



NAWCAD Acquisition and Emphasis Areas

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Presented to:

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AD SERVICES CYCLE TIME UPDATE



- **BLUF: We are seeing improvement in Competitive Services acquisitions**
- **Services contract average cycle time (ACT) RFP to Award Pax AD only:**
 - From FY14-15 RFP to Award: 280 days
 - FY16 RFP to Award: 243 days *19 actions
37 days ACT improvement FY14/15 to FY16
 - FY17 RFP to Award(to date): 217 days *24 actions
63 days ACT improvement FY14/15 to FY17

 - FY16 PPC to Award: 630 days *15 actions (4 outliers removed)
 - FY17 PPC to Award: 580 days *20 actions
50 days ACT improvement FY16 to FY17 to date



Initiatives to Reduce PALT-Pre RFP



Pre-RFP

Acquisition Cells

Improve quality of services acquisition, reduce cycle time, assist in returning the technical workforce to direct support of Fleet readiness and sustainability **(Projected reduction: 2 months—reduction in rework necessary due to policy changes/learning curve)**

Acq Strategy Docs/Events

DASN(AP) has developed streamlined acquisition strategy documents (I-STRAP with a MOPAS addendum for services). The threshold for DASN approval on the I-STRAP has been raised to \$250M. D&Fs for single award IDIQs no longer needed below \$112M threshold*. Peer reviews for competitive actions less than \$1B may be conducted locally, no longer require DASN(AP) review.

Acq Strategy Stability

The contracting strategy is now finalized at the AIR 2.5 Acquisition Review Board. Changes to the contracting strategy must be approved by the NAWCAD Leadership Team and remain stable. **NOTE: ARB includes “Competitive Level-Set” meeting content**

L&M Sections Streamlined

Reduced requirements for proposal information, more discrimination in technical factors, and overall push for a reduction in evaluation time, improvement of proposal quality, and more discrimination in non-price factors. **Seeing improved RFP quality and much less rework from Board reviews**

SOW Standardization

A Standard Work Package for SOWs has been developed to incorporate contract, comptroller, legal, and technical regulations and requirements. **(Projected reduction: 2 month—reduction in rework necessary for policy changes. SOW also incorporates funds traceability requirements)**

New STD Labor Categories (SLC)

Replaced old legacy spreadsheet with SLC Guide using DoL BLS Standard Occupational Classifications (SOC) **(Projected reduction: 14 Days)** Professional Labor categories better aligned across competencies and SOW descriptions more concise **NOTE: BLS data aids Post-RFP Cost Realism analysis – Seeing less rework on labor quals from review boards and industry feedback positive**

Section 233 Initiatives

FY17 NDAA Section 233 directs the military departments to carry out pilot program to demonstrate methods for more effective development of technology and management functions at five STRLs (NAWCAD, NAWCWD, NAVSEA Warfare Centers, SPAWAR, NRL)



Initiatives to Reduce PALT (cont)



Pre-RFP

Joint Boards

The Pre-RFP Procurement Peer Review Board (PPRB) and Legal Review Board (LRB) have been combined to one board. **(Projected reduction: 42 Days)**

AD Industry Days

Starting in March 2017, NAWCAD leadership will host semi-annual Industry Day with local companies

AD LRAF

Starting in March 2017, NAWCAD began publishing its own Qtly Long Range Acquisition Forecast for NAWCAD contract requirements **Much higher fidelity status information on upcoming business opportunities**

P/T/A Guide

NAWCAD 3Cs drafted the Purpose/Time/Amount compliance Guide to instruct AD requirements owners on “How-to” ensure PTA Compliance on CLINs and SOW Alignment. **Has reduced Section B and SOW rework and aided less rework from review boards**

Draft RFPs

Greater use of draft RFPs with Section L & M – revised Source Selection Instruction will further emphasize including draft Section L & M.

