides Combat Systems Integration Support
  - Embedded Air-1.2 rep facilitates coordination of air-ship interfaces and liaison with air programs
  - Embedded NAVWAR rep facilitates coordination of NAVWAR equipment and liaison with PEO C4I programs
  - Embedded NAVSUP liaison works with supply community to maximize readiness of CVN-78 and to expedite resolution of supply-related issues
- PMS 379, CVN 79/80 Aircraft Carriers
  - Includes Program Manager (PMS379), Deputy Program Manager (PMS379B), and teams led by Principal Assistant Program Managers for CVN 79 Production, Contracts, Government Furnished Systems, CVN 80, Program Integration, and Business and Financial Management (joint support of PMS 378)
  - SEA05V provides aircraft carrier-related engineering support
  - IWS 10 provides Combat Systems Integration Support
  - Embedded AIR-1.2 rep facilitates coordination of air-ship interfaces and liaison with air programs
  - Embedded NAVWAR rep facilitates coordination of NAVWAR equipment and liaison with PEO C4I programs

### **FY20-21 SBSA Planned Requirements**

Small Business Set Aside (MP&T): Awarded FY19

Small Business Set Aside (Carrier Team One (CT1)): Awarded FY20

Small Business Innovation Research (SBIR) Phase III via GSA/FEDSIM: Pending FY21

Small Business Set Aside (CPA): Awarded FY21

Small Business Set Aside (RCOH): Pending FY21

Sole Source/SBA 8(a) (CVN 73 RCOH Firewatch support): Awarded FY21



## Appendix D – PEO Aircraft Carriers Small Business Strategy Addendum

### Part III – Small Business Strategy Implementation

- A. Specific efforts to increase Small Business participation in each socio-economic category utilizing Small Business Innovation Research (SBIR), Small Business Technology Transfer (STTR) and Mentor Protégé Program (MPP)
  - 1. Participation in NAVSEA's SBIR Outreach programs events (2) each year to include on-site presentations and one-on-one discussion with Small Business representatives at each event.
  - 2. PMS 378 sponsors Carrier-Advanced Reconfigurable Training System (C-ARTS), a revolutionary training delivery system procured by PEO Carriers utilizing a SBIR Phase III award.
  - 3. PMS 378 is establishing a SBIR Phase III contract vehicle to utilize analytic tools supported by small businesses to supplement shipbuilding support efforts.
    - a. Upon award, the SBIR Phase III task order will combine all the small businesses supporting the CVN 78 Advanced Weapons Elevator work.
  - 4. Participation in NAVSEA/PEO cross-coordination and information sharing
    - a. PEO Technology Council
    - b. NAVSEA SBIR Working Group (SWG)
- B. Specific actions to identify new requirements suitable for small business participation as prime contractors
  - 1. Continually scan requirements (both new and current) for small business opportunities
  - 2. Solicitation and analysis of Request for Information (RFIs) in order to receive feedback from industry regarding small business capability for new requirements
    - a. For example, PEO CVN review of the Carrier Team One (CT1) services contracting portfolio identified multiple contract vehicles utilized to support pieces of CT1 efforts. It was determined the requirements could be consolidated into one contract that would be suitable for small business. Market research (request for information posted on SeaPort-e) confirmed that determination resulting in a FY20 CT1 small business set-aside procurement with a period of performance of five years and is expected to be a recurring requirement.
    - b. Additionally, PMS 312's partnership with the CVN maintenance community through the Carrier Team One (CT1) initiative allows industry to actively participate as a welcomed partner with the Work Integration Knowledge Sharing Networks (WIKSNs).
  - 3. PMS 312 conducts Reverse Industry Days (RIDs) to identify/address agenda topics such as:
    - a. CVN long-term contracts (MSMO/PSM) aide in increasing ship repair and modernization capacity in each port, to include Primes teaming with small-business subcontractors. A top priority for the Navy is to increase the ship repair and modernization to achieve "level-loading" in all regions, allowing the program to identify work performed at quality standards at a reduced cost by incorporating small business. The CVN MA PSM contract includes a 40% small business subcontracting requirement tied to direct cost related to production work for CLINs associated with scheduled availabilities and inter-availability work. Contract valid through 2023. The CVN San Diego PSM contract includes a 45% small business subcontracting requirement. Contract available through 2023. The CVN PACNORWEST PSM contract includes a 45% small business subcontracting requirement. Contract valid through 2024.





## Appendix D – PEO Aircraft Carriers Small Business Strategy Addendum

C. Explain your process for reviewing historically unrestricted procurements to determine if there are opportunities for small business participation as prime contractors.

1. PEO Aircraft Carriers routinely reviews the shipbuilding contracts to identify work which can be performed with similar quality at a reduced cost by the small business industrial base. As a result, Future Carriers de-scoped shipboard space/compartment outfitting work from a large prime to set aside for small business competition incrementally completed through FY20. Additional opportunity to utilize SBIR developed data analytics tools to analyze shipbuilding efforts was identified in FY20 resulting in a new SBIR Phase III delivery order to award in FY21 for 5 years.
2. Continual assessments of requirements to determine the possibility of identifying and carving out work typically accomplished by Small Business subcontractors. Areas identified include but are not limited to:
  - a. Tank/preservation
  - b. Painting
  - c. Small valve repair
  - d. Pump repair
  - e. Material buys
3. Solicitation and analysis of Sources Sought (SS) / RFI information to glean feedback from industry regarding capability. Unrestricted / small business set aside determinations are based on direct feedback from industry.
  - a. Each Professional Support Services (PSS) / Engineering Support Services (ESS) requirement includes a review of the acquisition plan, acquisition strategy, and SS/RFI results by the NAVSEA Small Business Office (SEA00K) to concurrence approval. For higher dollar acquisitions exceeding \$120M, The Department of the Navy (DON) Office of Small Business Programs (OSBP) additionally reviews and approves our small business strategies.
4. PMS 312 reviews maintenance/modernization contracts to identify work which can be performed with similar quality at a reduced cost by the small business industrial base. Examples of these efforts resulted in the following contract actions;
  - a. FY20 Awards
    - Small Business Set Aside Awards (SBSA): Carrier Team One (CT1) – Awarded FY20
  - b. FY21 - FY22 Future Acquisitions/planned awards
    - SBSA/C- PMS312 RCOH Tech Services - FY21
    - SBSA/C- CPA Engineering and Admin Support – Awarded FY21
    - Sole Source/ SBA 8(a) - PMS 312 CVN 73 RCOH Firewatch support – Awarded FY21
5. In-Service Aircraft Carriers also identified non-propulsion work for CVN 74 by requiring a Small Business and Small Disadvantaged Business Subcontracting Plan by the vendor– FY21 award planned.

## Appendix D – PEO Aircraft Carriers Small Business Strategy Addendum

### D. Efforts taken to streamline the acquisition process

1. PMS 378 utilizes US Army administered SBIR on the C-ARTS requirement; in FY21 this effort is being transitioned to GSA to streamline with other SBIR actions.
2. Utilizing Individual Streamlined Acquisition Plans (ISTRAP) and Management Oversight Process for the Acquisition of Services – Streamlined (MOPAS-S) for new and re-compete contract requirements
3. Procuring material and/or services provided by Ability One and/or Federal Prison Industries, to significantly reduce processing timelines
4. Utilizing Other Transactional Authority (OTA) where feasible.
  - a. PMS 312 currently utilizes an OTA with Picatinny- DEPT of ARMY for the CVN 73 RCOH Shipcheck/Process Improvement, solicited as a SBSA active through FY23. Utilization of an OTA permits the execution of innovative business models that would not be feasible or appropriate with a FAR-based contract.
5. On the MPT and data analysis Phase III SBIRs, PEO Aircraft Carriers leverages existing General Services Administration (GSA) contract vehicles to expedite Indefinite Delivery Indefinite Quantity (IDIQ) awards to support CVN 78 Post Delivery Test & Trials (PDT&T).
6. Utilizing SeaPort Request For Proposals (RFPs) draft Statements of Work (SOW) postings ahead of the formal RFP release to help facilitate industry teaming opportunities and improve proposal quality.

