



SPAWAR

Contracting Operations and Policy Focus Areas

Sept 16, 2015

Presented to:
NCMA, San Diego Chapter

Presented by:
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SPAWAR 2.0



Agenda

▼ Who we are and what we do

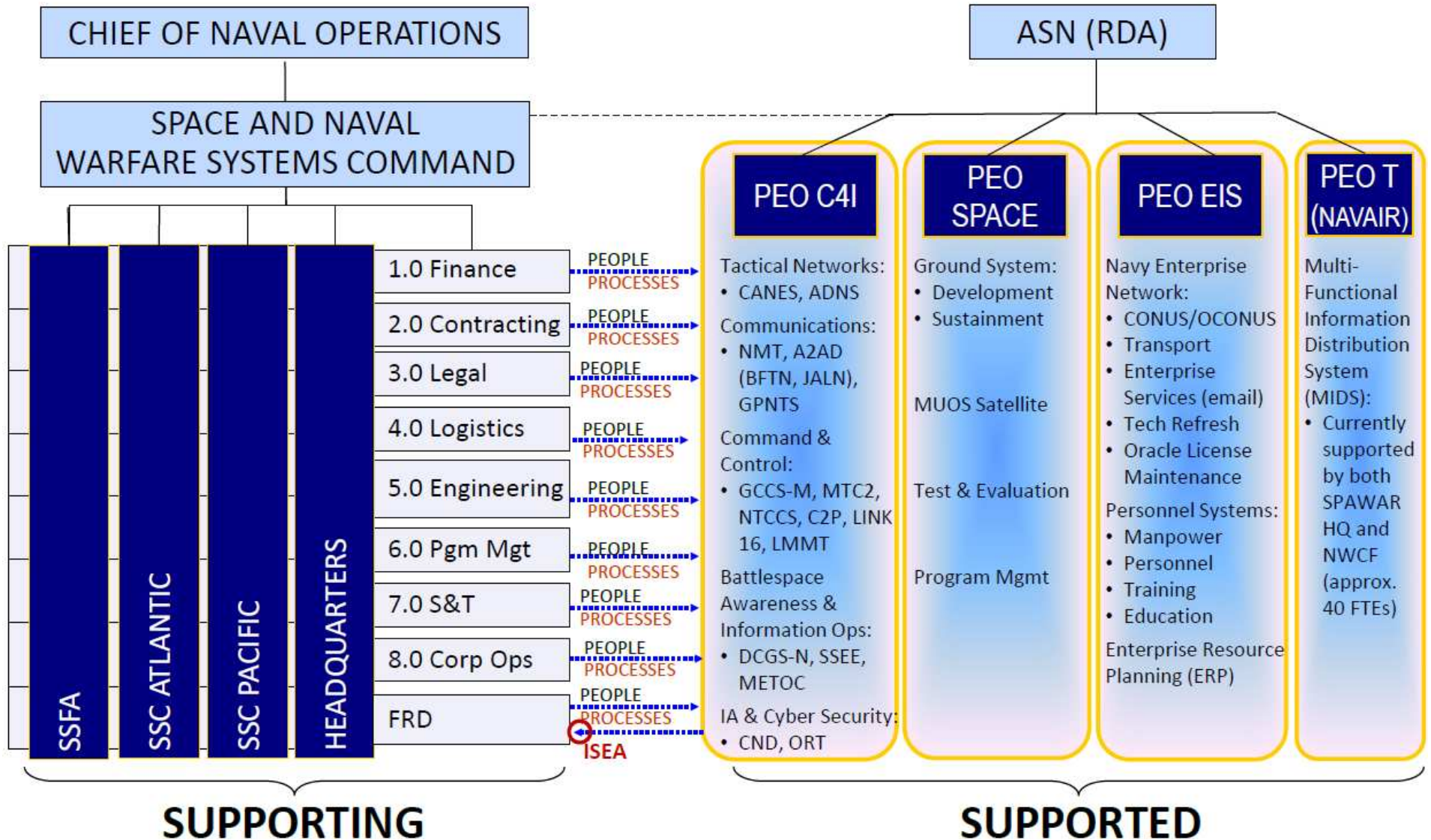
- Structure
- Strategic Framework
- Funds Flow