Post-RFP

Award On Initials

Continue to award majority of services contracts on Initial Proposals – eliminates avg 2-3 month “Discussions” process

Technical Evaluation Process

Further involvement from contracts and legal during the upfront portion of technical evaluations. Objective is to prevent rework and streamline the evaluation process. **(Reduction: 33% to Technical Evaluation Process—reduction due to guidance provided upfront by legal and PCO)**

Tripwires

Revision of NAVAIR Tripwire rates to more closely match other Navy SYSCOM best practices. Reduction in National L1 review and approvals.



Further Efforts to Optimize Process Efficiency



- **In work:**

- **Pre-RFP:**

- Award more stand-alone Multiple Award Contracts to simplify and reduce cycle time for recurring competitions (i.e. PM-MAC and AIR 6.0 FASTER MAC) .
 - Developed an improved “Communication Plan with Industry” and developing NAVAIR U course for Acq personnel on Communication with Industry.



FY18 NDAA Background/FAQs



- The National Defense Authorization Act for Fiscal Year 2018 (FY18 NDAA) was signed 12 DEC 2017 and became P.L. 115-91
 - Link: <https://www.congress.gov/bill/115th-congress/house-bill/2810/text>
- WHAT IS IT?
 - Authorizes FY18 appropriations and sets forth policies regarding the military activities of the DoD, military construction, and the national security programs of the Department of Energy (DoE). The bill authorizes appropriations, but **does not provide budget authority**, which is provided by separate appropriations act.
- DO WE HAVE TO COMPLY NOW? **NO***
 - Although the NDAA is law, formal rule making/implementing regulations are required. (i.e., change to FAR and/or DFARS). *Very very rare for compliance to be immediate.
- IF WE LIKE SOMETHING, CAN WE ELECT TO COMPLY NOW? **NO**
 - Local implementation in advance of regulatory rule making is not permitted.



FY18 NDAA Significant Changes



- **Sec 803: Performance of Incurred Cost Audits**
 - Authorizes hiring of commercial auditors to perform incurred cost audits to assist in eliminating DCAA backlog
- **Sec 805: Simplified Acquisition Threshold**
 - Raises **statutory** limit from \$100,000 to \$250,000. (Note: FAR amount of \$150,000 had been adjusted for inflation.)
- **Sec 806: Micro-purchase Threshold (Class Deviation from DPAP, New threshold is being implemented)**
 - Raised **statutory** limit from \$3,000 to \$10,000 (Note: FAR amount of \$3,500 has been adjusted for inflation.)
- **Sec 815: Limitation on unilateral definitization**
 - Requires the following before CO may unilaterally definitize a UCA > \$50M
 - SAE approves D&F
 - Contractor provided copy of approved D&F
 - Wait 30 days



FY18 NDAA Significant Changes



- **Sec 818: Enhanced Debriefing Rights**

- For all awards >\$100M, shall disclose SSA memo (limited redactions allowed) to all (successful and not)
- Shall disclose same to small business/non-traditional contractor, if they request, for awards > \$10M - <\$100M
- Oral or written debrief required for all awards (including task/DO) >\$10M
- New 2 business day period after debrief for unsuccessful offeror to submit additional questions AND debriefing not conducted/concluded until Agency responds in writing (5 days for agency response)
- If additional questions submitted, time for automatic stay of performance during protest counted from later of date of award or date of AGENCY RESPONSE

- **Sec 827: Pilot program on payment of costs for denied Government Accountability Office bid protests**

- SecDef to establish pilot program requiring contractors to reimburse DoD for costs on denied protests
- Pilot program shall commence on 12 Dec 2019 and conclude on 12 Dec 2022
- Applicable to protests denied under formal written opinion, contractors with >\$250M yearly revenues (in FY17 constant \$\$) and protests filed on/after 01 Oct 2019 through on/before 30 Sept 2022.