### E. Specific actions to increase Small Business subcontracting opportunities to include evaluating small business participation in competitive source selections and incentivizing small business subcontracting when appropriate.

1. Utilizing small business to finish outfitting over 300 spaces on USS Gerald R. Ford. Over \$12M awarded in FY18 on a small business set aside managed by NSWC, Philadelphia to perform work previously performed by a large shipbuilder prime. The small business vendors (3) completed their efforts in FY20.
2. Increasing utilization of Small Business Participation:
  - a. PMS 312 increased Private Sector Maintenance (PSM) minimums small business subcontracting requirements from from 40% to 45% of (San Diego, Puget Sound,, and future Mid-Atlantic requirements). A 5% increase equates to nearly \$43M in Small Business requirements (growth) between the San Diego and the Puget Sound contract vehicles.
3. PMS 312 includes Small Business Participation and a Small Business Subcontracting Incentive Fee (SBSIF) in FY21 for the below awards: 30% overall small business participation goal, inclusive of the congressionally mandated five (5%) minimum for Small Disadvantaged Business concerns.
  - a. Elevator Support Unit (ESU)- Awarded FY21
  - b. Carrier Engineering Maintenance Assist Team (CEMAT)/ Surface Engineering Maintenance Assist Team (SEMAT)- Award Planned in FY21
  - c. PMS 312 Promotes use of small business contracting in procurements with incentive fees.





## Appendix D – PEO Aircraft Carriers Small Business Strategy Addendum

### F. Efforts to communicate with industry

1. Sponsor and support participation in industry outreach opportunities.
  - a. Sea-Air-Space (annual)
    - SBIR Opportunity Forum
  - b. SBIR / STTR Primes Summit
  - c. NAVSEA 05 SBIR Program Manager Outreach Initiative
  - d. American Society of Naval Engineers (ASNE) Day
  - e. Mega Rust
  - f. Fleet Maintenance & Modernization Symposium
  - g. Surface Navy Association (SNA) Annual Symposium
2. Participation in the (annual) NAVSEA Small Business Industry Day, manning booths and educating the attendees.
3. Fielding all office calls from small business vendors and providing Prime vendor information for small business outreach.
4. PMS 312 conducts Reverse Industry Days (RIDs) to address various functional areas, one of which is Small Business concerns.
  - a. Sharing of RID information across of all of PEO Aircraft Carriers Program Offices (New Construction & In-Service).
5. PEO Aircraft Carriers recommends NAVSEA leverage off the NAVAIR model and establish Small Business Round Table (SBRT) discussions on a semi-annual basis.

### G. Efforts to publish and frequently update an accurate Long Range Acquisition Forecast

1. PEO Aircraft Carriers' submission is provided on an annual basis to SEA 02 for inclusion into the Long Range Acquisition Forecast.
  - a. SeaPort-e milestones (updated monthly or on actual milestone accomplishment) utilized to produce the LRAF.
  - b. Post procurement opportunities on BETA.SAM, SeaPort Portal, and SBIR topic solicitation announcements. These notices provide advance notice of upcoming opportunities in which small businesses can submit a proposal or seek out prime partners to team with.

### H. Plans to award direct Phase III SBIR/STTR awards (if applicable)

1. Work with SBIR companies to support Phase III opportunities through venues such as Rapid Innovation Fund (up to \$3M and 2-year to develop and deploy technologies) and other post SBIR funding sources with the goal of at least one selection annually.
2. Currently, the C-ARTS effort is included on a SBIR Phase III contract for procurement of systems and development of training courseware. PMS 378 has negotiated a SBIR Phase III using a GSA vehicle that is planned to be funded in FY21.
3. CVN 78 Advanced Weapons Elevator support efforts has a new PEO Carriers SBIR Phase III contract vehicle, pending award in FY21.
4. In FY21, PEO Aircraft Carriers awarded a centralized data analysis tool for Life Cycle Engineering (LCE), Class Maintenance and Modernization Planning

### I. Efforts to establish goals for applying SBIR/STTR technologies in programs of record (if applicable). N/A.



## Appendix E – PEO Integrated Warfare Systems Small Business Strategy Addendum



### DEPARTMENT OF THE NAVY

PROGRAM EXECUTIVE OFFICE INTEGRATED WARFARE SYSTEMS 1333 ISAAC  
HULL AVE SE  
WASHINGTON NAVY YARD, DC 20376-7101

IN REPLY REFER TO  
5000  
Ser ISW/210

From: Executive Director, Program Executive Office, Integrated Warfare Systems Subj:

Subj: PEO IWS SMALL BUSINESS STRATEGY

1. Program Executive Office, Integrated Warfare Systems (PEO IWS) is an active supporter of the Navy's Small Business goals and objectives. Evidence of this support comes in many forms, but the most public is recognition from the Small Business Technology Council, the high tech arm of the National Small Business Association, the nation's longest running small-business advocacy organization recognizing PEO IWS and employees with the 2019 Champion of Small Business Technology Commercialization Award and the 2016 Champion of Small Business Award. PEO IWS, as a part of the Naval Sea Systems Command enterprise, was awarded the Department of Defense Vanguard Award. This award recognizes the DoD organization best exemplifying a commitment to the Small Business Programs mission and goals across a variety of activities, such as small business participation and utilization, senior leader commitment, and outreach efforts.

PEO IWS manages a portfolio of over 140 programs supporting naval platforms, primarily ships and submarines, in active and passive defense of those platforms. The primary groups of programs include missiles, gun weapon systems, radars, sensors, electronic warfare, and integrated combat systems and undersea systems.

2 Small business is an integral part of the PEO as evidenced by the prevalent use of small business across the entire PEO IWS portfolio in the areas of services, development, production and sustainment as shown in Table 1 below. The table is an extract of significant small business use within the PEO.

PEO IWS Directorate	Description	Small Business Vendor
IWS 1.0	Shipboard Automated Test and Retest (ATRT)	Innovative Defense Technologies
IWS 1.0	Data Management	Venesco
IWS 1.0	CPS Production	Management Services Group
IWS 1.0	R&D Engineering	SimVentions, Inc.
IWS 1.0	TechRep Support	T Solutions
IWS 1.0	Training Systems (BEWT, SEWT, CIAT)	EWA GSI
IWS 1.0	Training Systems (BFTT Production)	Global Technical Systems
IWS 1.0	Battle Force Team Trainer / Advanced Training Domain (BFTT/ATD) Production	TBD
IWS 2.0	Engineering Support Services (ESS)	Decision Technologies

## Appendix E – PEO Integrated Warfare Systems Small Business Strategy Addendum

Subj: PEO IWS SMALL BUSINESS STRATEGY

IWS 3.0	Engineering Support Services (ESS)	Technology Service Corp.
IWS 4.0	Engineering Support Services (ESS)	International Systems Management
IWS 4.0	Information Data Exchange Agreements Support	SBG Technology
IWS 4.0	Engineering Support Services (ESS)	Tech Marine Business
<b>PEO IWS Directorate</b>	<b>Description</b>	<b>Small Business Vendor</b>
IWS 4.0	Security Services	Forge Group
IWS 5.0	USW-DSS Engineering (BAA)	Progeny Systems
IWS 5.0	Imaging System Computer Improvements (BAA)	Toyon Research
IWS 5.0	Advanced Processing Builds (APB) Development Services (SBIR)	Monterey Technologies
IWS 5.0	Multi Sensor Data Fusion Capabilities (BAA)	Systems Technology and Research LLC
IWS 5.0	Development of Combat System Electronic Warfare (EW) Low Probability of Intercept (BAA)	Helios Remote Sensors
IWS 5.0	Other Transaction Authority (OTA)	Metron Incorporated
IWS 5.0	Other Transaction Authority (OTA)	InDepth Engineering Corp.
IWS 5.0	Broad Agency Announcement (BAA)	Applied Research in Acoustics
IWS 6.0	ECDIS-N Software Development	The Consulting Network
IWS 6.0	Engineering Support Services (ESS)	Herren and Associates
IWS 10.0	Systems Engineering, Integration & Test (SEI&T) SSDS	Gryphon
IWS 11.0	Professional Support Services (PSS)	TBD – Source Selection in Process for SB Set aside
IWS 12.0	Professional Support Services (PSS)	Herren and Associates
IWS FO	Admin/PAO/IT Support	Strategic Insight
IWS FO	Financial Management	Tech Marine Business
IWS CTO	SBIR/STTR/RIF	Multiple