▼ Initiatives and Perspectives

- Improve the MAC Environment
- Evaluate, Understand and Measure what Drives Acquisition Lead Times
- Communication with Industry
- LPTA vs. Best Value

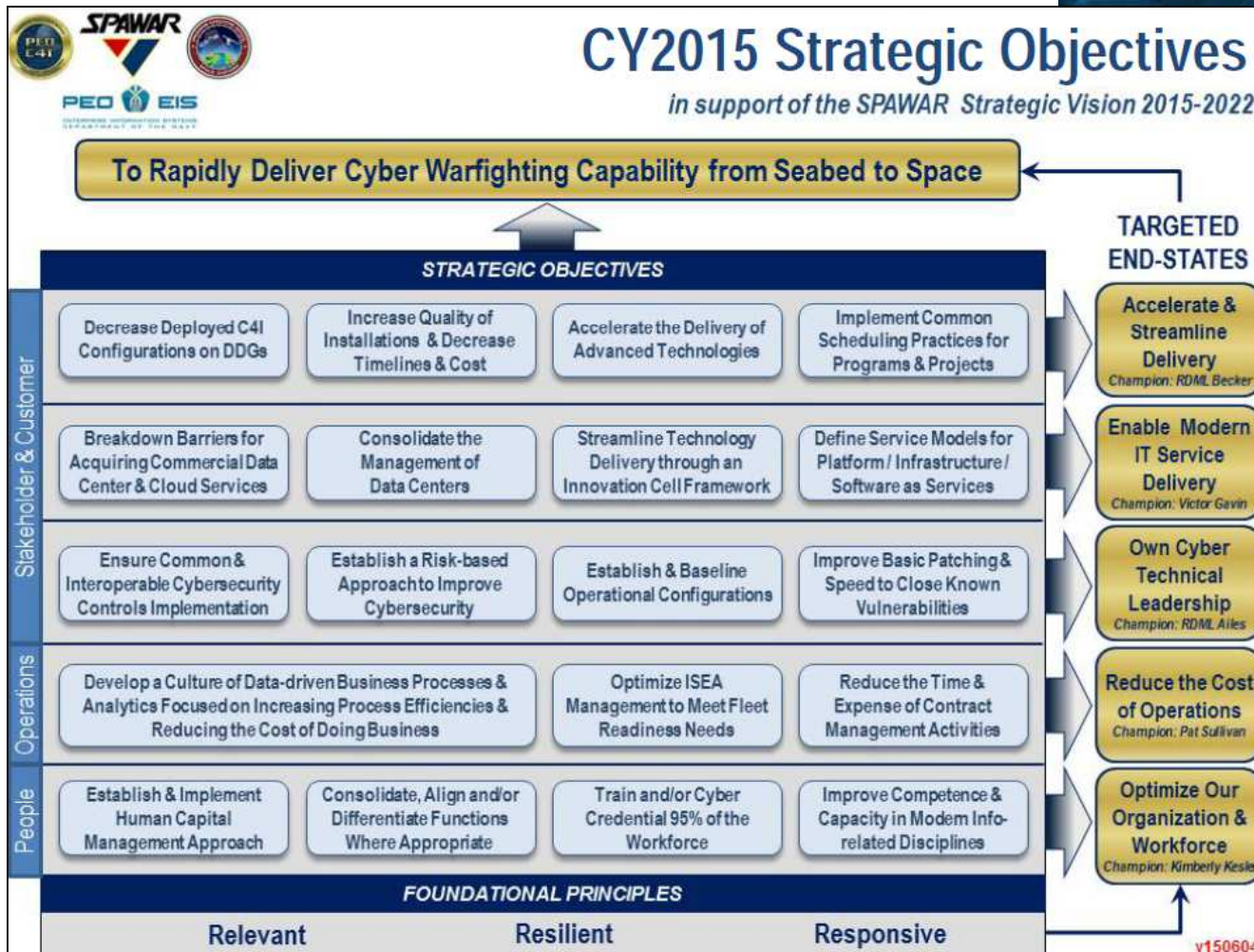


SPAWAR Supporting & Supported Command Structure



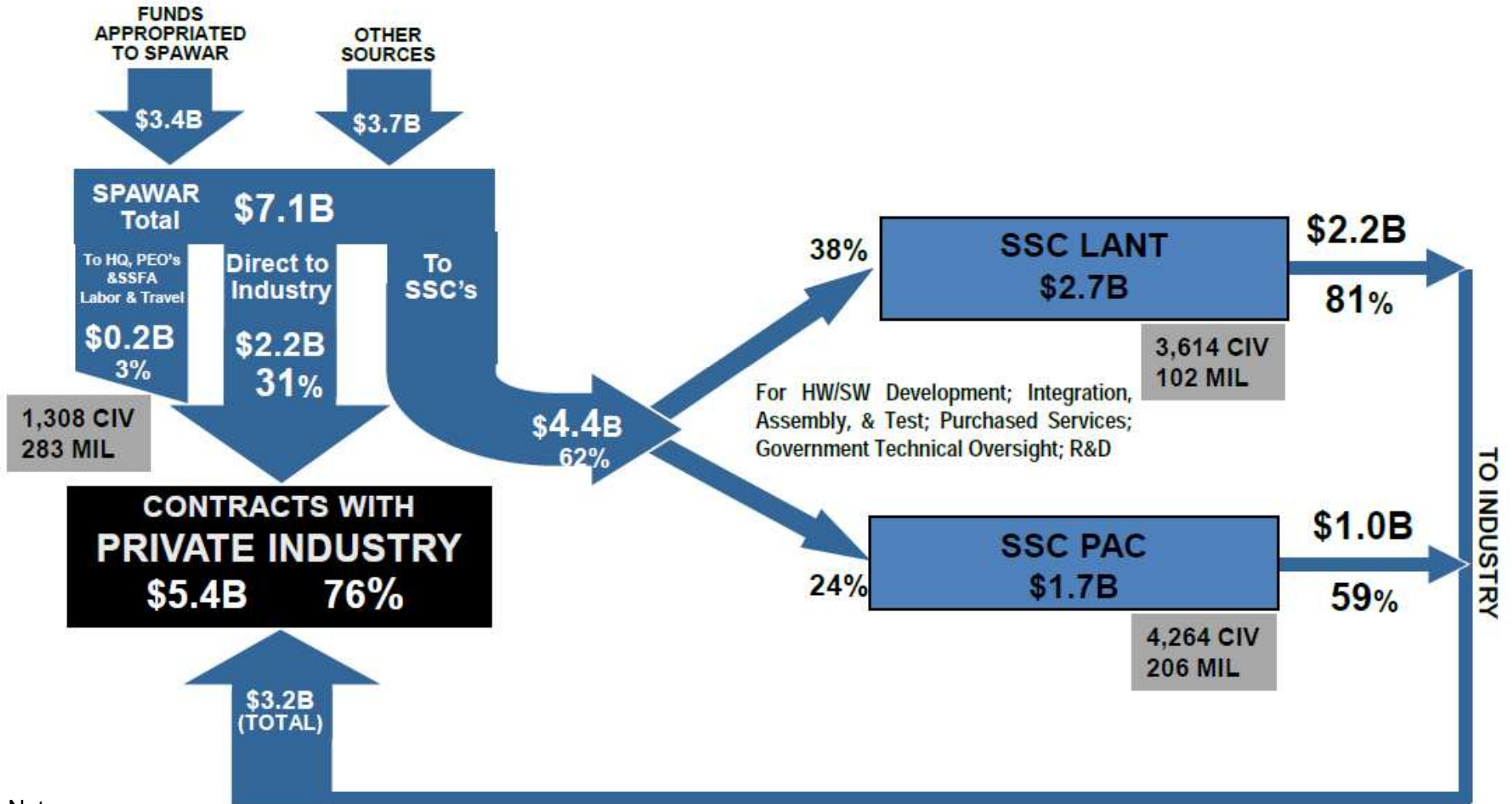


Strategic Framework





Funds Flow



Notes:

- Source: Navy-ERP
- FY2014 (without carryover)
- SSC LANT includes Norfolk and NOLA; SSC PAC includes PAC General Fund (formally NCTSI)
- Delta between SSC Inflow and Outflow to industry is primarily associated w/ NCWF Labor Costs



Improving the Multiple Award Contract (MAC) Environment

Problem

The emphasis on preference for multiple- vs. single-award ID/IQs resulted in new challenges for both government staff and industry. Open, two-way dialogue was needed to share observations and generate workable ideas for improvement.

