



A President's View: Teaming & Resourcing

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Teaming & Resourcing Agreements

Just what is the “Big Picture”
anyway?



Teaming / Resource Agreements

- What's in it for the Customer?
- What's in it for the Team?
- Benefits in market changes
- Risks of Teaming Agreements
- Fundamental Elements of Agreements
- Contracts Administration's role
- Small Businesses' Roles & Benefits



What does a “team” do?

A Team captures best the reputations and capabilities of a group of companies under one prime contract for greater work capacity, increased technical capabilities and quality performance.



What's in it for the Customer?

- Only one contract to administer:
 - Single point of contact for performance & delivery
 - Prime contractor responsible for Team Members performance & improvement
- Stable supplier base and relationships over extended time period
- Fosters speed of implementation, improvement in quality and delivery



More Customer Benefits

- Reduces administrative costs and errors
- Encourages more cost effective system
- Simplifies procurement because few organizations have all the capabilities needed for performance and delivery
- Fosters a team approach that will work together as one organization
- Keeps the customer out of the middle



What's in it for the Team?

- Each partner complements the team with unique abilities such as expertise, products facilities and technologies
- Excellent tool for meeting surge needs in resources, capabilities and personnel
- Value created through collaborative information and relationships
- Fosters trust in team and inter-relationships



More Team Benefits

- Reduces potential of complete market loss
- Enhances teams ability to strategize and diversify into new markets
- Team Members can focus on core capabilities and services
- Protects interests of Team Members
- Fosters environment for team to reduce costs, improve quality and skills



Benefits in Market Changes

- Broader market base leverages risks against loosing market share
- Enables work share opportunities between prime contractor and team members
- Fosters support for maintaining centers of excellence and core capabilities



More Market Benefits

- Team members are incentivized to improve areas of weakness
- Allows team members broader base to collaborate strategic knowledge
- Team is ready to seize rebounding markets
- Spreads capital investments and risk management throughout the team



Risks of Teaming Agreements

- Customer may not favor teaming agreement. (e.g. , competitive reasons)
 - Team members may become insolvent or financially unstable
 - Reputation or capability of one team member can effect the entire team
 - Potential for litigation among parties
 - Greater potential for OCI issues
 - Teaming Agreement expectations may differ from final solicitation's scope
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Fundamentals of Agreements

- “Boiler plate” terms and conditions
- Clauses for definitions, payment, disputes indemnity, liabilities and remedies
- Incorporate appropriate language for firewalls, level of effort, propriety information, intellectual property, etc.
- Need flexibility to periodically amend or change work scope and terms



More Fundamental Elements

- Incorporate enforceability, periodic evaluations and incentives to improve
- Need for exit strategies such as:
 - Financial or performance issues
 - Customer terminations
- Memorandums of Understanding
- Accomplish final Legal & OCI reviews



Contracts Administration's Role

- Managing risks and costs
- Developing best possible teaming partnership for the customer
- Managing team's performance
- Capturing lessons learned for future agreements
- Negotiating T&Cs, fees, amendments, sharing percentages, incentives, terminations and close-out



Small Businesses' Role

- Key for LBs to meet SB Goals
 - SBs contributions to overall program:
 - Integral part of larger, stable labor work force
 - Provide highly specialized resources, tooling and capabilities
 - Help reduce overall program cost for capital and labor expenses
 - Provide flexibility and speed in application of technology
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Small Businesses' Benefits

- Large businesses deals with customer:
 - Cash flow benefits for SBs, LB handles complicated invoice requirements
 - LB handles compliance with complicated customer or government regulations
- Small businesses can:
 - Build reputation and credibility
 - Build commitments from LBs



Small Business Growth

- Small businesses can be Prime drawing on large business's capabilities
- Small business can remain small and team with large business to enter new markets through set asides
- Large businesses often desire exclusive agreements with small businesses, guaranteeing future work based on large businesses success



Your Questions



This presentation will be available on the NCMA San Diego Chapter web site in the near future!