**TABLE 1: Small Business Significant Planned and Current Contracts**

3. PEO IWS's portfolio is predominately sole source and requires intensive capital investment by industry to compete in the space. Therefore, PEO IWS aggressively pursues creating a competitive landscape through the conversion of legacy sole source services contracts to full and open competition and to small business set-aside. Examples include:

a. PEO IWS 11.0 Professional Support Services contracts for the Rolling Airframe Missile and Close-In Weapons Systems, predominantly performed by large businesses. The revised procurement strategy was a small business set-aside with the source selection in process. Contract award is expected by the end of calendar year 2020. An additional complicating factor is the procurement is for Germany and requires cooperation by our partner to allow for conversion to a small business set-aside.



## Appendix E – PEO Integrated Warfare Systems Small Business Strategy Addendum

Subj: PEO IWS SMALL BUSINESS STRATEGY

b. PEO IWS 5.0 System Engineering and Technical Assistance contract, for which source selection is in process and award expected by the end of the calendar year 2020.

4. PEO IWS actively seeks small business participation through a range of practices and is proud of our ability to capture innovative solutions from use of the Small Business Innovative Research (SBIR), Small Business Technology Transfer (STTR) and Rapid Innovation Fund (RIF) venues. PEO IWS currently has a SBIR/STTR transition rate from Phase II to Phase III of fifty percent (50%).

a. Phase I – 85 (an increase of 38 from the 2018-2019 submission)

PEO IWS uses a formal process for identifying, vetting, prioritizing, and submitting new start SBIR/STTR topics. Topics are vetted against the National Defense Strategy as well as the NAVSEA Campaign Strategy and are aligned to specific programs of record (POR). Risks are identified during Phase I execution and are tracked through Phase II completion. The PEO IWS SBIR/STTR portfolio ensures the Navy receives the most innovative solutions that small business has to offer. Every year, Phase I awards are made to small businesses new to PEO IWS indicating the effectiveness of this process.

b. Phase II – 117 (an increase of 31 from the 2018-2019 submission)

Selection of Phase II projects also follows a formal process designed to identify the best combination of an innovative solution and a high probability of transition from Phase I to Phase II. Current PEO IWS Phase II projects span a diverse range of technologies from cognitive radar algorithms to manufacturing techniques for vacuum electronics. One of the key activities that enhances the probability of success and transition of Phase II contracts is the practice of PEO IWS to conduct semi-annual reviews on active SBIR/STTR projects to assess performance to date as an indicator of future success.

c. Phase II Reach Back

Reach Backs are a subset of the 117 Phase II contracts and are characterized as a logical extension, derivation, or conclusion to the product or process worked on under prior SBIR contracts. Use of reach backs, in lieu of starting a new topic at Phase I, has proven highly successful because reach backs are typically made when a direct transition path has been identified by the PoR Program Manager (PM) or the prime contractor, and Phase III funding has been identified. Reach back contract awards are made quickly and the project advances directly to Phase II shortening the overall timeline. Like all SBIR/STTR/RIF projects, the PEO IWS PoR PM is often involved from project inception so that the project receives clear and consistent alignment with the transition program. Phase II reach back awards are a successful element in the PEO IWS Small Business Strategy.

d. Phase III – 12 (a decrease of 7 from 2018-2019 submission)

The objective of Phase III, where appropriate, is for the small business to pursue commercialization objectives resulting from the Phase I/II Research and Development (R&D) activities. Because the SBIR/STTR programs do not fund Phase III contracts, the PEO IWS PM involvement in Phase I and Phase II is an effective management technique supporting our excellent transition rate from Phase II. Currently, PEO IWS, as part of its small business strategy, is looking into including SBIR/STTR technical reports in acquisition program bidders' libraries as a way of making the technologies developed under SBIR/STTR funding available to the broader industrial base.



## Appendix E – PEO Integrated Warfare Systems Small Business Strategy Addendum

Subj: PEO IWS SMALL BUSINESS STRATEGY

e. RIF – 38 (not reported in 2018-2019 submission)

In FY11, Congress established the Rapid Innovation Fund (RIF) program and PEO IWS effectively uses this venue to transition significant small business technology into PEO IWS PoRs, as well as PoRs of other NAVSEA PEO and Headquarters organizations that participate in the RIF program. Since FY11, seventeen (17) PEO IWS RIF projects have been started, six (6) have met their respective Seminal Transition Event, a test of the technology in a mission environment before it can be used by the warfighter placing the projects on track to insert innovative technologies into Department of the Navy systems.

f. Success Stories

Notable PEO IWS SBIR/STTR/RIF success stories include three SBIR projects that delivered modern software development tools to the AN/SPY-6 software development environment. A fourth project delivered enhanced capability to the modelling and simulation environment used to simulate the SPY-6 radar. Further, this effort is being expanded with the addition of Phase III funding to include the EO/IR operator console. Other SBIR projects have shortened the program transition timelines by virtue of a RIF effort which uses an existing SBIR project to reach a successful Phase III execution. Examples include transition of digital receiver/exciter (DREX) and downconverter technologies (two SBIRs) into the SPS-49 receiver upgrade package and transition of multiple SBIR technologies into the Next Generation Surface Search Radar (NGSSR).

5. PEO IWS is expanding the use of Other Transaction Authority (OTAs) to get access to innovative solutions from broader sources as well as for direct small business outreach. OTAs are encouraged across the PEO IWS and requirements are sought for award to large and small business through this tool. In addition, utilizing OTAs as an avenue to increase small business participation is considered an acquisition streamlining tool to reduce acquisition cycle times.

6. PEO IWS examines each procurement action for small business opportunities as a prime contractor. In the prior report, PEO IWS outlined the restructuring of multiple contracts to create multiple Professional and Engineering Support Service contracts that were set-aside for small business contracts. Those contracts are up for re-competition and remain significant dollar value contracts set aside for small business. The primary areas PEO IWS seeks small business prime contracting opportunities include:

- a. Professional Support Services
- b. Engineering Support Services
- c. Component Breakouts





## Appendix E – PEO Integrated Warfare Systems Small Business Strategy Addendum

Subj: PEO IWS SMALL BUSINESS STRATEGY

- d. Information Technology including software development and cybersecurity
- e. Technical Representatives
- f. Cutting edge technology and IT solutions

A success story within the addition of cutting-edge technology and IT solutions is PEO IWS 1.0, Aegis Programs, pursuit and award of Shipboard Automated Test and Re-Test (ATRT) to small business. Innovative Defense Technologies, a small business, developed ATRT analysis capability in Aegis-equipped ships to permit streamed Aegis data processing through government-validated analysis algorithms to rapidly generate Aegis performance and requirements reports, event reconstructions, plots and real-time tactical plots in 3D topographic displays. Shipboard ATRT provides rapid, detailed objective evidence of system readiness, performance and quickly provides easily transferred reports and plots for use ashore.

7. Within the complex PEO IWS portfolio, creating small business opportunities can be difficult as capital investment is a known barrier for small business entry as a prime contractor. Two primary avenues are explored to expand small business prime contract opportunities.