Background / Details

Process:

1. Identified universe of MACs across SPAWAR
2. Invited industry representation
3. Solicited input and information
4. Met and agreed upon Problem Statements
 - Forecasting (of task order needs)
 - PALT (for the task orders)
 - RFPs (for the basic award)
 - Key Personnel
5. Met and agreed upon Proposed Recommendations / Considerations
6. Issued W/G White-paper

Measures

Measures of Performance (*progress indicator*):

Ease of use / level of task order award dispersion within MACs

Measures of Effectiveness (*long term end-state outcomes*):

Increased customer and industry satisfaction

Proposed Approach to Obtain Measures:

Award Data: Compare FY14, vs. FY15, vs FY16, etc.

Satisfaction Data:

- Conduct PMW Customer Survey and Industry Survey
- Reconvene meeting w/ Govt. and Industry Members of the MAC Working Group to discuss



MAC Working Group Problems and Recommendations

Problem	Recommendation
<p>Forecasting: Government does not receive the benefit of good competition on short notice TOs and MAC Holders are challenged to (1) Evaluate and assemble best team, and (2) Recruit specific and appropriately priced people for the task.</p>	<ol style="list-style-type: none">1. Develop an approach to consistently provide detailed advanced notification for planned TOs to the MAC holders.2. At MAC post-award conference and on a pre-determined recurring basis; provide MAC holders with estimated forecast/pipeline of projected Task Orders.
<p>Forecasting: RFIs do not always address all final RFP requirements, Key Personnel, Orals, Procurement Strategy, etc.</p>	<ol style="list-style-type: none">1. Government should include as much of acquisition strategy into RFI as possible or allowable.2. RFI should materially represent information in a solicitation.<ul style="list-style-type: none">• If this is not possible and when time permits, consider reissuing or amending the RFI when information becomes available.
<p>PALT: Excessive lead times drive administrative costs, staff retention issues, and schedule issues for Government and Industry.</p>	<ol style="list-style-type: none">1. Use actual procurement timelines and lessons learned from previous similar procurements to create realistic schedules and improve accountability of both internal and external stakeholders.
<p>PALT: Exceptionally long periods between proposal submittal and award are impacting the ability of contractors to provide the proposed staff.</p>	<ol style="list-style-type: none">1. Establish a basic TO procurement schedule reflecting standard events for that MAC.2. Publish the basic schedule or maintain it systemically as in the example of the Seaport-e MAC.3. Track performance against that schedule and report schedule metrics to senior Government leadership.4. Share schedule metrics , when feasible, with industry in the course of improving forecast of ID/IQ and task order activity.



MAC Working Group Problems and Recommendations

Problem	Recommendation
<p>PALT: Late award of task orders or option exercises impacts the intended procurement lead time and resource planning timeframes, increases administrative and procurement costs, and injects risk into schedule.</p>	<ol style="list-style-type: none">1. Government should adhere to the award/option exercise schedule set forth in RFP/contract.<ul style="list-style-type: none">• If schedule slippage occurs during the procurement process, the Government should review/revise the delivery/performance period to ensure minimal impact to both internal and external stakeholders.2. Contractor should submit timely post-award change proposals (Cost/Performance) reflecting RFP schedule slips which impact delivery time/performance.
<p>PALT: Inadequate planning results in exceptionally short RFP response times during task order competition and, potentially, a shortened evaluation period. Too short of a time period for non-incumbents to prepare a good response.</p>	<ol style="list-style-type: none">1. Establish standard Task Order RFP response times based on complexity of requirement and/or estimated dollar amount of task order.



MAC Working Group Problems and Recommendations

Problem	Recommendations
<p>RFP: Minimum dollar thresholds for contracts to qualify as Past Performance (PP) citations in a proposal may inadvertently limit competition.</p>	<ol style="list-style-type: none">1. Carefully consider the size of the average task order expected on the contract and establish the threshold accordingly.2. Clearly define how the dollars are to be counted to meet the threshold – Ceiling/Invoiced; Task Order/Contract for MACs; Seaport-e MAC same as GSA Schedule or SSC MAC.3. Consider if the threshold should be relative to the contract ceiling or the anticipated average size of the task orders.4. Clearly define how to account for the various types of Government contracts and whether the thresholds apply at the contract level or task order level.5. Include minimum dollar thresholds to industry as early in the process as possible, including in the RFI when appropriate.
<p>Key Personnel: In a MAC (contract level), listing Key Personnel names under the Key Personnel clause results in an unrealistic award environment.</p>	<ol style="list-style-type: none">1. Discourage the practice of requiring contractors to identify Key Personnel at the basic contract level.<ul style="list-style-type: none">• The Key Personnel individuals should be identified at the task order level, rather than under the basic contract.• This will ensure that the Government receives contractor support commensurate with what is proposed for that specific task order.2. Rather than utilizing Key Personnel during orals under a basic contract, restrict involvement of the orals team to individuals under a written employment agreement to the contractor.