FY18 NDAA Significant Changes



- **Sec 834 : Requirement to emphasize reliability and maintainability in weapon system design**
 - Reliability/maintainability required in the performance attributes of the KKP on sustainment during the development of capabilities requirements
 - Clearly defined and measurable requirements for engineering activities and design specifications for reliability and maintainability shall be included in awarded weapon system contracts. (PM responsibility to ensure) If not included PM must justify why in writing.
 - Sustainment factors, to include reliability/maintainability shall be emphasized during source selection.
 - Use of contract incentive fees/penalties shall be encouraged. ****NOTICE TO CONGRESS** required “upon” awarding contract with EITHER****. (“Upon” suggests concurrent/post award)
 - Performance shall be assessed based on data collected during program
 - Data collection methods and metrics shall be stated in contract
 - Data to be shared with contractor to max extent
 - Requirements of this section apply during EMD & Production phases of program life cycle
 - Applies to solicitations issued on/after 12 December 2018
- **Sec 835: Licensing of appropriate intellectual property to support major weapon systems.**
 - Before selecting a contractor in EMD phase of major weapon system OR awarding a production contract for same, shall negotiate a price for technical data to be delivered under such contracts. (Days of NSP CDRLS may be over)
 - Applies to solicitations issued on/after 12 Dec 2018
 - Ensuring appropriate actions have been taken to negotiate and enter into a contract or contract options for the technical data required to support the program now **REQUIRED ELEMENT** to obtain M/S B approval
 - Specially negotiation license rights preferred approach



FY18 NDAA Significant Changes



- **Sec 846: Procurement through commercial e-commerce portals**
 - Requires GSA to establish commercial e-commerce portals to enhance competition, expedite procurement, enable market research and ensuring reasonable pricing for commercial items
 - OMB in charge of implementation. Portals to be in place/active NLT 12 Dec 2019
- **Sec 847: Revision to definition of commercial item**
 - Sales to “multiple” foreign governments will qualify item as commercial
- **Sec 848 : Commercial item determinations**
 - Prior determination supporting FAR Part 12 award SHALL stand unless SAE determines in writing it is no longer appropriate to procure using FAR Part 12 procedures
 - Withdraws authority to procure a prior FAR Part 12 item using FAR Part 15 procedures absent such SAE D&F
- **Sec 849 Review of regulations on commercial items**
 - SecDef shall conduct review all FAR/DFAR clauses required in FAR Part 12 contracts for certain laws and provide report to Congress to include, as appropriate, proposed legislation to eliminate requirement as well as proposed DFARS changes to implement. Due NLT 12 Dec 2018.



FY18 NDAA Significant Changes



BRIDGES are BAD!

- **Sec 851: Improvement of planning for acquisition of services**
 - SecDef shall ensure: “appropriate and sufficiently detailed data are collected and analyzed to support the validation of requirements for services contracts and inform the planning, programming, budgeting, and execution process of the Department of Defense” & that “requirements for services contracts are evaluated appropriately and in a timely manner to inform decisions regarding the procurement of services.”
 - Starting in FY23 detailed info/breakdown by service type required to support review of PRESBUD
 - SecDef level analysis of services spend patterns and planned requirements within DoD and across military departments now required----data and support from military service Secretaries required by law.
 - BRIDGE contracts: Effective 01 Oct 2018, SecDef shall ensure requirements owners conduct adequate planning to avoid need for bridges.
 - **First** time bridge required due to inadequate planning, requirements owner, along with contracting officer/rep shall:
 - Brief commander/senior civilian on bridge status/rationale for contracts < \$10M
 - Brief same to SAE for contracts =>\$10M
 - **Second** time < \$10M, notice to Vice Chief of Armed Force/ SAE required. (Limited Exceptions: Contingency, humanitarian)
 - Strangely, no language for second time => \$10M, nor is there anything about bridges due to lack of planning beyond second instance.