- a. Component Breakout. PEO IWS has had success with component breakout. For example, missile containers were broken out and are now procured as a small business set-aside.

- b. Market Research.

- (1) Market research is an additional tool to stay abreast of innovative solutions, changing capabilities, technologies, and the marketplace. When market research reveals a change, consideration is given to see how this can create a small business contracting opportunity either as a prime or as a larger subcontracting opportunity.

- (2) Industry Days: PEO IWS participates in all NAVSEA Industry Day events, including the one upcoming on October 7, 2020, providing an overview of the PEO portfolio and identifying those specific areas where the PEO currently uses small business and areas where the PEO is seeking solutions to specific programmatic issues.

- (a) Publication of a Long-Range Acquisition Forecast: PEO IWS works closely with NAVSEA 02 to publish a quarterly Long-Range Acquisition Forecast on the same timeline as NAVSEA. PEO IWS, in conjunction with NAVSEA 02, documents contract performance using Contractor Performance Assessment Reporting System (CPARS), including the use of small business. An additional planning tool used by PEO IWS and SEA 02 is a contract planning meeting called the Contract Horizon. Each directorate in PEO IWS meets quarterly with SEA 02 and PEO IWS leadership to outline planned contracting workload over the next 5 years. An open discussion is held regarding contracting plans and strategies including small business participation as a prime or subcontractor.



## Appendix E – PEO Integrated Warfare Systems Small Business Strategy Addendum

Subj: PEO IWS SMALL BUSINESS STRATEGY

(b) Small Business Innovation Research and Small Business Technology Transfer:  
Paragraph 4.

(c) Broad Agency Announcement: PEO IWS utilizes Broad Agency Announcements (BAA) to reach small businesses and gain access to innovative, cutting edge technology. PEO IWS 5.0, Undersea Systems Directorate, has been successful using this approach and leads the way for the PEO. BAAs represent a tool that removes obstacles for small business participation by outlining a topic area of need for the PEO and allowing small business to define a solution. As an example, PEO IWS 5.0 Undersea Systems Program Office is soliciting proposals through the use of a BAA for research interests in advanced undersea technologies sensors and signal processing for submarine and surface ships.

(d) Participation in outreach events, i.e. conferences.

Success Story: Market research revealed an opportunity in PEO IWS 4.0 where our Japan support team was able to identify small businesses that could provide security services. A five (5) year contract was ultimately awarded to the Forge Group.

8. PEO IWS will continue our aggressive pursuit and use of small business as a partner in our endeavors to provide more and better products and services to our Fleet.

Digitally signed by  
BEACH ANGELA S 1229720127  
Date: 2020.09.22 07:57:35 -04'00'

ANGELA S. BEACH  
Acting

Distribution:  
PEO IWS (MPMs/DMPMs, CoS)





## Appendix F – PEO Submarines Small Business Strategy Addendum

Date: September 2020

### Part I – Executive Summary

Team Submarine unites the Program Executive Officer for Submarines (PEO SUBS); the Program Executive Officer for Columbia Submarines (PEO CLB); the Deputy Commander, Undersea Warfare (SEA 07); the Deputy Commander, Undersea Technology (SEA 073); the Naval Undersea Warfare Center (NUWC); and the Submarine Maintenance Engineering, Planning, and Procurement (SUBMEPP) Activity, once diverse submarine-related commands and activities, into a single "submarine-centric" team. Conceived to increase efficiencies within the submarine acquisition, maintenance, and modernization communities, Team Submarine eliminates traditional "stovepipe" structures and processes that created impediments and inefficiencies in the submarine research, development, acquisition, and maintenance communities. Team Submarine provides improved communication among the various offices that contribute to the overall success of the United States Submarine Force.

- Team Submarine's objective is to create a culture of Small Business Advocacy throughout our organization. This will be achieved through:
  - Deputy Program Managers (DPMs) designated as Small Business Advocates
    - Responsibilities outlined in the approved NAVSEA Small Business Strategy
  - Training – Instructor led as well as web-based training provided to all personnel
    - Training includes Small Business Advocate Training and DAU course CLM 059 Small Business Program for Program Managers
  - Host and attend Outreach events
    - Hosting Small Business Industry events for specialized capability needs and requirements to include partnerships with National Consortia
  - Increased communication for acquisition planning with NAVSEA Small Business Program Office
    - Monthly collaboration with Acquisition Managers to address acquisition related requirements and policy changes
  - Increased communication with Industry
    - Monthly outreach to Small Businesses categorized under a socio-economic subcategories to allow small business to network and learn about upcoming acquisition and subcontracting opportunities
  - Ensure the procurement milestones are accurate and up to date to support Long Range Acquisition Forecast (LRAF)
    - Monthly E-milestone meetings to include collaboration with Contracts to review top level milestone events and to adjudicate current and long range planning issues.

## Appendix F – PEO Submarines Small Business Strategy Addendum

### Part II – Portfolio Overview

TEAM Submarines Portfolio is as follows:

Active Portfolio	
SSN 774 Virginia Class Submarine	Next Generation Countermeasure
SSBN 826 Columbia Class Submarine	Integrated Submarine Imaging Systems
MK 54 Mod 0 Lightweight Hybrid Torpedo (LHT)	AN/BLQ-10 Electronic Warfare System
MK54 MOD 2 Advanced Lightweight Torpedo	Acoustic – Rapid Commercial Off the Shelf Insertion
MK 48 MOD 7 Advanced Processor Build 6 / Technology Insertion-1 Heavyweight Torpedo	Large Vertical Array Ohio Class Backfit
MK54 Lightweight Torpedo MOD 1	Large Vertical Array Virginia Class Backfit
MK 48 ADCAP Common Broadband Advanced Sonar System	TB-29A and TB-29X Submarine Thin Line Towed Array
AN/BYG-1 (Tactical Control/Weapons Control System) (formerly CCS MK2 BLK IC OSE PH 1)	Low Cost Conformal Array
High Altitude ASW Weapon Capability	TB-34/BQ Next Generation Fat Line Towed Array (NGFL)
Other Team SUB PoRs	
Sea Phoenix	Deployable Surveillance Systems
Compact Rapid Attack Weapon	Surveillance Towed Array Sensor System - Expeditionary
MK48 APB7/TI-2 Heavyweight Torpedo	Submarine Launched Unmanned Aerial System

TEAM Submarine Small Business Investment Areas:

Algorithms for Sonar, Fire Control System, Torpedoes, Imaging, ESM and RADAR	On-Board Team Trainer
Weapon Payload Control	Information Automation
HF Stimulation	Technology Infusion
Common Acoustic Cabinet	Information Assurance
Acoustic Intercept and Ranging	Weapon Launchers and Simulators
Combat Systems of the Future	Program Management Support



## Appendix F – PEO Submarines Small Business Strategy Addendum

### Part III – Small Business Strategy Implementation

#### **A. Specific efforts to increase Small Business participation in each socio-economic category utilizing Small Business Innovation Research (SBIR), Small Business Technology Transfer (STTR) and Mentor Protégé Program (MPP).**

Primary area of Small Business success are the SBIR/STTR, which TEAM SUBS has a considerable number of contracts in all phases:

- a) Phase I – 77
- b) Phase II – 69
- c) Phase II.5 - 9
- d) Phase III – 26

TEAM SUBS does the following special efforts to increase Small Business participation in each socio-economic category utilizing Small Business Innovation Research (SBIR), Small Business Technology Transfer (STTR) and Mentor Protégé Program (MPP):

- Participate in the annual SBIR topic call by providing value added topics. Coordinate responses across the TEAM Submarine enterprise that often extends to working with small business on topics, other PEOs, shipbuilders, and coordination with the warfare centers.
- Effective use of Broad Agency Announcements (BAA) to gain access to innovative, cutting edge technology to support the TEAM SUBS platforms.
- Strong effort to attend and brief at conferences/symposiums.
- Use of sources sought and industry days for various procurements.
- Conduct an annual PEO industry day that calls on small businesses to attend, present ideas for their role on program efforts, and discuss partnership with larger primes.
- Attend any industry forums (to include manning booths and tables) where small businesses are represented to make them aware of the latest ongoing and upcoming efforts in the PEO.
- Evaluate the use of the above programs in it's' applicability to rapidly emerging technologies.
- Leverage and share lessons learned on our strong history of getting to Phase III awards on SBIRs and the ability to have a small business serve as a subcontractor or the prime contractor on a major effort.
- DPM, as TEAM SUBS small business advocates, take office calls with small businesses who seek to make the program aware of their topics and corporate capabilities.