Evaluate and Understand Acquisition Milestones

Problem

~~“Contracting~~ takes too long”

Acquisition

.... For a myriad of (mainly good) reasons.

Background / Details

RDA Focus:

- February and May ASN RDA meetings w/ SYSCOM 2.0's focused on Acquisition lead times and drivers.
- 2.0s collaborated to present the end to end process, choke points, and opportunities to alleviate some of the burden that adds to the schedule.
 - Findings: We're all similar in terms of the steps and processes, but different in how we capture, manage, and measure milestones.

SPAWAR HQ Efforts:

- Building understanding within 2.0 on the purpose and use of Scheduling Tools and Metrics
 - Identifying Branch-unique needs for milestone templates.

Measures

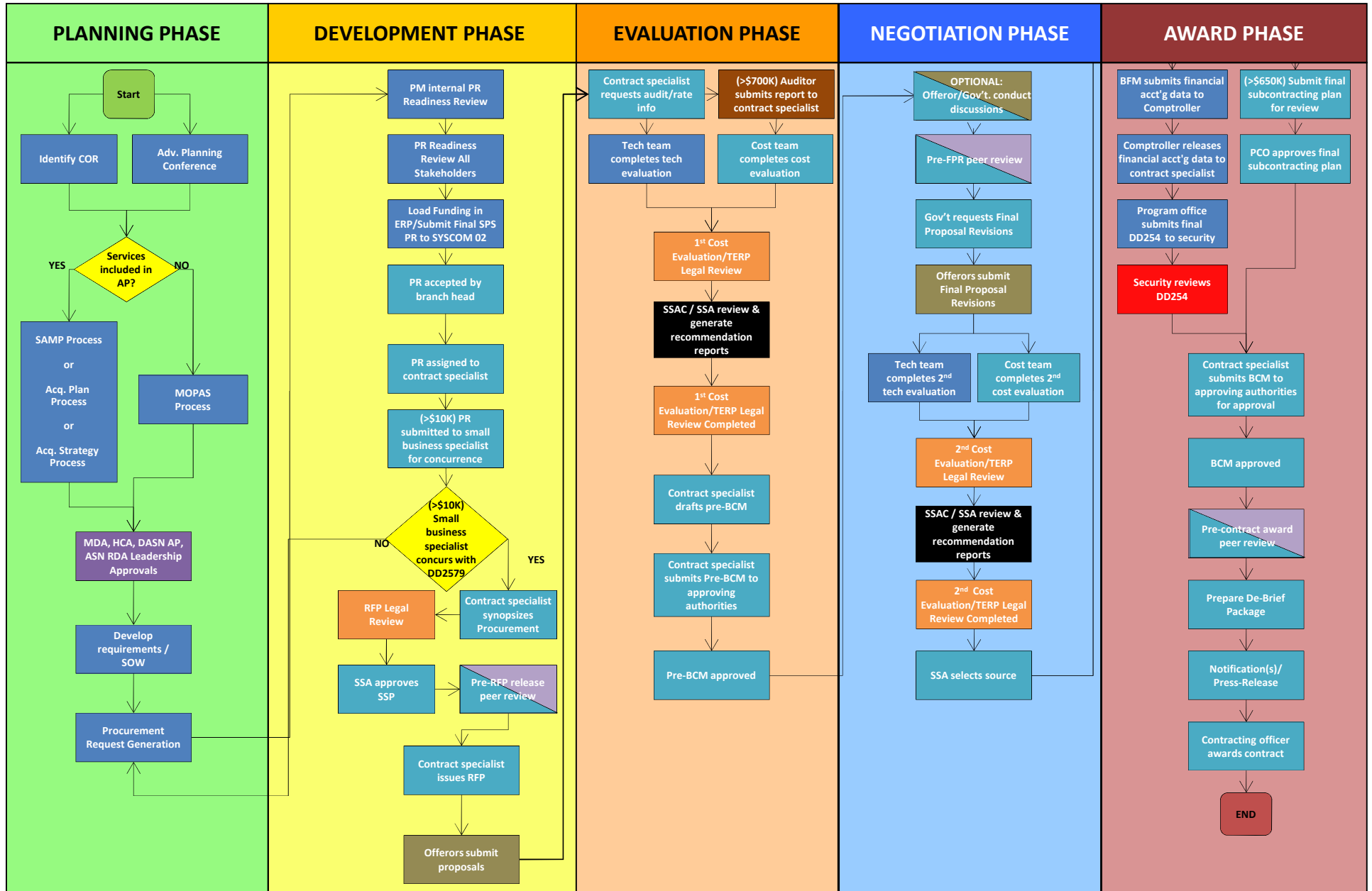
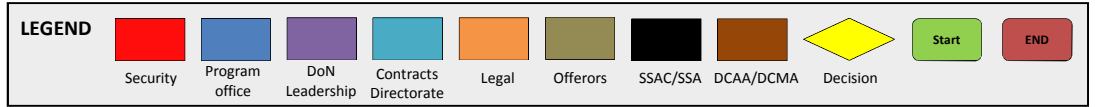
Measures of Performance (*progress indicator*):