FY18 NDAA Significant Changes



- **Sec 861: Contract authority for advanced development of initial or additional prototype units**
 - Competitively awarded contract for basic research may include a CLIN or option for advanced development/prototyping/initial production technology, provided:
 - Not more than \$100M (FY17 constant \$\$),
 - max term of 2 years.
- **Sec 863: Education and training for transactions other than contracts and grants**
 - SecDef to ensure folks doing OTAs obtain adequate training.
 - Minimum training and certification requirements to be established
- **Sec 864: OTA authority for certain prototype projects**
 - Dollar thresholds doubled
- **Sec 867: Preference for use of other transactions and experimental authority.**
 - Preference to be established for using OTAs, cooperative agreements or grants for the execution of science and technology and prototyping programs
- **Sec 868 : Prototype projects to digitize defense acquisition regulations, policies, and guidance, and empower user tailoring of acquisition process.**
 - SecDef “shall conduct development efforts to develop prototypes to digitize defense acquisition regulations, policies, and guidance and to develop a digital decision support tool that facilitates the ability of users to tailor programs in accordance with existing laws, regulations, and guidance”



FY18 NDAA Info/Watch Items



- **Sec 886 : Development of Procurement Administrative Lead Time**
 - SecDef to establish common DoD wide definition of “Procurement Administrative Lead Time” or “PALT that describes the amount of time from the date on which a solicitation is issued to the date of an initial award of a contract or task order. NOTE: Excludes requirements development phase! SecDef can determine other start/stop events.
 - Measurement and public reporting for all actions above SAP required.

- **Sec 887 : Notional milestones and standard timelines for contracts for foreign military sales**
 - Standards to process FMS efforts to be established to “.. cover the period beginning on the date of receipt of a complete letter of request (as described in chapter 5 of the Security Assistance Management Manual of the Defense Security Cooperation Agency) from a foreign country and ending on the date of the final delivery of a defense article or defense service sold through the foreign military sale.”
 - Reporting \$ threshold: Cases involving any equipment > \$1M



FY18 NDAA Info/Watch Items



The following changes do not require any specific actions, but may result in audits, data calls or future guidance:

- **Sec 802: Management of intellectual property matters within the Department of Defense.**
 - Requires new policy on the acquisition or licensing of intellectual property to facilitate coordination, consistency and awareness by “Program Managers” of Govt and Contractor rights.
 - Requires cadre of SMEs at OSD level to provide consistent, strategic and knowledgeable advice on IP matters – **NEW CAREER PATH TO BE ESTABLISHED.**
 - SMEs to be assigned to Program Offices/ Acquisition Command.
- **Sec 820: Change to definition of subcontract in certain circumstances**
 - Subcontracts exclude “agreements entered into by a contractor for the supply of commodities that are intended for use in the performance of multiple contracts with the Federal Government and other parties and are not identifiable to any particular contract.”
- **Sec 822: Use of lowest price technically acceptable source selection process**
 - Further refines conditions established under Sec 813 of FY17 NDAA for use of LPTA to provide flexibility to use LPTA for products that are non-complex/technical and/or have short shelf life
- **Sec 837: Should-cost management.**
 - BBP tenants on Should Cost to be codified/permanently memorialized in DFARS



FY18 NDAA Info/Watch Items



- **Sec 844** : **Extension and modifications to acquisition demonstration project**
 - Sunset of acq demo extended from 31 Dec 2020 to 31 Dec 2023
 - Limit on number of participants increased from 120,000 to 130,000
- **Sec 850**: **Training in Commercial Item Procurement**
 - NLT 12 Dec 2018, DAU to develop new comprehensive course on Commercial Item procurements
 - Enrollment goals to be established and monitored/reported on
- **Sec 852** : **Standard guidelines for evaluation of requirements for services contracts**
 - Requires SecDef to encourage use of standard guidelines for evaluation of requirements for service contracts.
 - These guidelines shall be available to all SRRBs as defined in DoD 5000.74, Acq of Services
- **Sec 853**: **Report on outcome-based services contracts.**
 - SecDef report on merits of use of outcome based service contracts in DoD due to Congress NLT 01 April 2018



Standard Labor Category Guide





Communication Plan with Industry





Strategic Source Vehicles