#### **B. Specific actions to identify new requirements suitable for small business participation as prime contractors.**

TEAM SUBS takes the following specific action to identify new requirements suitable for small business participation as prime contractors:



## Appendix F – PEO Submarines Small Business Strategy Addendum

- Identify methods to smartly identify work that can be set aside for small business. Perform internal program discussions of needed capability and program shortfalls yearly to support identification of areas which can be addressed by small business.
- Issue Requests for Information (RFI) and Sources Sought to provide an avenue for industry feedback and advisement to small businesses of possible prime and subcontractor opportunities.
- Attend yearly Navy forums to engage and understand new technologies that could solve some of the Technology Gaps identified in the service.
- Work with SEA02 to appropriately identify any potential small business opportunities that can be addressed through items like set asides, Request for Proposal (RFP) language, and sources sought to ensure they are open to small business.

### **C. Explain your process for reviewing historically unrestricted procurements to determine if there are opportunities for small business participation as prime contractors.**

**TEAM SUBS does the following to review historically unrestricted procurements to determine if there are opportunities for small business participation as prime contractors:**

- Work with SEA02 on the RFPs and sources sought that are sent out to ensure they are open to small businesses.
- Work with SEA02 and SEA00L to review historically unrestricted procurements and determine if there are opportunities for small business participation as prime contractors for future procurements.
- Utilize RFIs to validate small business interest level in the identified topics where the program office would like to open up the previously unrestricted procurement. This supports the ability to have an effective small business industry day, conduct a set-aside or pursue other small business programs.
- Promote use of small business contracting in our procurements with incentive fees.

### **D. Efforts taken to streamline the acquisition process**

**TEAM Submarine takes on the following efforts to streamline the acquisition process:**

- Continuously use working groups with our 02 and 00L team for efficiency and speed.
- Issuing SBIRs Phase 1 & 2 contracts to streamline the acquisition process.
- Issuing draft RFP for the follow-on SBIR phase III contract procurement, allowing the contractor to review and provide inputs prior to the final RFP execution.
- Follow Office of Secretary of Defense (OSD) and Assistant Secretary of the Navy Research, Development, and Acquisition (ASN(RD&A)) Adaptive Acquisition Framework (AAF) Policy and look for ways to tailor and streamline our larger platform programs like Virginia class.



## Appendix F – PEO Submarines Small Business Strategy Addendum

- Incorporate pilot efforts to streamline the acquisition process and stay at the forefront in performing the most efficient acquisition process possible. This includes efforts like Block V contracting of Virginia Class becoming an accelerated acquisition pilot program.
- Leverage other contracting methods which promote and encourage small business participation and streamlines the traditional contracting process.
- One of these efforts include the use of cooperative agreements under the Commercial Technologies for Maintenance Activities (CTMA) Program managed by OSD. CTMA includes numerous small business organizations in its' membership. PEO Submarines is evaluating options to start pilot a program to bring a small business awarded solution to the torpedo enterprise sooner through transition to production. Use of this program would resolve a major issue in the torpedo program office and have a positive impact over the entire life cycle.
- Reach out and benchmark outside organizations and universities to see how they do contracting and if there are new more innovative methods available.
- Utilize Other Transactional Authorities (OTA) that often encourages (usually by requirement) non-traditional contractors that are innovation focused and foster an environment that utilizes small business organizations. This also includes leveraging consortiums to allow partnering opportunities for small businesses with prime contractors. Multiple program offices are evaluating and/or pursuing OTAs in the PEO and creating more awareness of alternatives for leveraging OTAs consortiums to mature our current baseline for continued growth.
- Leverage use of undersea technology consortiums forums and engagement opportunities with industry, especially the one affiliated with the Naval Undersea Warfare Center in Newport, RI and its' associated OTA option.
- Leverage authorities in the National Sea Based Deterrence Fund for Multiyear Procurement of critical components to support continuous production of the Common Missile Compartment and for Advance Construction to mitigate schedule risk. The enhanced authorities provided have given us the ability to procure items quickly and efficiently.
- Use of pertinent data and data management tools to allow for faster development and accuracy of documentation which speeds up the acquisition process while eliminating non value added items.
- Regularly seek to tailor requirements in the DoD 5000.02 that supports the specific program being developed, vice including aspects that don't relate to the program and slow down efficiency. This includes efforts to increase rapid acquisitions and shorten approval cycles.
- Perform multiple High Velocity Learning (HVL) brown bags and all-hands emails that discuss streamline acquisition approaches and efficiencies across the PEO.



## Appendix F – PEO Submarines Small Business Strategy Addendum

**E. Specific actions to increase Small Business subcontracting opportunities to include evaluating small business participation in competitive source selections and incentivizing small business subcontracting when appropriate.**

**Team Submarine specific actions to increase Small Business subcontracting opportunities include:**

- Ensuring our contracts require small business participation and include goals that we review to ensure they are being met.
- Ensuing RFI and Sources Sought to provide an avenue for industry feedback and advise small businesses of possible prime and subcontracting opportunities.
- Include a small business utilization incentive clause on all contracts (meeting or exceeding small business goals), and include small business utilization in Contractor Performance Assessment Reporting System (CPARS) evaluation for our contracts.
- Review each contract not awarded to a small business to evaluate their small business subcontracting plan and utilization as part of the source selection process.
- Our major platform programs include opportunities for the prime to include small business incentives. The platform programs also take action to promote vendor base stability for the entire program. This includes incentivizing for optimizing supplier and subcontractor capability/capacity.

### **F. Efforts to communicate with industry**

**TEAM Submarine utilizes various methods to communicate with industry to include:**

- Use of sources sought and industry days for various procurements.
- Strong effort to attend and brief at conferences/symposiums.
- Conduct routine industry meetings with the PM/DPM of that program office to discuss potential efforts and inform on projected opportunities.
- Issue RFIs prior to moving out with the next step in the program's contracting strategy
- Leverage insight/efforts by the warfare centers and UARC labs to engage with industry and further understand technologies that could ultimately become a part of the program of record.

### **G. Efforts to publish and frequently update an accurate Long Range Acquisition Forecast**

**TEAM Submarine takes on the following efforts to publish and frequently update an accurate Long Range Acquisition Forecast**



## Appendix F – PEO Submarines Small Business Strategy Addendum

- Work with SEA02 and provide long range planned acquisitions, to include potential SBIRs, on a semi-annual basis.
- Coordinate with our PEO Staff acquisition organization to ensure success with SEA02 data calls regarding long-range acquisition forecasts.
- Projected workload for one of our major platform programs is published in the Navy's 30 Year Shipbuilding Plan and communicated to our prime.