Measure the average duration and standard deviation across SPAWAR for the various, key steps/phases of the acquisition process (Planning, Solicitation, Evaluation/Negotiation, Award) for commonly used acquisition strategies (Competitive Contracts, Sole-Source Contracts, Competitive Task Orders, Competitive SeaPort-e Task Orders)

Measures of Effectiveness (*long term end-state outcomes*):

Reduced Standard Deviation in the time taken the various acquisition steps/phases and types

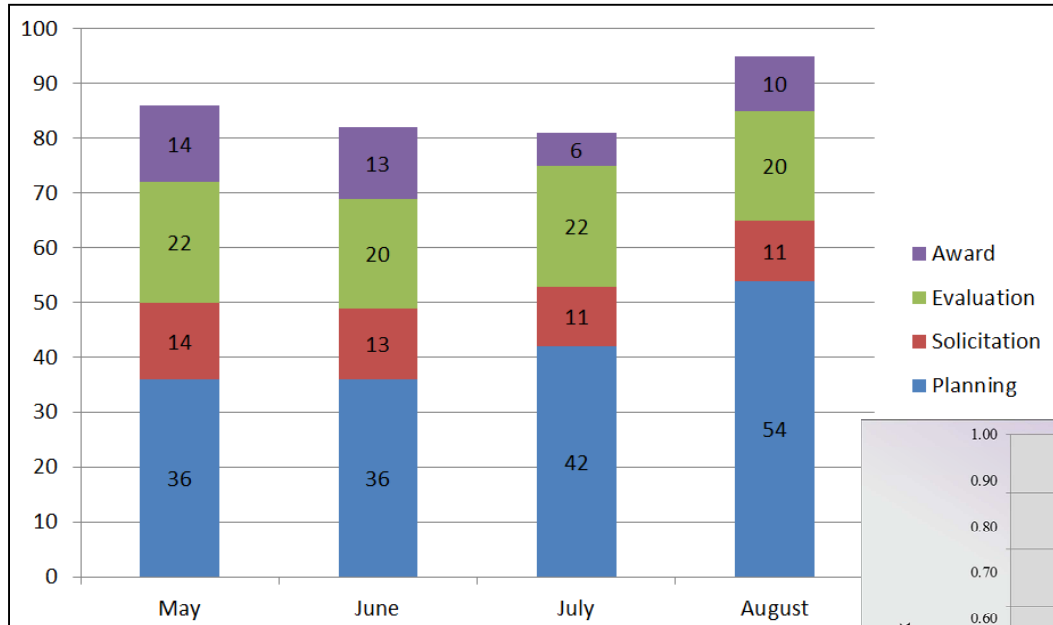
Competitive Process





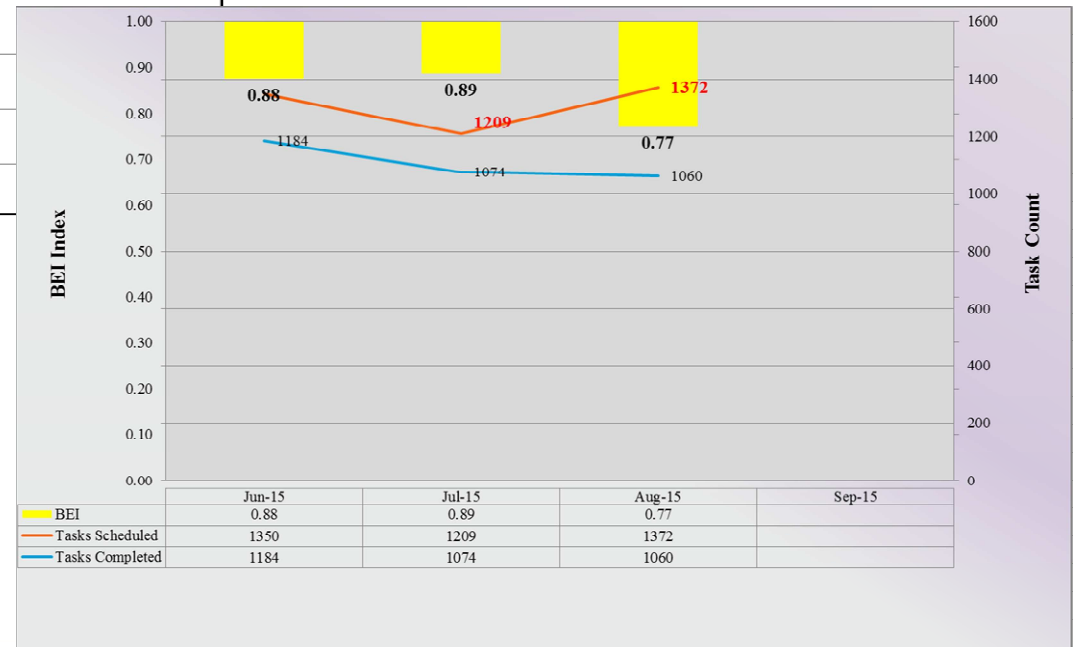
Acquisition Milestone Metrics

Acquisitions in Process



Measures the number of tasks actually completed as a percentage of those tasks that should have been completed (according to the current baseline)
 - Drilling down explains why...

Baseline Execution Index





Industry Communication

- ▼ Communication with Industry is critical to SPAWAR's ability to:
 - Keep abreast of technology and product developments;
 - Conduct market research in support of specific supply or service needs;
 - Facilitate industry's understanding of Government requirements;
 - Respond to questions and comments regarding a solicitation;
 - Execute the source selection and contract award process; and
 - Maintain a positive, ongoing contractual relationship



Myths vs. Facts

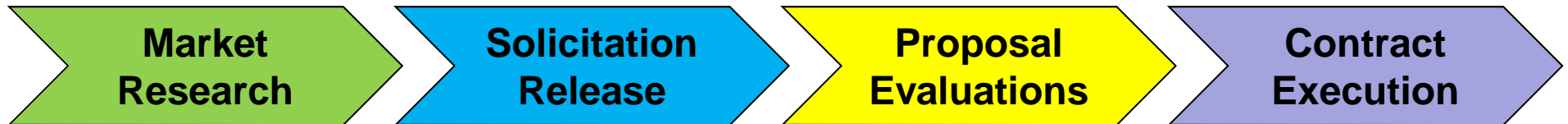
▼ Abundance of Misconceptions about Industry Communications

- OMB:
 - “Myth-Busting”: Addressing Misconceptions to Improve Communication with Industry during the Acquisition Process, Feb 2, 2011
 - “Myth-Busting 2”: Addressing Misconceptions and Further Improving Communication During the Acquisition Process, May 7, 2012
- DoD / DoN
 - DepSecDef Memo, Policy for Communication with Industry, Jun 21, 2010
 - UnderSecNav Memo, Navy Clarifying Guidance on Communication with Industry, May 4, 2011