### H. Plans to award direct Phase III SBIR/STTR awards (if applicable)

**TEAM Submarine FY21-22 Active Phase III SBIR/STTR contracts are as follows:**

PHASE III CONTRACTS	TITLE	COMPANY
<b>PMS 401</b>		
N00024-18-C-6274	HIGH FIDELITY SIMULATION & COMMON PROCESSING High Fidelity Front End Simulation	SEDNA
N00024-18-C-6262	TI20 TSMS (OMS)	GD-AIS
N00024-15-C-6275	TB-29A Compact Towed Array	L-3 Chesapeake Sciences Corporation
<b>PMS 425</b>		
N00024-19-C-6115	"INFORMATION SERCURITY	Progeny Systems
N00024-19-C-6118	"Common Weapon Launcher and Multi-Tube Weapon Simulator	Progeny Systems
<b>PMS 435</b>		
N00024-19-C-6201	Next Generation Electronic Warfare Human Machine Interface (HMI) for Submarines	Progeny Systems

\*\*\*Technology Readiness Levels (TRLs) for new SBIR/STTR Phase III awards are actively being evaluated under active Phase II.5 Commercial Readiness Program (CRP) efforts for potential to transition technology capabilities into Phase III PoR awards.

**TEAM Submarine efforts to establish goals for applying SBIR/STTR technologies in programs of record to include:**

- Goals established and documented in current and upcoming acquisition plans across the program offices. The plans allow for SBIR/STTR technologies in the program of record, when applicable.
- Our torpedo programs along with other program offices have a history in awarding SBIRs and transitioning the SBIR product to production.



## Appendix G – Surface Warfare (NAVSEA 21)

Date: 1 Dec 2020

### Part I – Executive Summary

The Naval Sea Systems Command's (NAVSEA) Director for Surface Ship Maintenance & Modernization (SEA 21) and Commander, Navy Regional Maintenance Center (CNRMC) are the dedicated life cycle management organizations for the Navy's in-service surface ships, providing sustainment, maintenance, and modernization support to U.S. Naval Forces around the globe. SEA 21 manages critical sustainment, modernization, maintenance, training, and inactivation programs and provides wholeness to the Fleet by serving as the primary technical interface, ensuring surface ships are modernized with the latest technologies and remain mission relevant throughout each ship's service life. The organization also maintains inactive ships for future disposal, donation, or transfer, to include follow-on technical support to our partner navies. CNRMC is a NAVSEA field activity responsible for coordinating the depot- and intermediate-level maintenance of the Navy's surface fleet. CNRMC has oversight of the Navy's Regional Maintenance Centers (RMCs) and detachment sites in their execution of surface ship maintenance.

With 160-plus Navy ships in commission, there is a constant demand signal for the SEA21/CNRMC team to provide the Surface Fleet with maintenance, modernization and repair support to keep them operationally ready and to help ensure ships meet their Expected Service Life (ESL). The SEA21 small business strategy is inclusive of CNRMC with respect to execution of small business strategies for ship depot sustainment, modernization, and maintenance.

### Part II – Portfolio Overview

The mission of SEA 21 is to integrate maintenance strategies, modernization plans, training needs, and technical, logistics, and programmatic efforts to best manage the lifecycle of U.S. and partner Navy surface ships and systems from fleet introduction through transfer or disposal.

In addition to staff codes, SEA 21 consists of the following program offices and the Surface Maintenance Engineering Planning Program (SURFMEPP):

PMS 407 – Surface Ship Modernization – Manages integration of all surface ship modernization policy, planning, and execution.

PMS 443 – Surface Ship Readiness and Sustainment – Manages surface ship readiness through leadership of disciplined standards of life cycle management for each surface ship class.

PMS 339 – Surface Training Systems - Manages strategic program planning, policy, acquisition, life-cycle management, research and development and technical insertion into existing and future Navy surface training systems.

## Appendix G – Surface Warfare (NAVSEA 21)

**PMS 326 – International Fleet Support** – Manages follow-on technical assistance to foreign navies and coast guards. They also manage the Excess Defense Article ship transfer process, delivering decommissioned US Navy ships to partners around the world.

**SEA 21I – Inactive Ships** – Manages U.S. Navy ships and craft that have reached the natural end of their lifecycle. (SEA 21I) is responsible for the planning, programming, budgeting, and execution of the Navy's inactivation and disposal of conventionally powered surface ships and craft.

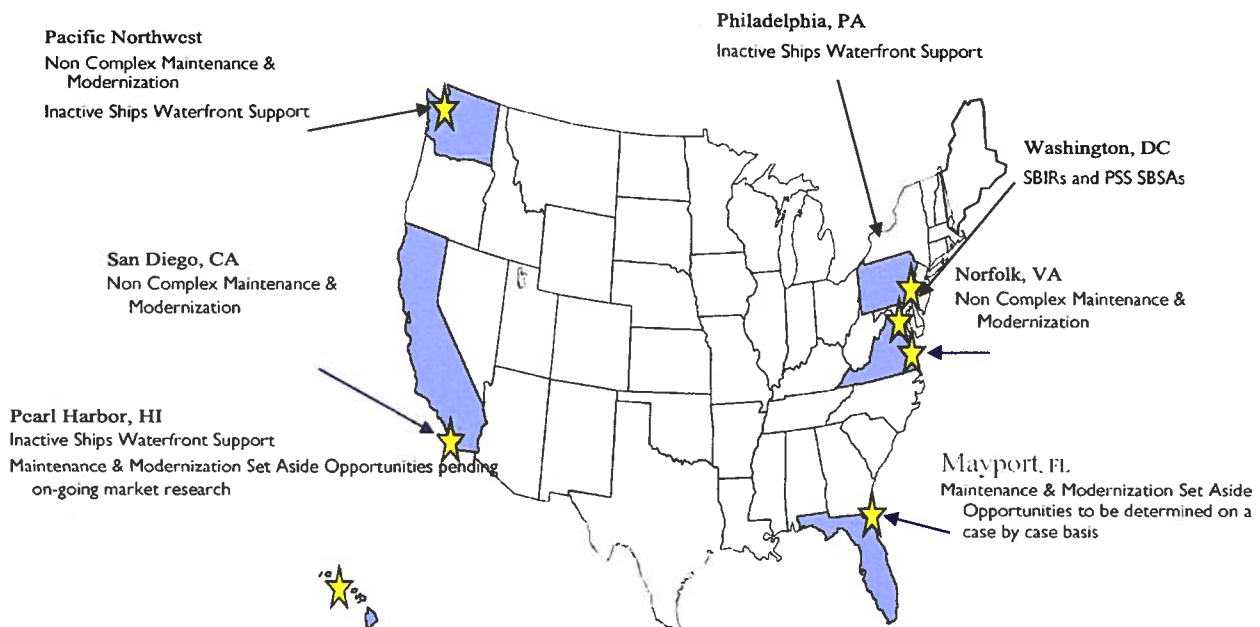
**SURFMEPP** – Manages centralized surface ship life cycle maintenance engineering, class maintenance and modernization planning, and management of maintenance strategies.

Per ASN(RD&A) memo of 12 Jan 2015, Deputy Program Managers from each of the aforementioned programs are the Small Business Advocates responsible for identifying opportunities within the programs for Small Business participation, serving as points of contact for Small Businesses interested in pursuing these opportunities, and for management of SBIR and STTR within their cognizance.

Under the mission is to deliver quality cost-wise material readiness to support U.S. Naval forces worldwide, **CNRMC** coordinates the depot- and intermediate-level maintenance of the Navy's surface fleet, and resources the requirements necessary to meet the schedule of ship maintenance availabilities.

### Part III – Small Business Strategy Implementation

As small businesses are recognized for their innovative and agile solutions to in-service ship needs, SEA21/CNRMC has led the charge to enhance professional support service contracting and ship depot maintenance opportunities for this critical component of the defense industrial base. The below graphic summarizes the current U.S.-based footprint of our small business strategy.



## Appendix G – Surface Warfare (NAVSEA 21)

Fiscal Year 2019, small business contracts represented 25% of the total number of professional support services contracts and Small Business Innovation Research (SBIR) efforts administered by SEA 21 as summarized in the following table.

	AREA OF SUPPORT (SERVICE CONTRACTS ONLY)	SMALL BUSINESS VENDOR
PMS 443	MCRRS Full Rate Production	TRIVERUS, LLC
	Welin Lambie Boat Davit	WELIN LAMBIE LTD
PMS 339	Surface Firefighter/Damage Control (FF/DC) Contractor Operation and Maintenance of Simulators (COMS) (NAWCTSD Vehicle)	ENGINEERING SUPPORT PERSONNEL (ESP), INC.
	Global Contractor Instructor Services (GCIS) (NAWCTSD Vehicle)	PREVAILANCE
	Contractor Support Services (NAWCTSD Vehicle)	ZENETEX
SEA21I	GOCO - Operate and maintain INACTSHIPMAINTO Philadelphia, PA	GLOBAL, A 1ST FLAGSHIP COMPANY
	GOCO - Operate and maintain INACTSHIPMAINTO Bremerton, WA	GLOBAL, A 1ST FLAGSHIP COMPANY
	GOCO - Operate and maintain INACTSHIPMAINTO Pearl Harbor, HI	GLOBAL, A 1ST FLAGSHIP COMPANY
	Inactive Ships Management System, IT Support Contract	Gryphon*
SURFMEPP	SURFMEPP Professional Support Services	Orbis
CNRMC	CNRMC Professional Support Services	Valkyrie Enterprises*

\* Recognized as a Small Business at time of award

A focus on small business opportunities within SEA21/CNRMC is also evident in CNO Availability contracts awarded to large businesses, such as HII Ingalls Shipbuilding, Lockheed Martin, General Dynamics National Steel and Shipbuilding Company (NASSCO), and General Dynamics Bath Iron Works. The associated small business strategy is the goal for small businesses to accomplish 20% of the work scope. Continuous Maintenance Availabilities are generally noncomplex work and are set aside for competition among small businesses, allowing the opportunity to gain experience and responsibility of a prime contractor.

### Part IV – Small Business Strategy Implementation

- A. Specific efforts to increase Small Business participation in each socio-economic category utilizing Small Business Innovation Research (SBIR), Small Business Technology Transfer (STTR) and Mentor Protégé Program (MPP)

As a member of the Team Ships construct, SEA21 is part of a SBIR program that regularly performs outreach events that include on-site presentations and one-on-one discussions with small business representatives to increase small business participation.

Also on at least a bi-annual basis and in conjunction with select conferences (e.g., Fleet Maintenance and Modernization Conferences) the SEA21/CNRMC Team will conduct small business “round tables.” These virtual events offer an opportunity to collaborate with small business through discussion on a host of topics.

Quarterly, all of industry including small business is provided rolling, updated port loading projections of ship repair work within the regions covering a four fiscal year period. This effort provides a transparent process that is focused on work load requirement and stability to meet On-Time Delivery.

Due to the pandemic, the conferences and meetings will be changing to a hybrid virtual environment.

## Appendix G – Surface Warfare (NAVSEA 21)

### B. Specific actions to identify new requirements suitable for small business participation as prime contractors

- Conduct sources sought as part of market research for acquisitions. Examples include the recent Federal Business Opportunities notice seeking information from industry including small businesses for provision of dry docks to increase capacity.
- Engage with Small Business office to assess planned requirements for small business set-aside.
- Broaden our reach beyond NAVSEA Small Business Office working directly with the Office of Small Business Programs (OSBP) to leverage the tools of the agency in aligning priorities, understanding policy direction, and identifying enhancement opportunities.
- Identify specific target areas for small business participation such as acquisition planning for fleet training systems, software development in support of SEA21/CNRMCMetrics, financial management, and operations support at SEA21 HQ and Regional Maintenance Centers.
- Align the National Defense Strategy of increasing the DoD's Industrial Base, Specifically, site operation contracts are openly solicited to industry on a 5-year cycle and specifically targeting small businesses.

### C. Explain your process for reviewing historically unrestricted procurements to determine if there are opportunities for small business participation as prime contractors.

- Acquisition process includes the use of "Sources Sought" requests as a practice. The responses to the sources sought announcement are evaluated to determine the "rule of two". First consideration is given to socioeconomic Small Business concerns. If two of any specific category are not identified, conventional Small Business is considered. To further attract Small Business, effort-specific industry days are held for every competitive procurement in excess of the Simplified Acquisition Threshold (SAT). These events are preceded by a Pre-Solicitation Announcement/Advanced Notice Announcement.
- The Combined Integrated Air and Missile Defense (IAMD) / Anti-Submarine Warfare (ASW) Trainer (CIAT) contracts leverage larger contracts for trainer development and other contract vehicles, focused on small businesses, for testing. All contracts are SeaPort-e and have small business clauses. Larger contractors routinely team with small businesses to increase the capabilities and flexibility.



## Appendix G – Surface Warfare (NAVSEA 21)

### D. Efforts taken to streamline the acquisition process

- When dealing with multiple award contracts, we strive to streamline in accordance with FAR 16.505 to the maximum extent possible. In addition, “Draft RFPs” for competitive efforts are provided to industry for comment.
- Follow the Acquisition Best Practices Guide dated June 2016 and continuously monitor current processes for improvement opportunities and implement efficiencies whereand when possible.
- Depending on requirement, maintain standard processes for all contract actionsand documentation review.
- Utilize e-milestone to ensure acquisition timelines are managed.

### E. Specific actions to increase Small Business subcontracting opportunities to include evaluating small business participation in competitive source selections and incentivizing small business subcontracting when appropriate.

- Increase both the number and diversity of small businesses. Review current and future contracts for opportunities to unbundle and separate large omnibus contracts to increase the number of contracts as small business set-asides.
- Increase the utilization of small businesses on existing contracts by reviewing contractor performance in conjunction with identifying small business expertise.
- Solicitations are reviewed by small business office for concurrence in contracting for requirements outside of small business (DD2579).
- Offerors’ Small Business Subcontracting plans are typically evaluated as part of the competitive source selection.
- During contract execution, the prime’s small business subcontracting efforts are tracked against goals via the electronic subcontract reporting system (eSRS).
- For non-SeaPort-e solicitations requiring a subcontracting plan, an evaluation factor for this element is utilized as part of source selection.
- Since each new contract includes an explanation from the prime contractor for effective use of small business participation on their proposed team, incentivize the contractor to increase their small business percentage utilization for option years.
- Specifically due to the pandemic, small businesses have been presented with a struggle to stay in business and will need to exceed previous revenue goals in order to survive. SEA21F will leverage the Washington Navy Yard HQ location to reach out to promote our local small businesses and programs. SEA21F will also seek out opportunities throughout the nation in disadvantaged locations, which would provide capabilities at the best value to the government.





## Appendix G – Surface Warfare (NAVSEA 21)

### F. Efforts to communicate with industry (in addition to those discussed in section “A” above)

- Synopsise proposed contract actions expected to exceed \$25,000 via the Federal Business Opportunities portal ([www.fbo.gov](http://www.fbo.gov)).
- Publicizing communication engagement opportunities via [www.fbo.gov](http://www.fbo.gov).
- Coordinate “one on one” meetings with small business as part of industry days and in accordance with FAR 15.201. Attend industry and academia events when possible and increase participation through virtual events and meetings.
- Utilize Request-For-Information (RFI) in support of requirement refinement while enhancing government’s knowledge of market.

### G. Efforts to publish and frequently update an accurate Long Range Acquisition Forecast

- Utilize Long Range Acquisition Forecasting (LRAF) data tools to identify small businesses in matchmaking capabilities to SEA21 requirements.
- SEA21’s Long Range Acquisition Forecast is formally briefed annually as part of NAVSEA’s Small Business Industry Days.
- Ensure small business requirements are clearly identified and procurement milestones are accurate on NAVSEA’s Small Business webpage (<https://www.navsea.navy.mil/Business-Partnerships/Small-Business-Opportunities/>).