Myths	Facts
1. We can't meet one-on-one with a potential offeror.	Government officials can generally meet one-on-one with potential offerors as long as no vendor receives preferential treatment.
2. Since communication with contractors is like communication with registered lobbyists, and since contact with lobbyist must be disclosed, additional communication with contractors will involve a substantial additional disclosure burden, so we should avoid these meetings.	Disclosure is required only in certain circumstances, such as for meetings with registered lobbyists. Many contractors do not fall into this category, and even when disclosure is required, it is normally a minimal burden that should not prevent a useful meeting from taking place.
3. A protest is something to be avoided at all costs - even if it means the government limits conversation with industry.	Restricting communication won't prevent a protest, and limiting communication might actually increase the chance of a protest – in addition to depriving the government of potentially useful information.
4. Industry days and similar events attended by multiple vendors are of low value to industry and the government because industry won't provide useful information in front of competitors, and the government doesn't release new information.	Well-organized industry days, as well as pre-solicitation and pre-proposal conferences, are valuable opportunities for the government and for potential vendors – both prime contractors and subcontractors, many of whom are small business.



Four Phases of Communications with Industry



Occurs:

Prior to solicitation release	After solicitation release through proposal receipt	From proposal receipt to contract award	After contract award through Close-out
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Characterized by:

Assessment: An ongoing process that enables the Government to keep abreast of the latest technology and product developments Investigation: Communications with potential offerors to exchange information and investigate the market specific to a defined or identified procurement	Controlled communication process to ensure industry understanding of & responsiveness to official solicitations	Controlled process to ensure the integrity of the procurement and to protect source selection sensitive information	Open and on-going dialogue with contract partners regarding contract requirements, progress, and performance
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Industry Communications – Initiatives

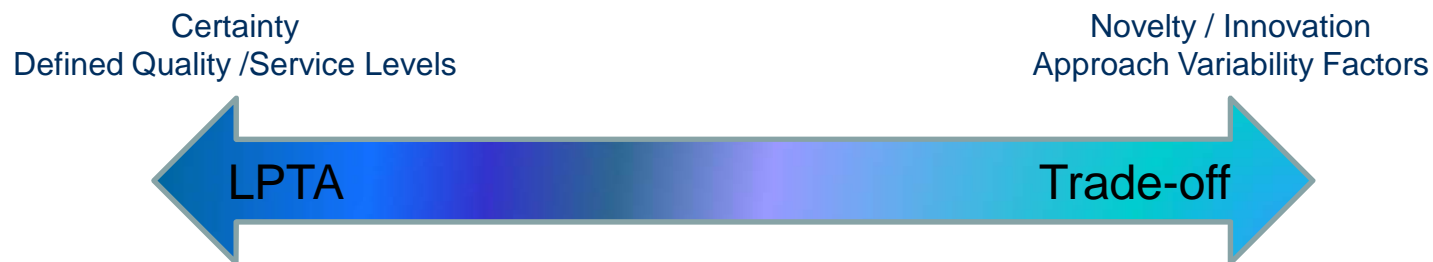
- ▼ Govt. / Industry Engagements – NDIA, AFCEA, SDMAC, CDCA
- ▼ SPAWAR Industry Executive Council
- ▼ PEO (EIS) Innovation Cell
- ▼ Small Business Roundtables
- ▼ Working Groups
 - Ex. Multiple Award Contract Working Group
- ▼ Long-Range Acquisition Forecasts
- ▼ Industry Days
- ▼ Internal Training / Guidance on Communications w/ Industry



LPTA vs. Best Value Trade Off

▼ LPTA is part of the Best Value Continuum:

- The LPTA approach is at one end of this continuum and the “technical/past performance predominates” trade-off strategy is at the other end
- The LPTA source selection process is appropriate when the “best value” is expected to result from selection of the technically acceptable proposal with the lowest evaluated price



▼ The choice to use the trade-off process, typically driven by

- Greater uncertainty in the minimum requirements,
- Necessity for innovative approaches, and
- A desire to weigh non-cost factors as a differentiator



LPTA vs. Best Value Trade Off – Thoughts

- ▼ The Trade-off process is preferred when:
 - Innovation, Approach, and/or Experience may matter
 - Discriminating Factors are identified for which a “premium” can be considered

Most often used:

Under new competitions for performance-based requirements, research and development efforts, and new systems implementations/integrations

- ▼ LPTA is typically used when:
 - Performance expectations and skill levels have been set in the SOO/SOW/PWS
 - There are no discernable factors that are worth a “premium”

When used:

There is no reason for Industry to offer to provide more than the government asked for