### H. Plans to award direct Phase III SBIR/STTR as well as RIF (Rapid Innovation Fund) awards (if applicable)

- Partnering with Working Capital Fund activities and other PEOs for future SBIR opportunities.

### I. Efforts to establish goals for applying SBIR/STTR technologies in programs of record (if applicable)

- SEA21 investigates SBIR and STTR technologies for application that might fit within our Program of Record.
- Starting in FY 22 establish a SEA21 Bold Goal of increasing Small Business Percentage of contract value 8% per year, number of small business contracts by 2 per year, and 1 new small businesses each year.
- Work with USD A&S for the Indian Incentive Program, as the Indian communities had been decimated by COVID 19.
- Secure a rotational opportunity in one of DoD’s agencies to bring first hand working relationship to reach our small business goals.



## Appendix H – NAVSEA Field Activities

### Part I - Executive Summary

The Naval Sea Systems Command (NAVSEA) Field Activities, including the Warfare Centers (WCs), Shipyards, and Regional Maintenance Centers (RMCs), have engaged in collaborative efforts to create an organizational climate that advances Small Business opportunities through exceptionally managed Small Business Programs Offices. For FY2019, the NAVSEA Field activities accounted for approximately \$2.0B in obligations to Small Business, three times the amount executed at the Headquarters level. NAVSEA WCs provided 61.4% of prime contract dollars in small business in FY17 and their share has continued to remain a majority at 60.8% in FY19. We will continue to drive toward an upward trend in FY21 and FY22. Challenging initiatives at each activity continue to maximize opportunities for Small Businesses while supporting the mission of the Navy. Unique acquisition approaches have made significant and lasting contributions to NAVSEA and the DON Small Business Program.

### Part II - Portfolio Overview

NAVSEAs field activities are the centers of excellence for ships and submarines and their systems and help preserve and enhance the nation's presence on and under the seas. Our field activities provide a full-spectrum of fleet support for the Navy's ships and submarines and their systems, and associated Navy logistics systems to include:

- Research and development
- Test and evaluation
- Acquisition engineering, in-service engineering, logistics and technical support
- System integration and certification for weapons, combat systems and warfare systems
- Class maintenance and modernization planning
- Serve as the Navy's independent assessment agent throughout systems' lifecycles

Navy and maritime communities have come to depend on our expertise and innovative spirit in developing advanced platforms and systems, enhancing naval performance, integrating new technologies, and reducing operating costs.



## Appendix H – NAVSEA Field Activities

### Part III - Small Business Strategy Implementation

A. Specific efforts to increase Small Business participation in each socio-economic category utilizing Small Business Innovation Research (SBIR), Small Business Technology Transfer (STIR), Mentor Protege Program (MPP), and Other Transaction Authority (OTA) vehicles.

- The NAVSEA Field Activities regularly review SBIR/STIR Technologies for discussion with line codes for possible leveraging and continue seeking opportunities for MPP agreements, when appropriate to NAVSEA mission. In addition, many of the Warfare Centers administer OTAs that focus on innovation and technology. These efforts favor Small Businesses and offer unfettered access to technical end users. Current OTA issuing offices include NSWC Crane, Dahlgren, Indian Head, Panama City and Philadelphia, as well as NUWC Newport.

B. Specific actions to identify new requirements suitable for Small Business participation as prime contractors

- The major Field Activities within NAVSEA have adopted strategy meetings that incorporate all of the requisite acquisition stakeholders, including the Small Business Professionals (SBPs), at the very beginning of the acquisition process.
  - These meetings typically include a thorough review of the Statement of Work and all personnel and mandatory requirements to ensure that the effort meets the Government's requirements while allowing proper consideration for Small Business and removing any potential barriers of entry.
  - SBPs also scrutinize Small Business Coordination Records for adequate market research to ensure proper consideration has been provided to small business concerns. Inadequate packages are challenged and rejected as appropriate.

C. Explain your process for reviewing historically unrestricted procurements to determine if there are opportunities for small business participation as prime contractors.

- In addition to early acquisition involvement, 'sources sought' responses and participation and procurement planning meetings have become a practice at most NAVSEA Field Activities. These efforts facilitate the objective to obtain small business professional participation and contribute to the continued growth of small business participation. This early involvement helps assure that Small Business is "the first option".

D. Efforts taken to streamline the acquisition process.

- The NAVSEA Field Activities employed the SeaPort-e Multiple Award Contract (MAC) vehicle for over 15 years. Beginning in January 2019, the SeaPort-NxG MAC replaced Seaport-e and continues to provide an efficient and effective means of contracting for professional support services and enhancing Small Business participation. The SeaPort-NxG portal offers a standardized, efficient means of soliciting offers from amongst the diverse population of Large and Small Businesses and their approved team members. In addition, the elimination of geographic zones within the SeaPort NxG vehicle has opened the aperture for greater small business participation, as well as increased competition. To afford an increased opportunity for



## Appendix H – NAVSEA Field Activities

competition and small business, the first SeaPort NxG Rolling Admissions is scheduled for FY21. The tentative schedule reflects a solicitation release of January 2021, with proposals due in February, and awards made in June 2021.

E. Specific actions to increase Small Business subcontracting opportunities to include evaluating small business participation in competitive source selections and incentivizing small business subcontracting when appropriate.

- The NAVSEA Field Activities have relied heavily on the revised FAR clause, 52.219-9, to increase participation of Small Business and accountability of Prime contractors in subcontracting agreements.
- For solicitations, Small Business participation at the subcontracting level is being included in the evaluation criteria.
- Many activities have also included language in the contract prohibiting the exercise of options if Small Business subcontracting goals are not achieved.
- CPARS evaluations have been used extensively to incentivize prime contractors to meet their proposed Small Business subcontracting goals.
- To further safeguard subcontracting efforts, many activities are currently undergoing, or are scheduled to undergo, Naval Audit Service reviews to ensure contracting officials are effectively managing the Small Business subcontracting program.

F. Efforts to communicate with industry

- While most NAVSEA Field Activities have always maintained active industry engagement efforts, the 02 March 2018 memo entitled, "Engaging with Industry" has increased the frequency and level of communication with our Industry Partners. Many activities host annual outreach events, quarterly acquisition update meetings or effort-specific Industry Days. Recent events have dictated the move to virtual events, and NAVSEA Field Activities have responded to the challenge. Most Field Activities have already held at least one major virtual event, with additional events in the planning stages. One activity hosted regularly scheduled "First Thursday" presentations by small business concerns to their technical and contracting community for their consideration. These efforts have since moved to a virtual environment, and continue to add value to the acquisition process. Depending on the event, these will feature Senior Leadership or cognizant technical or acquisition personnel to interface directly with industry regarding pending opportunities or strategic changes to the Activity.
- Another recent advance in communication with industry has been the implementation of regional Tech Bridge initiatives. Tech Bridges are a connected network that enhances collaboration between Naval Labs, industry, academia and other military branches. While still in the burgeoning stages of operation, Tech Bridges possess the potential to further increase small business visibility at individual activities.

G. Efforts to publish and frequently update an accurate Long Range Acquisition Forecast

- NAVSEA HQ publishes a quarterly Long Range Acquisition Forecast (LRAF), which is populated with data from the Field Activities. Field Activities then present their specific data on the activity's website.



## Appendix H – NAVSEA Field Activities

- In addition, many Field Activities update and maintain quarterly LRAFs specific to that activity's work. This information is typically posted on the activity's small business website.

### H. Plans to award direct Phase III SBIR/STIR awards (if applicable)

- Throughout the NAVSEA Field Activities, several Phase II and III SBIR efforts are underway, with follow-ons planned when there exists work that derives from, extends, or logically concludes effort(s) performed under prior SBIR funding agreements

### I. Efforts to establish goals for applying SBIR/STIR technologies in programs of record (if applicable)

- At this time, we are not aware of any such initiative to include SBIR/STIR technologies in programs of record, but are fully supportive of any such action should it arise.